

TIPS FOR NEW

Importers and Exporters

INTRODUCTION

This information was obtained from the U.S. Customs and Border Protection Website at www.cbp.gov.

In order to avoid potential problems in the clearance of your merchandise, U.S. Customs and Border Protection (CBP) strongly recommends that you familiarize yourself with CBP policies and procedures prior to actually importing/exporting your goods. You should also be aware of any entry requirements specific to the particular commodity you are importing/exporting, including those of other federal agencies. To assist you, we offer the following tips for new importers and exporters.

What kind of license is required to import merchandise into the United States?

CBP does not require an importer to have a license or permit, but other agencies may require a permit, license, or other certification, depending on the commodity that is being imported. CBP acts in an administrative capacity for these other agencies, and you may wish to contact them directly for more information. You can find links to other government agencies and departments at <http://www.usa.gov/>.

A-Z Index of U.S. Government Departments and Agencies

http://www.usa.gov/Agencies/Federal/All_Agencies/index.shtml

There is a listing of other government agencies in the appendix section of the publication "Importing Into the United States."

Importing into the United States

<https://www.cpsc.gov/PageFiles/113831/iius.pdf>

You may also need a license from local or state authorities to do business. CBP entry forms do ask for your importer number: this is either your IRS business registration number, or if your business is not registered with the IRS or you do not have a business, your social security number will be sufficient. As an alternative, you may request a CBP assigned number by completing a Customs Form 5106 and presenting it to the Entry Branch at a CBP port of entry.

CBP Form 5106

http://forms.cbp.gov/pdf/CBP_Form_5106.pdf

Customs and Border Protection (CBP) Web site

The U.S. Customs and Border Protection (CBP) Web site contains valuable information for the new or experienced importer.

CBP INFO Center maintains a data base of questions and answers that can be searched by topic.

Frequently Asked Questions

<https://help.cbp.gov/app/home/search/1>

We recommend that importers review the topics on the CBP Trade page. In particular, we suggest viewing the information contained in the section titled Basic Importing and Exporting.

Basic Importing and Exporting

<http://www.cbp.gov/trade/basic-import-export>

There are many topic-specific links to explore. This will lead you to information on CBP import requirements, arrival of goods, formal entry vs. informal entry, classification, protest, mail shipments, restricted merchandise and more. For other agency requirements you may need to meet, and if you become a frequent importer with higher valued shipments, we recommend you read Importing into the United States.

Importing into the United States

<https://www.cpsc.gov//PageFiles/113831/iius.pdf>

This publication contains more in-depth information and is valuable reading for anyone seriously venturing into the importing business.

We also urge you to read the informed compliance material on the CBP Web site. CBP has prepared a number of Informed Compliance Publications (ICPs) in the "What Every Member of the Trade Community Should Know About..." series on a variety of issues.

Informed Compliance Publications

<http://www.cbp.gov/trade/rulings/informed-compliance-publications>

If your business will cause you to travel in and out of the country, we recommend that you review the traveler information in the Know Before You Go!

Know Before You Go

<http://www.cbp.gov/travel/>

Security Filing "10+2"

<http://www.cbp.gov/border-security/ports-entry/cargo-security/importer-security-filing-102>

Cargo arriving via ocean needs a security declaration known as the [Importer Security Filing](#) filed prior to sailing.

Port of Entry

Prior to importing, you may contact the CBP office at the port of entry where your merchandise will enter the United States.

A complete directory of the various ports of entry can be found on the CBP Web site.

Locate a Port Of Entry Air, Land, or Sea

<http://www.cbp.gov/xp/cgov/toolbox/contacts/ports/>

If you are unsure of or haven't decided the port where your shipment will arrive, or you are looking at importing through multiple ports, you may contact a service port of entry near you.

Ask to speak with a CBP import specialist assigned to the commodity you are importing. Import specialists are a valuable resource for commodity specific knowledge and can provide classification advice, commodity specific requirements, advisory duty rates, and respond to questions you may have about filing an entry. At many ports, entry specialists handle questions regarding entry filing. Entry specialists work closely with import specialists and provide the technical processing expertise required to file the necessary paperwork.

When calling the port, the importer should be able to provide as much detail regarding the transaction as possible. In order for the import specialist to best assist you, it is important you be able to exactly describe the merchandise you are planning to import. In order for the import specialist to best assist you, you should provide a full and complete description of the article and answer specific questions such as: 1) the country of origin of the merchandise and manufacturer; 2) the composition of the merchandise; 3) the intended use of the item; and 4) pricing/payment information (in order to properly determine the value of the shipment).

For more information on the classification of merchandise, consult the Harmonized Tariff Schedule (HTS) which contains the actual HTS number and tariff classification guidelines that explain how to properly classify merchandise.

By Chapter, Harmonized Tariff Schedule of the United States

<http://www.usitc.gov/tata/hts/bychapter/>

Binding Ruling

Importers can request a written ruling from CBP for the proper HTSUS classification and rate of duty for their merchandise.

For information on CBP ruling letters, review *What are Ruling Letters*.

What are Ruling Letters

http://www.cbp.gov/xp/cgov/trade/legal/rulings/ruling_letters.xml

When requesting a binding ruling, importers should follow the procedures outlined in Part 177 of the Customs Regulations (19 C.F.R. 177). Research the results of previous ruling requests by using the Customs Rulings Online Search System (CROSS).

