

**U.S. CUSTOMS AND BORDER PROTECTION**

---

**Customs Broker License Examination**

**DIRECTIONS - READ CAREFULLY**

This examination consists of 80 questions. The minimum passing score is 75%. For each question, choose the letter representing your answer (**A, B, C, D, or E**) and completely darken the corresponding space on your answer sheet.

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States (2007)** USITC Publication 3840
- 
- **Title 19, Code of Federal Regulations** Revised as of April 1, 2007 (**Parts 1-199**)
- **Customs and Trade Automated Interface Requirements (CATAIR)**
  - Introduction
  - Getting Started
  - Requirements
  - Appendix B – Valid Codes
  - Appendix D – Metric Conversion
  - Appendix E – Valid Entry Numbers
  - Appendix G – Common Errors
  - Appendix H – Census Warning Messages
  - Appendix L – Drawback Errors
  - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501 (8-30-2005)**
- **Remote Location Filing**
- 
- **Submission Changes for Supplemental Information Letters and Post Entry Amendments**
- **Directives**
  - 3510-004, Monetary Guidelines for Setting Bond Amounts
  - Amendment to 3510-004 for Certain Merchandise Subject to Antidumping/Countervailing Duty Cases
  - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
  - 3550-067, Entry Summary Acceptance and Rejection Policy
  - 3550-079A, Ultimate Consignee at time of Entry or Release
  - 3560-001A, Census Interface-Processing Procedures
  - 5610-002A, Standard Guidelines for the Input of Names and Addresses Into Automated Commercial System (ACS) Files

There is no penalty for guessing; therefore, you should attempt to answer every question. **Each question is designed to have a single best answer.**

This examination lasts four (4) hours. When you finish, please give your answer sheet to the test administrator. **You may take this booklet with you.**

**DO NOT TURN THIS PAGE UNTIL TOLD TO DO SO BY THE EXAMINER.**

**THIS PAGE IS INTENTIONALLY BLANK.**

GO ON TO NEXT PAGE

## **Customs Broker License Examination**

<b>Section 1 - ENTRY</b>	<b>Questions 1 - 14</b>
<b>Section 2 - CLASSIFICATION</b>	<b>Questions 15 - 33</b>
<b>Section 3 - BROKER COMPLIANCE</b>	<b>Questions 34 - 42</b>
<b>Section 4 - TRADE AGREEMENTS</b>	<b>Questions 43 - 51</b>
<b>Section 5 - DRAWBACK</b>	<b>Questions 52 - 56</b>
<b>Section 6 - VALUE</b>	<b>Questions 57 - 61</b>
<b>Section 7 - WAREHOUSE</b>	<b>Questions 62 - 66</b>
<b>Section 8 - GENERAL</b>	<b>Questions 67 - 80</b>

## Section 1      **ENTRY**

1. When are A.T.A. Carnets allowed for mail shipments?
  - A. When the value of the goods is over \$1000
  - B. When the value of the goods is under \$1000
  - C. When the merchandise is for use at a trade show only
  - D. Never
  - E. When the merchandise is for sample purposes only
  
2. Which of the following is a special indicator for the Dominican Republic-Central America-United States Free Trade Agreement?
  - A. A, A\*, or A+
  - B. P or P+
  - C. C
  - D. D
  - E. P\*
  
3. An informal entry may **NOT** be made for \_\_\_\_\_.
  - A. a kitchen table and chairs owned by a U.S. college student in Canada
  - B. footwear lacings of cotton, valued at U.S. \$750
  - C. castile soap in the shape of swans, valued at U.S. \$1200
  - D. children's picture books imported by a library
  - E. handles for night tables, of plastic, valued at U.S. \$235
  
4. The entry type for merchandise valued at \$10,000, classified as American Goods Returned, and imported for repair or alteration prior to re-exportation is \_\_\_\_\_.
  - A. 02
  - B. 12
  - C. 03
  - D. 08
  - E. 11

5. If CBP finds an error in a type "01" ABI entry summary 45 days after it was submitted timely, the entry summary will be \_\_\_\_\_.
- A. rejected
  - B. late
  - C. accepted
  - D. invalid
  - E. liquidated
6. A broker transmits an entry via ABI on behalf of an importer under a single entry bond and immediately receives a paperless release. The broker forgets to flag the entry for statement payment, and the duties, taxes and fees are paid 30 days later. CBP will then issue \_\_\_\_\_.
- A. a penalty to the broker for breach of the importer's bond
  - B. a penalty to the importer of record for late file
  - C. a penalty to both the broker and importer for late file
  - D. liquidated damages and a penalty to the importer for late file
  - E. liquidated damages to the importer of record for late file
7. What are the total duties and fees for an air shipment of gold necklaces from China valued at \$15,700 and classified under 7113.19.2900?
- A. \$ 864
  - B. \$ 896
  - C. \$ 916
  - D. \$ 119
  - E. \$ 139
8. What is the Merchandise Processing Fee for an importation from Italy of 10 Italian-made cars each valued at \$29,500?
- A. \$ 369
  - B. \$ 62
  - C. \$ 620
  - D. \$ 485
  - E. \$ 25

