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Kamino Air Import



Reasonable Care

The "Mod" Act

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act, also known as the Customs Modernization or "Mod" Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws. The Mod Act gave birth to two new concepts – "informed compliance" and "shared responsibility." Both are premised on the idea that in order to maximize voluntary compliance with U.S. Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. To that effect, the idea of shared compliance was born. Shared compliance means that Customs and Border Protection (CBP) communicates requirements to the importer, and in return, the importer uses reasonable care to assure that CBP is provided accurate and timely data pertaining to the importation of goods.

How can an importer exercise reasonable care?

Key to your success as an importer, reasonable care requires some specific elements.

- Consider retaining an expert to assist in complying with Customs requirements. Or refer to Title 19 of the Code of Federal Regulations, the Harmonized Tariff of the United States, Customs Bulletin Board, Customs Website, or other research to facilitate compliance with Customs laws and regulations.
- Appoint a knowledgeable point person within your organization to review Customs forms, ensure accuracy, and complete documents. Implement a system to advise CBP of needed corrections in a timely manner and to keep records of the transactions.
 - When using an expert, be sure to discuss your importations in advance with that person and provide him or her with full, complete, and accurate information about the import transaction.
- Ensure that identical transactions or merchandise are handled in the same manner at different ports or CBP offices within the same port.



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Things to consider. . .

- Do you have a reliable procedure to ensure that you know what you ordered, where it was made, and what it is made of?
- Do you have written procedures to ensure that you provide a correct tariff classification of your merchandise to CBP?
- Do you have established procedures to know the price paid or payable for your merchandise? Do you know the terms of sale; whether there will be rebates, tie-ins, indirect costs, additional payments; whether assists were provided, commissions or royalties paid? Are amounts actual or estimated? Are you and the supplier related parties?
- Have you taken reliable measures to determine the correct country of origin for the imported merchandise?
- Have you established a reliable procedure to permit you to determine whether your merchandise or its packing bear or use any trademarks or copyrighted matter or are patented, and if so, that you have a legal right to import those items into, and/or use those items in, the U.S.?
- Have you taken measures or developed reliable procedures to ensure that your merchandise complies with other government agency requirements?
- Have you taken measures or developed reliable procedures to check if your goods are subject to a Commerce Department dumping or countervailing duty investigation or determination, and if so, have you complied or developed procedures to ensure compliance with Customs reporting requirements upon entry?
- Is your merchandise subject to quota/visa requirements, and if so, do you have a reliable procedure to provide a correct visa for the goods upon entry?
- Have you taken steps to ensure that you are filing the correct type of Customs entry?

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 USA.gov. There is a listing of other government agencies in the appendix section of the publication [Importing Into the United States](#). 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 CBP Form 5106 and presenting it to the Entry Branch at a CBP port of entry.



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

<https://www.cbp.gov/trade/basic-import-export/importer-exporter-tips>



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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 this website. 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.

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](#). 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 \(CROSS\)](#). 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.

The CBP Website also contains valuable information regarding exporting.

If your future plans call for exporting merchandise from the U.S., you should review the information found in the [Export section of this website](#). 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. Questions regarding export licenses may also be directed to CBP officers at the port where the merchandise will exit the country. Another resource is the Department of Commerce's Trade Information Center which you can call 1-800-USA Trade or visit their website [Export.gov](#).

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. Customs brokers are licensed by CBP, but are not CBP employees. To view a list of customs brokers licensed to conduct CBP business in a specific port, select the Port you expect to use. Many service port pages have a list of customs brokers. Please note these lists may not be all inclusive and those brokers appearing on the list are not endorsed by CBP. There is also an Informed Compliance Publication about [customs brokers](#). Remember, even when using a broker, you, the importer of record, are ultimately responsible for the correctness of the entry documentation presented to CBP and all applicable duties, taxes and fees.



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Importer Security Filing (ISF/"10+2") mandatory for ocean vessel shipments.

On January 26, 2009, the new rule titled Importer Security Filing and Additional Carrier Requirements (commonly known as "10+2") went into effect. This new rule applies to import cargo arriving to the United States by vessel. Failure to comply with the new rule could ultimately result in monetary penalties, increased inspections and delay of cargo.

