

Understanding U.S. Customs Documentation and Requirements

**Peter Baish, President
pjb international,LLC**

Getting Your Goods Through U.S. Customs and Border Protection

- Customs has changed: Onus is the importer!
- Do your homework! The importer is responsible to do things correctly
- Customs has moved from a transactional view to an audit/compliance driven approach
- Knowledge and planning are more important today

**Holds and physical examinations
cost time and money!**

The U.S. Import Process and Documentation

- No “**import license**” is required but an importer number is!
- A critical document is your **commercial invoice--no** form but should:
 1. **Describe** the item clearly: Detailed description of the merchandise with the names by which items are known, the grade and quality, and the symbols and marks under which items are sold in the country of exportation
 2. Give the **quantity**: in weights and measures
 3. State the **value** (either price paid, or estimated value based on other considerations.) Give both the value in foreign currency and U.S. dollars.
 4. Country of **Origin** (where the item was made)
 5. Where it was **purchased**
 6. **Name** of the business or person selling the merchandise
 7. **Location** of the business or person selling the merchandise
 8. **Name and address** of business or person buying the merchandise, and if different from the importer,
 9. The **U.S. address** of the person or business the goods are being shipped to.

Other documents/forms?

For commercial goods *over* \$2000USD:

- Entry Summary (CBP 7501)
- Customs Bond (CBP 301)
- Packing Lists
- Carrier Documents (Bills of Lading, AWBs)
- Other Border Agency Forms, Licenses, Permits and Certificates (if required--depends on the commodity and origin)

Increasingly electronic!

Details, Details, Details

The “**Big 3**” items in any Customs Transaction:

1. **Classification:** Use HTS number
2. **Value:** Use “Transaction Value” but beware
3. **Origin:** Not as easy as it sounds!

Can get complicated! CBP encourages visits to the local port’s Import Specialist

Do yourself a favor and hire a Customs Broker!

“As an importer, you have the option of hiring a Customhouse broker to file your entry with CBP, or you can do it yourself - although there are so many details ... we strongly advise using a broker...**Because filing a formal entry is so complicated, CBP suggests you consider hiring a Customs Broker to clear your goods for you.**”--*CBP Website*

**Especially in the beginning, the broker
needs to pay attention!**

Questions to make sure you hire a good broker!

- Does your firm have a specific area of expertise?
- How do you let your clients know of regulatory changes that affect the goods they import or export?
- Do you have experience with and current knowledge of the goods that will be imported by my business? Can you provide me with some references from clients who import the same or similar items?
- What do you require from me to begin development of my database records?
- How will we work together to develop a compliance plan to clarify our responsibilities and minimize our exposure to penalties ?
- Can you communicate electronically with me, my vendors, carriers, CBP, and other government departments?
- What has your company done to prepare for 10 + 2 and other issues that require advance electronic communication of data?

Keep asking questions!

- How can you help me prepare and comply with these requirements?
- What are your release procedures?
- What are your accounting procedures? What are my payment options? Will you require a deposit from me to cover duties and taxes?
- What are your charges based upon?
- How do you define any “consulting” that may be required?
- What are my billing options? Is there a minimum or maximum fee?
- Should an error be made in calculating the amount owed to CBP, what are your recovery procedures? What are my obligations?
- What information do you have concerning US import issues that I may find useful?
- How many Licensed Customs Brokers do you have on staff? Will one of these individuals be handling my importations?
- Are you affiliated with any non-U.S. customs brokers? Carriers? Freight Forwarders?
- Can you provide me with a regular report that details my import and export history?
- Are you a member of the National Customs Brokers & Forwarders Association of America (NCBFAA)?

There are possible bumps in the road !

- Security Filings: ISF and 10 + 2
- Lacey Act: Wood and Wood Products
- CPSIA: Consumer Product Safety Improvement Act of 2008
- Bioterrorism Act of 2002 (FDA prior notice)
- International Plant Protection Convention (IPPC): Wood Packing Material (WPM) certification and fumigation
- Shady practices!

Resources

- *Importing into the United States: A Guide for Commercial Importers*
<http://www.cbp.gov/linkhandler/cgov/newsroom/publications/trade/iius.ctt/iius.pdf>
- U.S. Customs and Border Protection: www.cbp.gov
- CROSS: <http://rulings.cbp.gov/>
- HTS Website: Dataweb@usitc.gov
- The Journal of Commerce (paid) <http://www.joc.com/>
- American Shipper (paid)
<http://www.americanshipper.com/newweb/index.asp>
- WorldTrade\INTERACTIVE <http://www.strtrade.com/wti/register.asp>
- Law Office, George Tuttle <http://www.tuttlelaw.com/>
- Global Trade News <http://international.ups.com/>
- The Ex/Im Daily Update: Send request to James.Bartlett@NGC.com