9. What are the total duties and fees for a shipment of 500 cartons (984 gross) of lead encased pencils for writing imported by vessel? The country of origin is China. The shipment is valued at \$15,624. The applicable anti-dumping duty rate is 44.66%.
- A. \$ 7,716
  - B. \$ 7,807
  - C. \$ 7,030
  - D. \$ 862
  - E. \$ 7,840
10. For an article to qualify for a trade fair entry, the trade fair must be designated by the \_\_\_\_\_.
- A. Port Director
  - B. Secretary of Commerce
  - C. Assistant Commissioner
  - D. Court of International Trade
  - E. CBP Officer
11. The **MAXIMUM** amount of time merchandise formally entered temporarily under bond under HTS # 9813.00.75 may remain in the Customs territory of the U.S. is \_\_\_\_\_ from the date of importation into the U.S.
- A. four years
  - B. three years
  - C. two years
  - D. six months
  - E. three years plus one 6-month extension
12. What is the **DATE OF EXPORTATION** for the following oil shipment to the U.S.?
- June 4 - the oil is produced in Algeria  
June 6 - the oil is shipped via pipeline to a storage facility in Morocco  
June 20 - the oil's owners in France find a buyer located in Houston, Texas  
June 28 - the oil is loaded onto a U.S.-bound tanker in Casablanca  
June 30 - the tanker sets sail for the U.S.
- A. June 4
  - B. June 6
  - C. June 20
  - D. June 28
  - E. June 30

13. Imported merchandise must be entered within \_\_\_\_\_ days after landing from the vessel, aircraft or vehicle.

- A. 15 working
- B. 15 calendar
- C. 20 calendar
- D. 20 working
- E. 30 calendar

14. Mailed packages containing merchandise subject to an absolute quota that has filled shall be returned to sender and notified by CBP Form \_\_\_\_\_.

- A. 3509
- B. 3311
- C. 3419
- D. 5251
- E. 7512

## **Section 2      CLASSIFICATION**

15. What is the **CLASSIFICATION** for a mahogany case containing a set of six (6) make-up brushes of varying sizes? Each brush has a mahogany handle and is manufactured with muskrat bristles. The brushes were hand-made in China and packaged for sale in the specially fitted mahogany case that is suitable for long-term use.
- A. 4202.19.0000
  - B. 4202.99.2000
  - C. 4420.90.2000
  - D. 9603.30.6000
  - E. 9616.20.0000
16. What is the **CLASSIFICATION** for an anorak made of leather?
- A. 4203.10.4010
  - B. 4203.10.4085
  - C. 4203.40.6000
  - D. 6101.90.9060
  - E. 6201.19.9060
17. What is the **CLASSIFICATION** for an original abstract jade sculpture made by a recognized artist in 1892?
- A. 7103.99.5000
  - B. 7116.20.4000
  - C. 7116.20.5000
  - D. 9703.00.0000
  - E. 9706.00.0000
18. What is the **CLASSIFICATION** for an automatic sewing machine used to stitch pages to book covers? The value of the sewing machine is \$400. The sewing machine, of German origin, is imported into the U.S. by Company A in 2001, exported to Germany in 2002 for repair, and sold to Company B while in Germany. It is now being re-imported into the U.S. by Company B for use in a bookbinding factory.
- A. 8440.10.0000
  - B. 8452.29.9000
  - C. 9801.00.1055
  - D. 9801.00.2000
  - E. 9813.00.0520



19. What is the **CLASSIFICATION** for decorative foliage made with polyester woven fabric and assembled to flexible wire stems by gluing?
- A. 6702.10.2000
  - B. 9902.25.65
  - C. 9902.25.65  
6702.90.3500
  - D. 6702.90.6500
  - E. 6702.90.3500
20. What is the **CLASSIFICATION** for a copper wind chime?
- A. 7419.99.5050
  - B. 8306.10.0000
  - C. 8306.29.0000
  - D. 9206.00.6000
  - E. 9206.00.8000
21. What is the **CLASSIFICATION** for men's synthetic 100% nylon woven pants (not knitted or coated with plastics or rubber) typically used for cold weather activity such as skiing, snowboarding, and snowshoeing? The pants feature cold weather insulation, water resistance, scuff guards, tightening at the ankle, and reinforcement in the knees.
- A. 6203.49.2015
  - B. 6203.43.3510
  - C. 6203.43.3590
  - D. 6203.43.4010
  - E. 6203.49.1005
22. What is the **CLASSIFICATION** for knitted women's sweaters made of 75% cotton, 20% polyester, and 5% mink and having a stitch count of 12 stitches per 2 centimeters with sewn-on collars and cuffs made of mink fur?
- A. 6110.12.2030
  - B. 6110.20.1020
  - C. 6110.20.2020
  - D. 6110.20.2077
  - E. 6110.20.2079