CROSS

<http://rulings.cbp.gov/>

CBP may have already issued rulings on products similar to yours that you can use for guidance. CROSS also addresses other issues such as value, country of origin marking, and applicability of trade preference programs. The CROSS database is searchable by key word.

Exporting

If your future plans call for exporting merchandise from the U.S., you should review the information found in the Export section of CBP's website.

Export Documents, Licenses and Requirements

<http://www.cbp.gov/trade/basic-import-export>

Although CBP enforces many export regulations for various other government agencies, specific questions pertaining to licensing requirements for a particular commodity should be directed to that lead agency. Other agency contact information as well as commodities that may require export licenses can be obtained by visiting the U.S. Department of Commerce, Bureau of Industry and Security Web sites

U.S. Department of Commerce, Bureau of Industry and Security

<http://www.bis.doc.gov/>

Questions regarding export licenses may also be directed to CBP officers at the port where the merchandise will exit the country.

Locate a Port Of Entry Air, Land, or Sea

<http://www.cbp.gov/xp/cgov/toolbox/contacts/ports/>

Another resource is the Department of Commerce's Trade Information Center which you can call at 1-800-USA-Trade or visit their website at www.Export.gov.

Entry Filing

Although certain resident importers and exporters may file entries on their own behalf, many first time importers and exporters consult a licensed customs broker.

Those importing merchandise for their own use often hire a customs broker, particularly if they find the importing procedures complicated; however, they may make entry on their own. Importers wishing to consult the professional services of a Customs broker may do so.

Remember, even when using a broker, you, the importer of record, are ultimately legally responsible for the correctness of the entry documentation presented to CBP and all applicable duties, taxes and fees.

Quotas

You should research general quota information and quota requirements for certain commodities prior to importing into the United States.

Import quotas control the amount or volume of various commodities that can be imported into the United States during a specified period of time. United States import quotas may be divided into two main types: absolute and tariff-rate. Absolute quotas usually apply to textiles and strictly limit the quantity of goods that may enter the commerce of the United States during a specific period. Currently there are no commodities subject to absolute quota restrictions. Tariff-rate quotas permit a specified quantity of imported merchandise to be entered at a reduced rate of duty during the quota period. Once a quota has been reached, goods may still be entered, but at a higher rate of duty.

Quota information is available on the CBP Web site.

Textiles and Quotas

<http://www.cbp.gov/trade/nafta/guide-customs-procedures/provisions-specific-sectors/textiles>

This section contains links to information on subjects such as determining whether imported goods are subject to quota restraints.

Are My Goods Subject to Quota?

<http://www.cbp.gov/trade/quota/quota-restrict>

A Guide to Import Goods

<http://www.cbp.gov/trade/quota/guide-import-goods/commodities>

Fill levels for agricultural quotas and textiles eligible for trade preference programs are tracked on the Commodity Status Report for Tariff Rate Quotas.

Commodity Status Report for Tariff Rate Quotas

<http://www.cbp.gov/trade/quota/tariff-rate-quotas>

General quota information and instructions for specific quotas are available to CBP field offices and the trade as Quota Book Transmittals.

Quota Book Transmittals (QBTs)

<http://www.cbp.gov/trade/quota>

Exam Billing

You may receive a bill if your shipment is examined by CBP.

Under Title 19, section 1467, of the United States Code (19 U.S.C. 1467), CBP has a right to examine any shipment imported into the United States and it is important to know that you, the importer, must bear the cost of such cargo exams. Per the CBP regulations, it is the responsibility of the importer to make the goods available for examination-- "The importer shall bear any expense involved in preparing the merchandise for CBP examination and in the closing of packages" (19 C.F.R. 151.6). Household effects are not exempt. No distinction is made between commercial and personal shipments.

In the course of normal operations, CBP does not charge for cargo examinations. However, there may still be costs involved for the importer. For example, if your shipment is selected for examination, it will generally be moved to a Centralized Examination Station (CES) for the CBP exam to take place. A CES is a privately operated facility where merchandise is made available to CBP officers for physical examination. The CES facility will unload (devan) your shipment from its shipping container and will reload it after the exam. The CES will bill you for their services. There are also costs associated with moving the cargo to and from the exam site and with storage. Rates will vary across the country and a complete devanning may cost several hundred dollars. The CES facility fulfills the needs of both CBP and the importer by providing an efficient means to conduct exams in a timely manner. CES facilities are discussed in part 118 of the Customs Regulations.

For deeper understanding of this issue, consider the Shap Blog: [Examining the Issue: A Behind the Scenes Look at Customs Inspections](#).

ABOUT SHAPIRO

Shapiro, a third generation family-owned business founded in 1915, provides creative and flexible logistics services. With six offices, over 100 employees, and worldwide strategic alliances, Shapiro is the supply chain partner that delivers customized, compliant, and reliable solutions to address your specific import and export needs. Only Shapiro has an experienced and personable staff that truly cares about your company and commits themselves to proactively achieving your business goals.

Baltimore Headquarters
1215 E. Fort Ave. Ste 201
Baltimore, MD 21230

Phone
1-888-you-1915

www.shapiro.com

you@shapiro.com