What is an Importer Security Filing? Under the new rule, before merchandise arriving by vessel can be imported into the United States, the "Importer Security Filing (ISF) Importer," or their agent (e.g., licensed customs broker), must electronically submit certain advance cargo information to CBP in the form of an Importer Security Filing. This requirement only applies to cargo arriving in the United States by ocean vessel: it does not apply to cargo arriving by other modes of transportation.

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

Where can I Find More Information?

For more detailed information about the Importer Security Filing requirements, please see CBP's webpage on [Importer Security Filing](#). You will find a link to Frequently Asked Questions and recordings of recently conducted ISF webinars for small to mediums entities. Additional assistance may be available from your licensed customs broker, freight forwarders, trade associations and local trade centers.

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 [Quota](#) page. This section contains links to information on subjects such as determining whether imported goods are subject to quota restraints. [A Guide to Import Quotas](#) provides additional quota information. Fill levels for agricultural quotas and textiles eligible for trade preference programs are tracked on the [Commodity Status Report](#) for Tariff Rate Quotas. General quota information and instructions for specific quotas are available to CBP field offices and the trade as [Quota Book Transmittals](#).

<https://www.cbp.gov/trade/basic-import-export/importer-exporter-tips>



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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.

Some information requested from CBP can only be provided through Freedom of Information Act (FOIA) procedures.

When members of the trade community or individuals from the public request information from CBP, there are circumstances when the information being sought can be provided only if the request is pursuant to the provisions of the Freedom of Information Act (FOIA). The CBP Web site has a comprehensive explanation of the agency [FOIA program](#), including background and general information about FOIA law, FOIA regulations, and specific instructions making a FOIA request.

For general CBP inquiries, please call the CBP INFO Center Monday-Friday, between 8:30 a.m. and 5 p.m. Eastern Time.

General Inquiries: (1-877) CBP-5511

International Callers: (202) 325-8000

TDD: (1-866) 880-6582

We recommend you first try to find the information you want by using the [CBP INFO Center's FAQ tool](#). It has more than 500 answers about CBP policies and procedures.

<https://www.cbp.gov/trade/basic-import-export/importer-exporter-tips>

CUSTOMS BONDS:

A customs bond, whether continuous or single, is there to serve as financial protection for you, the importer, and all other parties involved in international trade. Customs bonds ensure that required fees and duties are paid to the appropriate parties after importing into the United States. Available as a continuous or single purchase, you should consider which best suits your import needs.

Either bond is required for commercial imports valued at \$2,500 or more. A single-entry bond is generally in an amount not less than the total entered value, plus any duties, taxes, and fees. For cargo that is regulated by another agency, i.e. FDA, bond will be 3x the total entered value. The amount of any CBP bond must not be less than \$100, except when the law or regulation expressly provides that a lesser amount may be taken. A single-entry bond will only cover one import transaction and must be filed at specified ports of entry.

A **single-entry customs bond, or SEB**, serves the same basic purpose as a continuous entry bond. It is meant to ensure that all applicable duties and taxes are paid to the CBP upon arrival in the United States.

However, a single-entry bond can only be applied to a single shipment or transaction, and it must be specific to a pre-specified port of entry. For the purposes of a SEB, a single shipment is defined per the Master Bill of Lading (MBL). Multiple containers can therefore be covered if they are all included on the same MBL.

A continuous customs bond will renew annually and allow for ongoing imports at any port of entry. Continuous bonds stay in place until canceled.

A **continuous customs bond** is one that you can renew indefinitely. When you initially purchase a continuous customs bond, it will be effective one year from the date of issue. At the time of purchase, an importer can choose to set the bond to renew automatically at the end of each fiscal year.

There are multiple benefits to obtaining a continuous bond if you are a commercial importer who receives shipments year-round or more than four in a single year.

Some of these benefits of a continuous customs bond include:

- The ability to apply to multiple shipments.
- Automatic renewal
- Being acceptable at any U.S. port of entry
- Usable by multiple customs brokers (if necessary)

Purchasing a continuous customs bond for your shipments may provide you with peace of mind knowing that all taxes and duty fees will be paid to the U.S. Customs and Border Protection (CBP) correctly, regardless of when or where your products are coming in.