23. What is the **CLASSIFICATION** for a woven, 86% cotton, 14% polyester handkerchief that is hemmed, fringed, and measures 61cm X 59cm?
- A. 6117.10.6010
  - B. 6117.80.9510
  - C. 6213.20.1000
  - D. 6214.90.0010
  - E. 6217.10.9510
24. What is the **CLASSIFICATION** for a knit, 50% cotton, 50% polyester unisex T-shirt for adults?
- A. 6109.10.0027
  - B. 6109.10.0040
  - C. 6109.90.1007
  - D. 6109.90.1050
  - E. 6109.90.8030
25. What is the **CLASSIFICATION** for a stainless steel turkey fryer that uses propane fuel?
- A. 7321.11.1060
  - B. 7321.19.0080
  - C. 7321.81.1000
  - D. 7323.92.0040
  - E. 7326.90.8587
26. What is the **CLASSIFICATION** for a set of four (4) glass dessert dishes valued at \$5.65 per set, not specially tempered and not cut or engraved?
- A. 7013.37.2000
  - B. 7013.49.1000
  - C. 7013.49.2000
  - D. 7013.49.6000
  - E. 7013.99.9000
27. What is the **CLASSIFICATION** for leather golf bags?
- A. 4202.31.6000
  - B. 4202.91.0010
  - C. 4202.92.4500
  - D. 9506.39.0080
  - E. 9506.99.6080

28. What is the **CLASSIFICATION** for a retail package of medicated shampoo consisting of selenium disulphide suspended in soap?
- A. 3004.90.9190
  - B. 3305.10.0000
  - C. 3401.11.5000
  - D. 3401.19.0000
  - E. 3401.20.0000
29. What is the **CLASSIFICATION** for a fabricated one piece stainless steel sink unit? The unit is composed of a molded stainless steel sink welded to stainless steel countertops fabricated of steel sheet.
- A. 6910.10.0030
  - B. 7324.10.0000
  - C. 7324.90.0000
  - D. 7326.90.8587
  - E. 9403.20.0020
30. What is the **CLASSIFICATION** for a household steel wine rack that holds 15 bottles of wine? It measures 33" high and is designed to be placed on the floor.
- A. 7323.94.0080
  - B. 7323.99.9060
  - C. 7615.19.9000
  - D. 9403.20.0015
  - E. 9403.20.0030
31. What is the duty rate for NAFTA-originating fresh cucumbers from Mexico released under a special permit for immediate delivery on February 23, 2007 if the entry summary is filed in proper form on March 8, 2007?
- A. Free
  - B. 4.2 cents/kilogram
  - C. 5.6 cents/kilogram
  - D. 0.8 cents/kilogram
  - E. 6.6 cents/kilogram

32. What is the **CLASSIFICATION** for purebred breeding swine?
- A. 0102.10.0010
  - B. 0102.10.0030
  - C. 0103.10.0000
  - D. 0103.92.0020
  - E. 0103.92.0091
33. What is the **CLASSIFICATION** for a unisex polyester woven windbreaker jacket that has been coated with wax on the outer shell?
- A. 6102.30.2010
  - B. 6201.93.3000
  - C. 6201.93.3511
  - D. 6202.93.4500
  - E. 6202.93.5011

### **Section 3      BROKER COMPLIANCE**

34. "Customs business" includes \_\_\_\_.
- A. classification and valuation
  - B. marine transactions
  - C. in-bond movement or transportation of merchandise
  - D. Foreign Trade Zone admissions
  - E. electronic transmission of data received for transmission to CBP
35. After an entry has been filed and the duties paid on a shipment, a notice of action is received from the Import Specialist stating that the shipment is excluded from entry due to insufficient production records to prove country of origin. If the importer has these records, the broker's best advice to the importer is to \_\_\_\_.
- A. file a petition with the office of Fines, Penalties, and Forfeitures
  - B. file a Post Entry Amendment (SIL/PEA) because the entry has not liquidated
  - C. immediately file a protest against CBP's decision to exclude the merchandise
  - D. take the production records to the Problem Resolution Desk for clearance
  - E. advise that it is too late to reconcile anything with CBP and suggest he/she make arrangements to export the merchandise
36. Upon termination, an individual broker who was the license qualifier for an association or corporation must provide \_\_\_\_.
- A. written notice to the Assistant Commissioner within 30 days of his/her termination
  - B. notice immediately via any means of communication to the Commissioner and send a copy to each Port Director where a permit has been granted
  - C. written notice immediately to the Assistant Commissioner and send a copy to each Port Director where a permit has been granted
  - D. written notice within 10 days to the Assistant Commissioner and send a copy to the Port Director only at the Port of Entry for the corporate headquarters
  - E. written notice immediately to the Assistant Commissioner only

