

IMPORTING AND EXPORTING

SHIPPING TO THE U.S. UNDERSTANDING CUSTOMS CLEARANCE

The four critical parts of the customs clearance process you need to understand.

Importing and Exporting

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Having a solid understanding of U.S. Customs clearance procedures will help you deal with any issues that might arise as your shipment travels across the border. Here's a brief overview of the four most important parts of the clearance process:

1 Customs entry

When a shipment arrives at the border, the carrier must present the customs agents with the proper documentation so that the goods can legally enter the United States.

Customs entry is the process of presenting documentation – such as a Customs invoice, an Inward Cargo Manifest, a Bill of Lading, and any other required documentation – to Customs officials.

Only the purchaser or licensed customs broker may submit the goods for entry at the border.

Imported merchandise not entered through Customs within five calendar days of arrival is sent to a general order warehouse, where it is held as unclaimed. The importer is responsible for paying storage charges while unclaimed merchandise is held at a warehouse. The merchandise is sold at auction or destroyed after one year if the goods remain unclaimed.

A two-part process

The Customs entry is usually a two-part process:

- Release, which involves the physical release of goods across the border into the United States.
- Entry summary, which is the process of reviewing the documentation and performing the accounting of duties payable on the goods to U.S. Customs



Find out more about the process your goods go through when entering the United States.

2 Inspection

Occasionally, Customs will decide to inspect a shipment once it arrives at a port of entry. U.S. Customs has the right to search and seize all goods imported into the United States in order to confirm that the goods are admissible and the shipper has been compliant with government regulations.

The examination of goods helps Customs agents to determine the following information about the shipment:

- The value of the goods for Customs purposes and their dutiable status
- Whether the shipment contains prohibited articles
- Whether the requirements of other federal agencies have been met
- Whether the amount of goods listed on the invoice is correct, and no shortage or overage exists
- Country of origin



IMPORT

An incorrect classification could mean retroactive duties or serious penalties.

3

Appraisal and classification

To determine the correct duty payable on goods, U.S. Customs will perform an appraisal of the shipment. Appraisal is the process of determining the taxes owed to the U.S. government based on the Harmonized Tariff Schedule (HTS) of the United States.

All goods entering the United States must be properly classified by the importer to ensure the appropriate HS code is assigned to the shipment. An importer should take pains to ensure the correct HS code is attached to his or her shipment to avoid paying extra when the shipment is examined at the border. An incorrect classification could mean retroactive duties or serious penalties.

4

Liquidation

Liquidation is the last step in the entry process. Customs regulations define liquidation as the final computation of duties on entries for consumption, or on those entries entitled to duty drawback. When U.S. Customs is satisfied with the standing of the entry, and the duties have been paid, they ascertain how much of the duty paid by the importer should be returned. Usually, the formal entry is liquidated within 314 days of entry filing. Some entries are liquidated earlier. For instance, informal entries valued at less than \$2,000 are liquidated within 10 days of the release.

Contact Livingston

Have questions or need help with your shipments? Contact your account executive, write to us at: simplify@livingstonintl.com or give us a call at **1-800-837-1063**