Customs Trade Partnership Against Terrorism (CTPAT) is but one layer in U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security. CTPAT is a voluntary public-private sector partnership program which recognizes that CBP can provide the highest level of cargo security only through close cooperation with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. The Security and Accountability for Every Port Act of 2006 provided a statutory framework for the CTPAT program and imposed strict program oversight requirements.

A Growing Partnership

From its inception in November 2001, CTPAT continued to grow. Today, more than 11,400 certified partners spanning the gamut of the trade community, have been accepted into the program. The partners include U.S. importers/exporters, U.S./Canada highway carriers; U.S./Mexico highway carriers; rail and sea carriers; licensed U.S. Customs brokers; U.S. marine port authority/terminal operators; U.S. freight consolidators; ocean transportation intermediaries and non-operating common carriers; Mexican and Canadian manufacturers; and Mexican long-haul carriers, all of whom account for over 52 percent (by value) of cargo imported into the U.S.

How CTPAT works

When an entity joins CTPAT, an agreement is made to work with CBP to protect the supply chain, identify security gaps, and implement specific security measures and best practices. Applicants must address a broad range of security topics and present security profiles that list action plans to align security throughout the supply chain.

CTPAT members are considered to be of low risk and are therefore less likely to be examined at a U.S. port of entry.

CTPAT Benefits

CTPAT Partners enjoy a variety of benefits, including taking an active role in working closer with the U.S. Government in its war against terrorism. As they do this, Partners are able to better identify their own security vulnerabilities and take corrective actions to mitigate risks. Some of the benefits of the program include:

- Reduced number of CBP examinations
- Front of the line inspections
- Possible exemption from Stratified Exams
- Shorter wait times at the border
- Assignment of a Supply Chain Security Specialist to the company
- Access to the Free and Secure Trade (FAST) Lanes at the land borders
- Access to the CTPAT web-based Portal system and a library of training materials
- Possibility of enjoying additional benefits by being recognized as a trusted trade Partner by foreign Customs administrations that have signed Mutual Recognition with the United States
- Eligibility for other U.S. Government pilot programs, such as the Food and Drug Administration's Secure Supply Chain program
- Business resumption priority following a natural disaster or terrorist attack
- Importer eligibility to participate in the Importer Self-Assessment Program (ISA)
- Priority consideration at CBP's industry-focused Centers of Excellence and Expertise

How Do I Become a Partner?

Join CTPAT Now

Participation in CTPAT is voluntary and there are no costs associated with joining the program. Moreover, a company does not need an intermediary in order to apply to the program and work with CBP; the application process is easy and it is done online. The first step is for the company to review the CTPAT Minimum Security Criteria for their business entity to determine eligibility for the program. The second step is for the company to submit a basic application via the CTPAT Portal system and to agree to voluntarily participate. The third step is for the company to complete a supply chain security profile. The security profile explains how the company is meeting CTPAT's minimum security criteria. In order to do this, the company should have already conducted a risk assessment. Upon satisfactory completion of the application and supply chain security profile, the applicant company is assigned a CTPAT Supply Chain Security Specialist to review the submitted materials and to provide program guidance on an on-going basis. The CTPAT program will then have up to 90 days to certify the company into the program or to reject the application. If certified, the company will be validated within a year of certification.

If you have CTPAT issues or questions, please contact your Supply Chain Security Specialist or one of the six CTPAT Field Offices by email at:

- Buffalo, New York ctpatfieldofficebuffalo@cbp.dhs.gov
- Houston, Texas ctpatfieldofficehouston@cbp.dhs.gov
- Los Angeles, California ctpatfieldofficelosangeles@cbp.dhs.gov
- Miami, Florida ctpatfieldofficemiami@cbp.dhs.gov
- New York, New York ctpatfieldofficenewyork@cbp.dhs.gov
- Newark, New Jersey c-tpatfieldoffice-newark@cbp.dhs.gov