37. A licensed individual not currently working for a broker or actively engaged in Customs business\_\_\_\_\_.
- A. must file a written status report and submit a \$100 fee to CBP Headquarters each year
  - B. must file a written status report and submit a \$125 fee to CBP Headquarters every third year from 1985
  - C. does not have to file a written status report or submit a fee since he is not actively engaged in "Customs business"
  - D. must file a written status report and submit a \$100 fee to the CBP port through which he received his license, every third year from 1985
  - E. must file a written status report and submit a \$200 fee to the CBP port through which he received his license every third year from 1985
38. Preparing a \_\_\_\_\_ for others does **NOT** require a licensed Customs broker.
- A. Temporary Importation under Bond
  - B. Transportation in Bond
  - C. Permanent Exhibition Bond
  - D. Trade Fair Entry
  - E. Foreign Trade Zone Entry

**Using the below-identified original Power of Attorney (POA) received by Mr. Greg Hines (the Customs broker), answer questions 39 through 42.**

**KNOW ALL MEN BY THESE PRESENTS:** That **QUICK IMPORTS, INC.**, a corporation doing business under the laws of the country of **CANADA**, and having an office and place of business at **123 MAIN STREET, TORONTO, ONTARIO** with an **Importer IRS# 007140-13600** hereby constitutes and appoints **GREG HINES dba E-CHB.COM** to act for and on its behalf as a true and lawful agent and attorney of the grantor for and in the name, place, and stead of said grantor, from this date, in the United States (the territory) either in writing, electronically or by other authorized means to:

Make, endorse, sign, declare or swear to any Customs entry, withdrawal, declaration, certificate, bill of lading, carnet or any other documents required by law or regulation in connection with the importation, exportation, or transportation of any merchandise in or through the Customs territory, shipped or consigned by or to said grantor. Perform any act or condition which may be required by law or regulation in connection with such merchandise deliverable to said grantor; to receive any merchandise.

Make endorsements on bills of lading conferring authority to transfer title, make entry or collect drawback, and to make, sign, declare, or swear to any statement or certificate required by law or regulation for drawback purposes, regardless of whether such documents is intended for filing with Customs.

Sign, seal, and deliver for and as the act of said grantor any bond required by law or regulation in connection with the entry or withdrawal of imported merchandise or merchandise exported with or without benefit of drawback, or in connection with the entry, clearance, lading, unloading or navigation of any vessel or other means of conveyance owned or operated by said grantor, and any and all bonds which may be voluntarily given and accepted under applicable laws and regulations, consignee's and owner's declarations provided for in section 485, Tariff Act of 1930, as amended, or affidavits in connection with the entry of merchandise.

Sign and swear to any document and to perform any act that may be necessary or required by law or regulation in connection with the entering, clearing, lading, unloading or operation of any vessel or other means of conveyance owned or operated by said grantor.

And generally to transact Customs business, including filing of claims or protests under section 514 of the Tariff Act of 1930, or pursuant to other laws of the territories, in which said grantor is or may be concerned or interested and which may properly be transacted or performed by an agent and attorney.

Giving to said agent and attorney full power and authority to do anything whatever requisite and necessary to be done in the premises as fully as said grantor could do if present and acting, hereby ratifying and confirming all that the said agent and attorney shall lawfully do by virtue of these presents; This power of attorney to remain in effect until REVOKED.

IN WITNESS WHEREOF: the said QUICK IMPORTS, INC. has caused these presents to be sealed and signed.

(Signature)  (Capacity) **SECRETARY** (Date) March 6, 2007

GO ON TO NEXT PAGE

39. \_\_\_\_\_ is the grantor.
- A. Greg Hines dba E-CHB.com (Customs broker)
  - B. Quick Imports, Inc.. (importer of record)
  - C. CBP
  - D. The surety company
  - E. The overseas inland freight forwarder
40. Which statement is **TRUE** based upon the POA presented to Greg Hines dba E-CHB.com?
- A. The POA allows the broker to create a sub-agency relationship (i.e., assign the POA to another broker)
  - B. The POA may be accepted by Greg Hines which will allow him to engage in Customs business
  - C. The Secretary of an incorporated business entity must sign the POA
  - D. The POA is invalid since it does not allow for the service of process
  - E. A POA must be on CBP Form 5291 "Power of Attorney"
41. Which statement is **FALSE** based upon the POA presented to Greg Hines dba E-CHB.com?
- A. The POA does not require a completed statement of Corporate Certification, which is a written submission establishing the authority of the grantor designated to execute the POA on behalf of Quick Imports, Inc.
  - B. The POA shall be made available to CBP
  - C. Revoked POAs and letters of revocation must be retained for five (5) years after the date of revocation or for five (5) years after the date the client ceases to be an active client
  - D. Failure of the broker to retain a valid POA may result in a monetary penalty of \$1,000
  - E. The POA may be granted for an unlimited period
42. Which statement is **CORRECT** based upon the POA presented to Greg Hines dba E-CHB.com?
- A. Javier Barrientos, an employee of Greg Hines dba E-CHB.com in the import/export department, may prepare and present the entry summary to CBP
  - B. The POA does not fall within the scope of Customs business records
  - C. Mr. Hines shall exercise responsible supervision and control to ensure that the POA is completed by an individual duly authorized to sign and complete the document
  - D. The POA may be completed and signed after the merchandise has been released from the custody of CBP
  - E. A POA is not required for a formal entry where a company from a NAFTA signatory country has completed the POA

