



Introduction

United States Customs & Border Protection (CBP) requires a licensed Customs House Broker to file a formal custom's entry and pay duties and taxes before the consignment is admitted into the country.

It is important to note that consignments destined to the United States are subject to rigorous screening before a consignment is loaded on board a vessel at the point of origin.

There are several types of customs entries but, generally Shippers and Receivers select one of the following options:

- Customs clear the consignment and pay duties and taxes at the port of entry.
- Customs clear the consignment for transfer into a Foreign Trade Zone (FTZ) where payment of duty can be deferred until the consignment is formally entered into the USA for domestic consumption.
- Customs clear the consignment 'in bond' for domestic delivery to an inland Customs approved warehouse or for 'trans-shipment' to another country.

Currently, three of C.Steinweg Baltimore's warehouses are FTZ approved.

Document Requirements before Arrival in the United States

ISF Filing

As of the 26th January 2010 the Importers Security Filing (ISF) is required for any cargo(s) shipped to the USA by Ocean vessel in containers (LTL or FCL) to be lodged with CBP in the USA three (3) business days prior to the vessel sailing from port of origin.

1. First time Importers must sign an ISF Authorization Agreement and there may be penalties imposed by CBP for late submission of documents.
2. The importer of record – which may also be the shipper – is obligated to file a "BOND" with CBP for the purpose of filing an ISF.

Currently there are two options to obtain such a bond;

- a. For a 'one time' shipment this may be a SINGLE BOND costing US\$100.00. We understand that the number of ISF filings under this scenario is limited and the bonding company could require collateral of significance, which can be held for (6) six years.*
- b. The importer may apply for an ANNUAL BOND costing US\$500 plus an administration fee of US \$150.00, which is the same as the customs bond as described below under the "Customs Bond", which can be used for both ISF filings as well as other customs formalities.

3. A U.S. Customs Required Data Element Form can be completed by the Shipper, or the Shipper's agent, directly which will be used for entering the required data into the customs ISF portal. If Steinweg is to file the ISF on your behalf, our information request must be received in our office five (5) business days before the vessel is loaded.*

**Please apply to Steinweg Baltimore for further details*

Customs Bond

The importer of record – which may also be the shipper – is obligated to file a “BOND” with CBP in order to import a consignment into the USA. Once this is accomplished a ‘customs entry’ may be submitted to CBP to allow the consignment to proceed into the USA.

Currently there are two options to obtain such a bond;

- a. For a ‘one time’ shipment this may be a SINGLE BOND costing US\$5.50 per USD\$1,000 *ad valorem*; or
- b. If it is anticipated that there will be regular shipments, the importer may apply for an ANNUAL BOND costing US\$500.00 plus an administration fee US\$150.00. Applicants will need to complete a Bond Application* and provide a recent financial statement.*

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Document Requirements to effect Customs Clearance into the United States

Customs Clearance

This is the process where all CBP formalities are attended to and all Duties and Taxes are paid before the consignment leaves the port of entry. On completion, the consignment is no longer under CBP supervision and can freely move in the US.

1. For customs clearance the following documents must be completed and provided to us by the importer of record prior to shipment unless these are already on file with us;
 - a. Power of attorney* (this allows our Customs Broker to act on behalf of the cargo interest)
 - b. U.S. Bond number (annual continuous bond) – See ‘Customs Bond’ above.
2. The following documents should be provided to us by the Shipper and/or Receiver prior to arrival of the vessel at port of entry.
 - a. One Original bill of lading, suitably endorsed, or an ‘express release’ from the steamship line
 - b. Commercial invoice. If the consignment has not yet been sold, CBP will accept a pro-forma invoice.
 - c. Packing list
 - d. Certificate of Origin
 - e. Chemical analysis
 - f. TSCS Statement (for chemical substances)
 - g. A current Material Safety Data Sheet (MSDS).

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Transfer to a Foreign Trade Zone (FTZ)

This allows cargo interests to move the consignment under CBP supervision to an approved FTZ for storage. Duty, Merchandise Processing Fees and Anti-Dumping Fees (if applicable) are deferred until the consignment is removed from the FTZ for domestic consumption. The Harbor Maintenance Fee is payable at this time.

1. For FTZ entry the following documents must be provided to us by the importer of record prior to any shipment unless these are already on file;
 - a. Power of attorney* (this allows our Customs Broker to act on behalf of the cargo interest)
2. The following documents should be provided to us by the Shipper and/or Receiver prior to arrival of the vessel at port of entry.
 - a. One Original bill of lading, suitably endorsed, or an 'express release' from the steamship line
 - b. A commercial invoice OR:
 - c. A pro- forma invoice. (In cases where the consignment entered into the FTZ has not yet been sold).
 - d. Packing list
 - e. Certificate of Origin
 - f. Chemical analysis
 - g. TSCS Statement (for chemical substances)
 - h. A current Material Safety Data Sheet (MSDS).

To remove the consignment – full or partial – from the FTZ, a complete customs entry has to be made and duties & taxes paid must be paid on the balance being customs cleared and delivered out.

The following document should be submitted

1. A commercial invoice to complete the customs formalities.
2. Note: If a consignment was originally customs cleared into the FTZ with a commercial invoice instead of a pro-forma invoice, CBP will use the value declared on the commercial invoice at time of entry irrespective of any subsequent changes in the value.

**Please apply to Steinweg Baltimore for further details*

Reconciliation

CBP require that the cargo interest described as the Importer on the original customs entry into the United States must report any differential in the value of the consignment declared on arrival and the final sales price.

This may be the case if the shipper and the consignee are shown to be the same entity and an 'internal value' is used to customs clear at the port of arrival and later the consignment is sold at 'market price' to a third party.

Generally Reconciliations have to be completed twice per annum, and it is the responsibility of the original cargo interest to advise either Steinweg or their Customs Broker, *before the consignment is exported at the point of origin*, that reconciliation will be necessary.

See http://www.cbp.gov/xp/cgov/trade/trade_programs/reconciliation/reconciliation.xml