

Import/Export Compliance Best Practices	SUBJECT Customs And Border Patrol (CBP) Regulations Regarding Importing Products Into The United States	LAST UPDATE July 2019
	APPLIES TO • Distributors • Suppliers	FOCUS ON Guidance for manufacturers, importers, distributors and retailers when importing products into the United States.
	QUICK LINKS • PPAI Corporate Responsibility: www.ppai.org/corporate-responsibility • UL: industries.ul.com/premiums-promotional-and-licensed-goods • Consumer Product Safety Commission: www.cpsc.gov	

Intended for beginner compliance programs

Italic grey text indicates a hyperlink listed in the Online Resources section of this document.

The Consumer Product Safety Commission's (CPSC) Office of Import Surveillance works closely with U.S. Customs and Border Protection (CBP) to identify and examine imported shipments of consumer products. As part of this effort, the CPSC has co-located investigators at many of the largest ports of entry who work side-by-side with CBP staff. CPSC also works to educate importers, manufacturers, and customs brokers on the CPSC's standards and procedures.

United States Customs And Border Protection

Each year, more than 11 million maritime containers arrive at U.S. seaports. At land borders another 11 million arrive by truck and 2.7 million by rail. CBP is responsible for knowing what is inside, whether it poses a risk to the American people, and ensuring that all proper revenues are collected.

Additionally, CBP has broad law enforcement authorities tied to screening all foreign visitors, returning American citizens, and imported cargo that enters the U.S. at more than 300 land, air and sea ports.

Inspections at the port are typically triggered by repetitive use of foreign manufacturers found in violation for:

- Incorrect filing on manufacturer ID on entry
- Class of products under review by CPSC to monitor compliance
- Monitoring a firm under a consent order

To avoid pitfalls that could delay product clearing the port:

- Make sure certificates are readily available
- Ensure goods are classified appropriately
- Include product details on all invoices
- Make sure third party testing labs are accredited by CPSC

CBP.gov is the government's online source for credible border security information. CBP is the unified border agency within the Department of Homeland Security (DHS) charged with the management, control, and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping

terrorists and terrorist weapons out of the country, enforcing hundreds of U.S. laws, and enhancing the nation's global economic competitiveness by enabling legitimate trade and travel.

The information provided in this document is intended only to promote understanding of and compliance with laws and regulations surrounding imported products. Importers should seek specific guidance from experts who specialize in importing.

Importing Responsibility

Both CBP and the importing community have a shared responsibility to comply with all applicable laws and regulations. The importing community is expected to be aware of all entry requirements for imported products.

Requirements for importing specific commodities depend on a wide variety of criteria. Some information, such as whether an item is subject to quota restrictions, eligible for reduced rates of duty, or restricted from entry because it originates in an embargoed country, are determined by the *Harmonized Tariff Schedule (HTS)* classification number. The HTS provides applicable duty rates for virtually every item that exists and statistical categories for all merchandise imported into the U.S. based on the international Harmonized System. The *Harmonized System* is the global system of nomenclature that is used to describe most goods. It is important to note that the CBP is the only agency that can provide legally binding advice or rulings on classification of imports.

The U.S. International Trade Commission *Tariff Database*, is an interactive data base that provides an approximate idea of the duty rate for a particular product. Note that the duty rate a company requests is based on the information provided. The actual duty rate of the item may differ from the approximation.

CBP is responsible for determining the duty rate for imported products. For specific duty information on a particular item, a company may request the CBP provide a Binding Ruling. Guidance can also be obtained by calling a local CBP port.

Country Of Origin

All products imported for use in the U.S. must be marked with the country of origin unless exempted. Sometimes it is difficult, or impossible, to mark certain items such as diamonds, flowers, or water. *Chapter 13 of NAFTA: A Guide To Customs Procedures* offers guidance for handling exemptions. Country of origin marking is used to clearly indicate to the ultimate purchaser of a product where it is made. *North American Free Trade Agreement (NAFTA)* marking rules are also used to determine the rate of duty, staging, and country of origin applicable for NAFTA goods.

In the U.S., the marking statute requires that, unless excepted, every article of foreign origin (or its container) imported into the U.S. shall be marked with its country of origin. *Section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304). Paragraph 1 of Annex 311 of the NAFTA* provides that the NAFTA parties shall establish "marking rules" to determine when a good is produced by a NAFTA country. The marking rules established by the U.S. are set forth in *19 CFR Part 102* and are used to determine the country of origin. The marking rules are distinct from the rules of origin that are used to determine whether a good is originating under Article 401 of the Agreement. The marking rules are all based on a tariff change and are largely the same in all three NAFTA countries.

Intellectual Property Rights (IPR)

The distribution of many trademarked and copyrighted items in the U.S. is restricted by contractual agreements that give exclusive rights (*intellectual property rights IPR*) to specific companies or individuals to distribute the product in this country. If a company other than the contracted company attempts to import a product covered by such an agreement, it could be seized at the border.

CBP targets and seizes imports of counterfeit and pirated goods, and enforces exclusion orders on patent-infringing and other IPR violative goods.

License

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. Links to other government agencies and departments are available at *USA.gov*. In some cases, it is necessary to obtain a license from local or state authorities to do business.

CBP entry forms require an importer number. That number is typically either an IRS business registration number or Social Security number. Alternatively, the company may request a CBP assigned number by completing a *CBP Form 5106* and presenting it to the Entry Branch at a CBP port of entry.

Import/Entry Specialists

CBP import specialists are assigned by commodity and are a valuable resource for commodity specific knowledge. They can

provide classification advice, commodity specific requirements, advisory duty rates, and respond to questions regarding filing an entry summary. At many ports, entry specialists handle questions regarding entry filing and work closely with import specialists to provide the technical processing expertise required to file the necessary paperwork.

Summary

Circumstances change every day, and it is advisable to call your *local port* for specific guidance in importing your particular commodity. CBP also advises anyone involved in importing to review their series of *Informed Compliance Publications*. They provide detailed guidance on importing a variety of items.

Source: No Claim to Original U.S. Government Works. The content in this best practice was obtained from the United States Customs and Border Protection website (CBP) with minimal adaptation.

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Online Resources:

Customs and Border Protection (CBP): www.cbp.gov/

USA.gov Branches of Government:
www.usa.gov/branches-of-government

Department of Homeland Security (DHS): www.dhs.gov/

Importing into the United States - A Guide for Commercial Importers:
www.cbp.gov/sites/default/files/documents/Importing%20into%20the%20U.S.pdf

CBP Form 5106:
<https://www.cbp.gov/document/forms/form-5106-importer-id-input-record>

Harmonized Tariff Schedule (HTS):
<https://www.usitc.gov/tata/hts/index.htm>

Tariff Database: <https://dataweb.usitc.gov/>

Harmonized System Nomenclature:
<http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition.aspx>

World Trade Organization (WTO): <https://www.wto.org/>

Consumer Product Safety Act (CPSA):
<http://www.cpsc.gov/PageFiles/105435/cpsa.pdf?epslanguage=en>

Consumer Product Safety Improvement Act (CPSIA):
<http://www.cpsc.gov/en/Regulations-Laws--Standards/Statutes/The-Consumer-Product-Safety-Improvement-Act/>

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