GO ON TO NEXT PAGE



## **Section 4      TRADE AGREEMENTS**

- 43.** When determining whether a good undergoes an applicable change in tariff classification for NAFTA country of origin purposes, you should disregard \_\_\_\_\_.
- A.** a NAFTA apparel product where a material does not undergo a change in tariff classification, but is not more than 7% of the total value of the product
  - B.** a foreign component of a product found in HTSUS Chapter 15 that is less than 7% of the total weight
  - C.** unassembled components of a product
  - D.** retail packaging
  - E.** cooked currant jelly, where an ingredient does not meet the change in tariff classification, but is 5% of the value of the good
- 44.** The importer of men's pants from Mexico gives the broker a certificate of origin (CBP Form 434) showing that the fabric and all processing (cutting, sewing, etc.) originated or was performed in Mexico. The pants are classified under 6203.41.1810 at 41.9 cents/kilogram + 16.3% ad valorem. How will you enter the pants?
- A.** Duty free under the U.S.-Central American Free Trade Agreement
  - B.** Duty free under the U.S.-North American Free Trade Agreement
  - C.** Dutiable at 41.9 cents/kilogram + 16.3% ad valorem
  - D.** Duty free under the Generalized System of Preferences
  - E.** Duty free because this is a designated Beneficiary Country under the Andean Trade Promotion and Drug Eradication Act
- 45.** After filing the entry summary for picture frames from Canada, you realize they are eligible for duty free treatment under the North American Free Trade Agreement. Since the goods were entered as dutiable, you should \_\_\_\_\_.
- A.** file a claim under Section 520(d) within 180 days after liquidation
  - B.** file a claim under Section 520(c) within 365 days from the date of liquidation
  - C.** file a claim under Section 520(c) within 180 days from date of liquidation
  - D.** file a claim under Section 520(d) within 365 days from the date of entry
  - E.** wait until the entry liquidates and file a protest under Section 514 within 180 days

46. Which is **NOT** considered additional supporting documentation for verification that a good qualifies for a preferential duty rate?
- A. Growth or Manufacture of Growth
  - B. Cost Data
  - C. Production Records
  - D. List of Indirect Materials
  - E. Bill of Lading
47. What action(s) may be taken after a CBP origin verification finds a Canadian company, an experienced importer, deliberately failed to maintain records supporting its NAFTA claim because it would be too difficult to substantiate? The entry verified has **NOT** liquidated.
- A. CBP may collect duty and assess a recordkeeping penalty
  - B. CBP may only deny the NAFTA claim and collect duty
  - C. CBP may not collect duty but may assess a fraud penalty
  - D. CBP may assess a recordkeeping and a fraud penalty
  - E. CBP may not take any action
48. Which statement is **TRUE** regarding an order of woven cotton dresses?
- Shipped from Israel directly to the U.S.
  - Fabric woven in Pakistan comprises 64% of the value of the dresses
  - Polyester trim fabric woven in Puerto Rico comprises 5% of the value of the dresses
  - Dresses were cut and sewn in Israel which compromises 31% of the value of the dresses
- A. The country of origin of the dresses is Israel and they qualify for the United States Israel Free Trade Area (USIFTA)
  - B. The country of origin of the dresses is Israel and the Pakistani fabric disqualifies the dresses for the USIFTA
  - C. The country of origin of the dresses is Israel and there is insufficient value added to qualify it for USIFTA
  - D. The country of origin of the dresses is the United States of America
  - E. The dresses are classified in Chapter 61 of the HTS

49. Which statement is **TRUE** regarding this shipment of sweaters?
- Wool yarn is formed in Australia
  - Nylon filament yarn is formed in Korea, which is subsequently forwarded to Australia
  - The components are knit to shape and linked and looped in Australia to form a 90% wool, 10% nylon sweater
  - The finished product, the sweaters, are shipped directly to the United States from Australia
- A. The country of origin is Korea
- B. The Korean nylon filament is less than the *de minimis* allowable for foreign fiber of yarn
- C. The wool sweaters do not qualify for the United States-Australian Free Trade Agreement
- D. The wool sweaters qualify for the United States-Australian Free Trade Agreement
- E. The wool sweaters qualify for Generalized System of Preferences
50. The NAFTA Certificate of Origin must be retained in the \_\_\_\_\_.
- A. U.S. by the importer until notification of liquidation is received from CBP
- B. NAFTA country of origin by the producer for one year after liquidation
- C. NAFTA country of origin by the producer for five years after liquidation
- D. U.S. for five years after entry of the good with all relevant documentation
- E. NAFTA country of origin for five years after entry with all related documentation
51. The U.S. and \_\_\_\_\_ are parties to the Central American Free Trade Agreement.
- A. the Dominican Republic, Honduras, Guatemala, El Salvador, and Nicaragua
- B. Costa Rica, the Dominican Republic, Honduras, Guatemala, El Salvador, and Nicaragua
- C. Dominica, Honduras, Guatemala, El Salvador, and Nicaragua
- D. Costa Rica, Guyana, Panama, Trinidad, and Saint Lucia
- E. the Republic of Angola, the Republic of Ghana, and the Republic of Kenya

