

Shipping to the U.S.:

Completing and adjusting the entry summary

An overview of the entry summary process

Your entry summary is one of the most important documents you will submit to Customs during the importing process. The documents in your entry summary package essentially work as a receipt for Customs to help agents determine the duty you owe. Therefore, ensuring that your entry summary documentation is accurate is crucial. Getting it wrong could mean that you pay the wrong amount of duty, and incur hefty penalties as a result.

Even when you take pains to make sure your documentation is accurate and complete, you might make a mistake. This overview of entry summaries will also show you how to correct an error before Customs has the chance. Read on to learn which type of entry summary you should file, and how to file properly to avoid fines.

Three types of entry summaries

There are three main types of entry summaries that you can file depending on the type of goods you are shipping. Your imported goods are not legally entered (registered) until Customs releases the goods, and you pay the estimated duties and taxes. You or your broker must file an entry summary (Customs form 7501), and pay duties within 10 days of the date of release for your goods to be registered in the U.S.

Choosing the correct type of entry summary as it applies to your shipment is crucial so that Customs can accurately assess how much duty you owe.

Informal (Consumption) entry

Informal entries cover goods in personal shipments, commercial shipments and mail shipments that are brought into the U.S. for consumption (use or sale). In most cases,



Learn how to complete an entry summary form properly.

you can submit an informal entry if the merchandise is valued at US\$2,000, or less. You can also submit an informal entry summary if you are importing goods that you originally exported from the U.S. with a value of less than US\$10,000. Note that this only applies to imports for repairs or alteration, or imports rejected being returned for credit. This rule does not apply to goods re-sold.

When you submit an entry summary for goods returned, U.S. Customs allows for duty-free treatment. To qualify for this type of informal entry summary, the goods must be in the same state as when they were first exported from the U.S. The goods must have been originally exported without the benefit of duty drawback, as well.

Even if your shipment is valued at less than US\$2,000, there are some cases when an informal entry is not appropriate. These cases include shipping textiles, certain types of footwear, and other goods subject to quota/visa restrictions.

Formal (Consumption) entry

Formal entries are generally commercial shipments of goods that will eventually be used in U.S. commerce. Usually, they have a commercial value of more than US\$2,000. When you file a formal entry summary, a surety bond is required to ensure U.S. Customs that you will be compliant and pay duties on your shipment. The bond also allows the importers to take possession the payment of duties/fees. Even when the entry is finalized or liquidated, U.S. Customs may revise the estimated duties if agents discover problems with the documentation.

Temporary Importation Bond entry

When you are shipping products to the U.S. temporarily, you may be exempt from paying duties if you file a Temporary Importation Bond (TIB). Temporary shipments usually include goods entering the U.S. for the purpose of repair, alteration, processing, as tools of the trade, and trade show goods. Customs allows an importer to keep the goods in the U.S. for a period of one year. You can extend a TIB entry for one additional year twice, but all goods entered under the TIB must be exported. For example, a shipment of trade show goods can not include show give aways, these will need to be entered under a separate consumption entry.

When you export the goods out of the U.S., you must make it explicit to U.S. Customs that they were in the country on a TIB to avoid paying duties, as the TIB needs to be canceled. This involves stopping for export inspection to ensure all export documentation is in order and signed off by U.S. Customs.

Adjustments to the Customs entry

After an entry summary has been filed with Customs, the importer of record still has the opportunity to review their documentation for the shipment, and make changes as necessary until Customs calculates the duty owed. U.S. Customs usually completes its final computation of duties (referred to as liquidating an entry) within 314 days of when you file your entry summary. Customs may also choose to review the HTS classification, shipment valuation, or other required information included with your shipment prior to liquidating.

If you need to make a change, you or your broker will submit a Post Entry Amendment (PEA). You can submit a PEA any time after filing your entry summary up to 20 working days prior to the scheduled liquidation date.

You would make adjustments to your entry summary for two reasons:

- You want to protest Customs to recover duties, fees, or taxes.
- You want to report and correct errors you made when filing your entry summary.

If your shipment gets rejected by Customs

Despite your best efforts to comply with CBP regulations, Customs may reject your shipment if it finds an issue with your documentation or your goods. If Customs agents are not satisfied with the entry after inspection, Customs Border Protection (CBP) may take one of the following actions:

Notice of Redelivery

U.S. Customs may issue a Notice of Redelivery demanding that a shipment to be redelivered to Customs custody after it has been released. Reasons for redelivery include a marking issue on the shipment, or a refusal of admission from a Participating Government Agency (PGA), such as the Food and Drug Administration.

Customs Form 28 (CF 28)

A CF 28 is a request for additional information about a shipment issued by U.S. Customs to an importer. Most often, Customs will issue this form if they have doubts about the shipment value you reported. It may seem like it is in your best interest to present Customs with the lowest value to obtain the lowest duty on the shipment, however, declaring an accurate value will help you to avoid information requests, which can result in Customs increasing the amount of duties owed.

If U.S. Customs were to present you with a CF 28, you would respond with the NAFTA determination, a commercial invoice, your company financials and purchase orders, and the product description. Usually, you have 30 days to respond to the request.

Form 29 (CF 29)

U.S. Customs may present you with a CF 29 Notice of Action which informs you about a change in how your entry is being liquidated. CF 29 usually follows the issuance of a CF 28. It can involve penalties, fines, additional duties, HTS classification change, taxes or even denial of NAFTA status for future imports into the U.S. Usually, you have 20 days to dispute the charges proposed.

Recovery and protest

Within 180 days of liquidation or another decision you have the option to protest the decision, and receive an administrative review. You file your protest with the port director whose decision you are protesting. At the time you file the initial protest, you may make a request for further review, which is usually granted provided the circumstances warrant it.

Customs will mail you or your broker a notice of the denial of all or part of your protest. At this point, you may contest the denial by filing a civil action in the United States Court of International Trade.

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