

## BPE Global Hot Topic – February 2022 Quiz Time! Testing Your Import Compliance Awareness



The United States Census Bureau reports that in December of 2021 there were nearly \$309B worth of products imported into the U.S. Today, those imports get to consumers faster than ever. With just one click, a product can be at someone’s desk or dock within 24-48 hours, even from abroad. At that speed, who has time to think about how the product even got there? But, buyer beware! If you are the importer of record, then it’s your responsibility to use, in the terms of U.S. Customs, “reasonable care” to enter, classify, and value the goods you are importing. This responsibility can often be neglected because imports are handled by authorized customs brokers, often behind the scenes. Even so, your company is not absolved of the responsibility when something goes wrong. Therefore, it’s important to have at least a basic understanding of the regulatory requirements specific to the import of your products and entry types. Knowing these will help you ensure a more seamless and compliant import process and enable you not only to set better expectations with your brokers, but to have more meaningful communication with them as well.

As I wrote last October, “quizzes are an often-overlooked compliance tool with great benefits.” Back then, I offered some suggestions on how to incorporate them into your compliance programs and challenged you all to an export compliance quiz. To keep things balanced, I’m following up this month with an import compliance quiz that can be tackled by both beginners as well as the most seasoned professionals. Grab your leftover Valentine’s Day chocolates, sit back, and test your knowledge. Then, don’t forget to share (the quiz, that is- I wouldn’t dare suggest you share the chocolate)!

For the answer key, please send an email with “Quiz Answers” in the subject line to me at [ebernal@bpeglobal.com](mailto:ebernal@bpeglobal.com).

Happy quizzing!

1. Which of the below is *not* a requirement for marking a product with Country of Origin?
  - a. It must be legible.
  - b. It must be marked in a conspicuous place
  - c. It must be in black or white ink.
  - d. It must be permanent.
  
2. With which of the following countries does the U.S. not partner in a free trade agreement?
  - a. Colombia
  - b. Ecuador
  - c. Honduras
  - d. Nicaragua



3. Under which of the General Rules of Interpretation (GRI) has U.S. Customs ruled that you would classify a set of 1 glue gun (8516.79.00) and 2 glue sticks (3506.10.50) packaged in a plastic blister pack for retail sale to home hobbyists?
  - a. 3(b)
  - b. 2(a)
  - c. 1
  - d. 3(c)
  
4. Is a customs bond required to import an \$801, duty-free smart watch?
  - a. Yes
  - b. No
  
5. A U.S. company sends the sketches designed by their engineers in Santa Clara, CA, to their offshore manufacturer at no cost. Should the value of the sketches be considered an assist and added to the value of products manufactured at their time of import into the U.S?
  - a. Yes
  - b. No
  
6. At time of entry into the U.S., which of the below is not required to be added to Transaction Value (the price actually paid or payable for the merchandise when sold for exportation to the United States)?
  - a. Selling Commissions paid to the seller's agent who is related to or controlled by or works for or on behalf of the manufacturer or seller.
  - b. Packing Costs of all containers and coverings of whatever nature and of packing, whether for labor or materials, used in placing merchandise in condition, packed ready for shipment to the United States.
  - c. Insurance Costs incurred for the international shipment of the goods from the country of exportation to the place of importation in the United States.
  - d. Royalty or License Fees that a buyer must pay, directly or indirectly, as a condition of the sale of the imported merchandise for exportation to the United States
  
7. Which of the following are required commercial invoice elements per 19 CFR 141.86?
  - a. The port of entry to which the merchandise is destined
  - b. A detailed description of the merchandise
  - c. The quantities in the weights and measures of the country or place from which the merchandise is shipped
  - d. All of the above



8. Under which of the following circumstances may an import legally qualify for the \$800 de minimis exemption if no other limitations apply?
  - a. It is merchandise to be imported by a single person on a single day.
  - b. It contains alcohol/tobacco products subject to tax under the Internal Revenue Code.
  - c. It includes merchandise whose import is limited by absolute or tariff rate quota.
  - d. It includes merchandise subject to FDA regulations or reporting requirements.
  
9. A license issued by the U.S. Department of State is required to permanently import into the U.S. defense articles subject to the International Traffic in Arms Regulations.
  - a. True
  - b. False
  
10. To claim a duty-free entry under Chapter 9801 or 9802 for U.S. goods returned, what conditions must first be satisfied?
  - a. The shipment must be valued over \$2500.
  - b. A declaration must be made by the foreign shipper that the articles were not advanced in value or improved in condition.
  - c. A declaration must be made by the importer that the foreign shipper declaration is correct, citing where the articles were manufactured, and that all other conditions for the use of the claim are satisfied.
  - d. All of the above.

Let BPE Global know if we can help you with any of your trade compliance needs. BPE Global is a global trade consulting and training firm. Evelyn Bernal is a Director of BPE Global. You can reach Evelyn by email at [ebernal@bpeglobal.com](mailto:ebernal@bpeglobal.com) or by phone at 408-718-0265.