## Section 5      DRAWBACK

52. Company A imports screws. The imported screws are sold to Company B, which uses the screws to manufacture tables. Company B exports the tables to Spain. Which CBP Form must Company A obtain from Company B to claim drawback on the imported screws?
- A. 5106
  - B. 7552
  - C. 7553
  - D. 7514
  - E. 4811
53. For all drawback claims filed, the HTSUS numbers and Schedule B commodity numbers must be stated to at least \_\_\_\_\_ digits.
- A. two
  - B. four
  - C. six
  - D. eight
  - E. ten
54. Drawback claimants who meet the requirements set forth in 19 CFR \_\_\_\_\_ are afforded the special privilege of accelerated payment of drawback.
- A. 191.91
  - B. 191.92
  - C. 191.32
  - D. 191.36
  - E. 191.81
55. Records pertaining to the filing of a drawback claim need to be retained for \_\_\_\_\_ after the date of payment of such claim.
- A. 3 years
  - B. 6 months
  - C. 2 years
  - D. 3 months
  - E. 1 year

- 56.** A drawback claim was filed on June 2, 2006. Review of the drawback claim revealed untimely exports. On January 15, 2007, the drawback claim was liquidated for no drawback. The drawback claimant must \_\_\_\_\_ to challenge the liquidation of the drawback claim.
- A.** amend the drawback claim
  - B.** perfect the drawback claim
  - C.** file a timely protest
  - D.** provide a notice of intent to export, destroy, or return merchandise for purposes of drawback
  - E.** provide a written request for payment of drawback based on estimated duties

## Section 6      VALUE

57. The foreign commercial invoice shows a value of \$7200 with an addition of \$800 for “distributor fee,” for a total invoice value of \$8000. The fee charged by the seller was to compensate the exclusive U.S. distributor who, by agreement with the foreign seller, receives 10% of all sales in the U.S. as a commission. They receive this regardless of whether or not they actually make the sale. The \$800 is \_\_\_\_\_.
- A. not part of Transaction Value
  - B. a buying commission to be added to the price actually paid or payable
  - C. a buying commission; part of the price actually paid or payable
  - D. a selling commission to be added to the price actually paid or payable
  - E. a selling commission; part of the price actually paid or payable

58. Determine the entered value for a shipment of 150 dolls invoiced at 2.52 GBP (British Pounds) each. The date of export is May 29, 2007, the date of entry is July 18, 2007, and date of import is July 24, 2007.

Rates of Exchange: (GBP in U.S. Dollars)

May 29	1.98393
July 18	2.04098
July 24	2.05769

- A. \$ 771
  - B. \$ 750
  - C. \$ 298
  - D. \$ 306
  - E. \$ 778
59. In the following scenario, what is the transaction value of an importation of 1000 metal frames invoiced at \$1000? A U.S. importer hires a foreign manufacturer to make the frames at \$1 apiece, and sends the manufacturer, via an air carrier, \$500 worth of tooling needed to make the frames. The air carrier charges the U.S. importer \$100, which the importer tells the manufacturer to take off the invoice.
- A. \$ 500
  - B. \$1,000
  - C. \$1,600
  - D. \$ 900
  - E. \$ 400

60. Under transaction value, the \_\_\_\_\_ is **NOT** an addition to the price actually paid or payable.
- A. commission paid to a buyer's agent that is billed separately
  - B. cost of fabric sent by the buyer to the seller, free of charge, specifically for the production of dresses ordered by the buyer
  - C. cost of exterior cartons used to ship an order of dresses
  - D. cost of transportation of glass molds provided by the buyer to the seller, free of charge, to use in manufacturing ophthalmic lenses
  - E. royalty paid to the foreign seller and patent holder as a condition of the sale to the importer
61. Transaction value cannot be used if \_\_\_\_\_.
- A. the manufacturer employed a selling agent to arrange the sale
  - B. the buyer and seller are related
  - C. the manufacturer only sells to one importer in the U.S.
  - D. there is a restriction by law on the use of the imported product in the U.S.
  - E. promotional goods or samples are shipped free of charge

## Section 7      **WAREHOUSE**

62. A \_\_\_\_\_ fee is due and payable to CBP when commercial cargo imported by a commercial vessel at Los Angeles enters a warehouse?
- A. broker permit
  - B. dutiable mail
  - C. harbor maintenance
  - D. cotton
  - E. merchandising processing
63. What type of merchandise is **NOT** eligible for warehousing?
- A. Textiles
  - B. Automobiles
  - C. Textiles and automobiles
  - D. None - all merchandise is eligible
  - E. Perishable and explosive substances other than firecrackers
64. How long may merchandise remain stored in a Customs Bonded Warehouse?
- A. 5 years from the date of importation
  - B. 3 years from the date of importation
  - C. 1 year from the date of importation plus a one-year year extension
  - D. 2 years from the date of importation plus a one-year year extension
  - E. Indefinitely
65. Merchandise with a \_\_\_\_\_ status that is transferred from a Foreign Trade Zone to Customs territory will be classified and appraised according to its condition at the time application for that status was made.
- A. zone-restricted
  - B. zone-unrestricted
  - C. domestic
  - D. non-privileged foreign
  - E. privileged foreign



66. Which statement about foreign trade zones is **FALSE**?
- A. No merchandise may be manipulated, manufactured, exhibited destroyed or transferred from a zone except under CBP permit
  - B. Once established, privileged foreign status may not be changed
  - C. Upon issuing a permit for the removal of merchandise from a zone, the merchandise is released to the operator
  - D. Except for articles used in a zone, merchandise must be physically removed from the zone within 5 working days of issuance of a permit authorizing transfer from the zone
  - E. Foreign merchandise that has been entered free of duty and tax may be granted domestic status

## Section 8      **GENERAL**

67. What is the amount of the bond required for a carnet?
- A. The value of the merchandise shown on the carnet
  - B. Three times the value of the merchandise
  - C. The carnet is its own bond so no additional bond is required
  - D. The amount of the importer's continuous bond if one is on file with CBP
  - E. The value of the merchandise plus any duty and fees
68. A CBP Form \_\_\_\_\_ must be presented to CBP timely to request an extension to a Temporary Importation under Bond (TIB) entry.
- A. 7501
  - B. 3461
  - C. 6043
  - D. 3173
  - E. 3495
69. What is the **MINIMUM** amount of a new continuous bond for an importer who, in the previous calendar year, paid \$817,543 in duties, \$41,908 in taxes and fees, and imported a total value of \$11,860,739?
- A. \$50,000
  - B. \$80,000
  - C. \$90,000
  - D. \$860,000
  - E. \$1,200,000
70. The amount of the bond required for articles entered under HTS 9813.00.20 is \_\_\_\_\_.
- A. double the estimated duties, including fees
  - B. double the estimated duties, excluding fees
  - C. 110% of the total duties, including fees
  - D. not required since it is a temporary import
  - E. \$ 485

71. What are the marking requirements for an imported article, made outside of the U.S., on which the name "Maine" appears?
- A. The word "Maine" on the item is sufficient to satisfy the marking requirements
  - B. The name of the country where the item was produced must appear somewhere on the article
  - C. The name of the country where the item was produced must appear anywhere on the article in the same size print as the word "Maine"
  - D. The importer can have the marking requirements waived in this instance
  - E. The country of production of the article must appear in close proximity and in at least a comparable size to the word "Maine," and must be preceded by "Made in" or "Product of"
72. What is the International Standard Country Code for South Africa?
- A. AF
  - B. SA
  - C. ZA
  - D. SO
  - E. AU
73. A formal entry is filed, merchandise is released, duties are paid, and the entry has a future liquidation date. The broker then discovers the merchandise was misclassified, resulting in an overpayment of duties. To request a refund, the broker should submit a \_\_\_\_\_ to CBP.
- A. CBP Form 19 – Protest
  - B. Post Entry Amendment (PEA) or Supplemental Information Letter (SIL)
  - C. request for refund on company letterhead
  - D. request for correction of clerical error prior to liquidation under 19 USC 1520(a)(4)
  - E. prior disclosure
74. What can be done to contest the denial of a protest?
- A. File a civil action in the Court of International Trade within 180 days from the date of the denied protest
  - B. Request further review under 19 CFR 174.23
  - C. File a request for a binding ruling with the National Import Specialist
  - D. Nothing
  - E. File a petition with the office of Fines, Penalties, and Forfeitures

75. How long does the importer have to request a written explanation from CBP of how the value of the imported merchandise was determined?
- A. 20 days
  - B. 30 days
  - C. 90 days
  - D. 180 days
  - E. 365 days
76. When the transaction is in a foreign currency, the date that should be considered for conversion purposes is when the goods were \_\_\_\_\_.
- A. imported into the U.S.
  - B. sold
  - C. intended to be shipped to the U.S.
  - D. packed
  - E. exported from the country of export
77. The Port Director must act within \_\_\_\_\_ days from the date a protest is filed relating to an administrative action, under any provision of the CBP laws, involving exclusion of merchandise from entry or delivery.
- A. 15
  - B. 20
  - C. 30
  - D. 45
  - E. 60
78. Once the receiving airline gives the receipt for cargo at the first port of arrival, air cargo shipments being transported to another U.S. port must be delivered to CBP within \_\_\_\_\_.
- A. 15 days
  - B. 30 days
  - C. 10 days
  - D. 5 days with one extension
  - E. 10 days with one extension

79. When can an importer identification number be removed from CBP's file due to inactivity?
- A. 3 months from the date it was filed with CBP
  - B. 3 months from the date it was last used on a CBP Form 7501
  - C. 6 months from the date it was filed with CBP
  - D. 12 months from the date it was last used on a CBP Form 7501
  - E. 12 months from the date it was filed with CBP
80. What is the **Manufacturer Identification Code** for goods manufactured by Pt Agro Chemicals located at 10 Kendung Baruk Suite 400 in Jakarta, Indonesia but sold and invoiced by A.A. Trading located at Ulujami Raya No. 15 in Pekanbaru, Indonesia?
- A. IDAGRCHE10JAK
  - B. IDAATRA15PAK
  - C. IDPTAGR10JAK
  - D. IDAGRCHE400JAK
  - E. IDPTAGR400JAK

**STOP.**

**THIS IS THE END OF THE TEST.**

**You may use the remaining time to go back and check your answers.**

**Please double check that your address is CORRECTLY bubbled in on your answer sheet. Your entire address must be filled in, including apartment numbers. Incorrectly bubbling of your address will delay notification of the results of the exam. If your address does not fit into the appropriate boxes, provide the Test Administrator with your full address AFTER the exam.**

**GO ON TO NEXT PAGE**

## OCTOBER 2007 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

QUESTION	ANSWER	
1	D	19 CFR 114.31(a)
2	B	Harmonized Tariff Schedule (HTS), General Note 3(c)(i)
3	B	19 CFR 143.21(a)
4	E	19 CFR 143.21(k)(1)(2)
5	C	Directive 3550-067; 19 CFR 141.64
6	E	19 CFR 142.15
7	B	19 CFR 24.23(b); 24.24(a)
8	D	19 CFR 24.23(b)
9		Credit granted to all answers
10	B	19 CFR 147.0; 147 (b)
11	D	HTS Chapter 98, Subchapter XIII, U.S. Note 1 (a)
12	E	19 CFR 152.1
13	B	19 CFR 141.5
14	A	19 CFR 132.22
15	D	HTS General Rules of Interpretation (GRI) 3(b)
16	A	HTS Ch. 42 eo nominee
17	D	HTS Ch. 71 Note 3(p); HTS Ch. 97 Note 4(b)
18	A	HTS Ch. 84 eo nominee
19	E	HTS Ch. 54 Note 1(a); HTS Ch. 99 Statistical Note 1(a)
20	B	HTS Ch. 83 eo nominee
21	C	HTS Ch. 62 Statistical Note 4
22	E	HTS Ch. 61 Statistical Notes 3 and 6
23	D	HTS Ch. 62 Note 7
24	D	HTS Ch. 61 Note 9; Section XI Note 2(a)
25	A	HTS Ch. 73 eo nominee
26	C	HTS Ch. 70 eo nominee
27	B	HTS Ch. 95 Note 1(d)
28	B	HTS Ch. 30 Note 1(d); Ch. 33 Note 2(d); Ch. 34 Note 1(c)
29	B	HTS Ch. 73; GRI 3(a)
30	D	HTS Ch. 94 Note 2; Section XV, Note 1(k)
31	D	19 CFR 142.21; 142.22; HTS General Note 3(b)
32	C	HTS Ch. 1 eo nominee
33	E	HTS Ch. 62 Note 8, Additional U.S. Note 2
34	A	19 CFR 111.1
35		Credit granted to all answers
36	C	19 CFR 111.28(c)
37	D	19 CFR 111.30(d)(1)
38	B	19 CFR 111.1
39	B	19 CFR 141 Subpart C
40	D	19 CFR 141.31(d), 141.36
41	A	19 CFR 141.37
42	C	19 CFR 141.36; 141.37; 111.28

43	D	19 CFR 102.13; 102.15
44	B	HTS General Note 12(a)(ii)
45	D	19 CFR 181.31
46		Credit granted to all answers
47	A	19 CFR 163.6; 181 Subpart G
48	A	HTS General Note 8(b)
49	C	HTS General Note 28
50	D	19 CFR 181.22 (a)
51	A	HTS General Notes 7(a) and 29(a)(iii)
52	B	19 CFR 191.24
53	C	19 CFR 191.51(c)(4)
54	B	19 CFR 191.92
55	A	19 CFR 191.15
56	C	19 CFR 191.84 and 191.52 (c)
57	E	19 CFR 152.103(b)(1)(i)
58	B	19 CFR 152.25 and 159.32
59	C	19 CFR 152.103(b)
60	A	19 CFR 152.102 and 152.103
61	E	19 CFR 152.103(b) and (j)
62	C	19 CFR 24.24 (a)(2)(ii)
63	E	19 CFR 144.1
64	A	19 CFR 144.5
65	E	19 CFR 146.43; 146.44; 146.65
66	A	19 CFR 146.43(b)
67	C	19 CFR 113.4; 114.3
68	D	19 CFR 10.37
69	C	Directive 3510-004
70	C	Directive 3510-004
71	E	19 CFR 134.46; 134.42(a) through (g)
72	C	HTS Statistical Annex B
73	B	Submission Changes for Supplemental Information Letters and Post Entry Amendments
74	A	19 CFR 174.31
75	C	19 CFR 152.101(d)
76	E	19 CFR 159.32
77	C	19 CFR 174.21(b)
78	A	19 CFR 122.119(b)
79	D	19 CFR 24.5 (e)
80		Credit granted to all answers