

October 3, 2011

U.S. CUSTOMS AND BORDER PROTECTION

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

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States (2011, NO Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2011 (Parts 0 to 140, 141 to 199))
- **Customs and Trade Automated Interface Requirements (CATAIR)**
  - Appendix B – **Valid Codes**
  - Appendix D – **Metric Conversion**
  - Appendix E – **Valid Entry Numbers**
  - Appendix G – **Common Errors**
  - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501 (12-06-2010)**
- **Directives**
  - 3530-002A Right to Make Entry
  - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
  - 3550-079A, Ultimate Consignee at time of Entry or Release
  - 5610-002, Standard Guidelines for the Input of Names and Addresses into the Automated Commercial System (ACS) Files

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.**

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**Customs Broker License Examination**

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## Section I: Entry

1. A shipment of barley seeds arrives to the United States from Canada. The seeds are to be sold and exported to Mexico however Mexico refuses entry and the importer of record abandons the seeds. The barley seed shipment is stored in a bonded warehouse for six months without an entry being filed. The seeds are inspected by the U.S. Department of Agriculture (USDA) and are found to be not in compliance with USDA laws/regulations. The warehouse proprietor must take the following action:
  - A. Move the shipment to a foreign trade zone.
  - B. Make arrangements to destroy the seeds.
  - C. Advise the importer to sell the shipment immediately and forfeit any profit to U.S. Customs and Border Protection for any expenses incurred.
  - D. Enter the seeds for use in a spice marinade for Memphis barbeque.
  - E. Plant the seeds at the back of the warehouse and add fertilizer.
  
2. When there is a net difference of less than \_\_\_\_\_ between the total amount of estimated duties, fees, taxes and interest assessed in the liquidation of any entry (other than an informal, mail, or baggage entry) and the total amount of estimated duties, fees, and taxes deposited, including any supplemental deposit, the difference shall be disregarded and the entry will be endorsed "as entered." In the case of an informal, mail, or baggage entry, the amount of duties, fees, and taxes computed by a CBP officer when the entry is prepared by, or filed with, him/her shall be considered the liquidated assessment.
  - A. \$20.00
  - B. \$25.00
  - C. \$30.00
  - D. \$40.00
  - E. \$50.00
  
3. Which date is used when converting foreign currency?
  - A. Date the merchandise is imported
  - B. Date the merchandise is sold
  - C. Date the monies are transferred from the buyer to the seller
  - D. Date the entry summary is filed and duties are paid
  - E. Date the merchandise is exported

4. Input the data received from a prospective client's completed CBP Form 5106 into U.S. Customs and Border Protection databases in conformance with Customs Directive 5610-002 Standard Guidelines for the Input of Names and Addresses into the Automated Commercial System (ACS) Files. The relevant data is:

Far East Exports, L.L.C. doing business as Oriental Surprise  
1040 Sugar Maple Drive  
Suite 200A  
Davidsonville, Maryland U.S.A. 21035

- A. Far East Exports LLC dba Oriental Surprise  
1040 Sugar Maple Dr/#200A  
Davidsonville MD 21035
- B. Oriental Surprise  
1040 Sugarmaple Dr./200A  
Davidsonville MD 21035
- C. Far East Exports LLC dba Oriental Surprise  
1040 Sugar Maple Dr  
Ste 200-A  
21035 Maryland Davidsonville
- D. Far East Exports dba Oriental Surprise  
1040 Sugar Maple Dr/200A  
Davidsonville MD 21035
- E. Far East LLC  
1040 Sugar Maple Dr/#200-A  
Davidsonville MD 21035

5. Imported cargo arrives at the Port of Mobile on January 28<sup>th</sup>. The importer files proper entry documentation on January 30<sup>th</sup>, without making requests on the entry documentation. The entry was processed on January 31<sup>st</sup> and merchandise was authorized for release on July 1st. The entry summary must be filed within \_\_\_\_\_ :

- A. 10 working days after the date of arrival.
- B. 10 calendar days after the date of entry documentation filing.
- C. 10 calendar days after the date of filing the CBP Form 3461.
- D. 10 calendar days after the date of processing the entry.
- E. 10 working days after the date of CBP's release authorization.

6. If an importer submits duties and fees to a broker for payment to CBP after the monies are due, the broker must do which of the following?
- A. Submit the monies to CBP the same day.
  - B. Submit the monies to CBP within 5 working days of receipt from the importer.
  - C. Submit the monies within 5 calendar days of receipt from the importer.
  - D. Submit the monies within 10 calendar days of receipt from the importer.
  - E. Advise the importer that he/she is no longer liable for duties and fees owed CBP.
7. \_\_\_\_\_ are eligible for drawback.
- A. Antidumping duties
  - B. Countervailing duties
  - C. Liquidated damages
  - D. Voluntary tenders of duties after liquidation.
  - E. Merchandise Processing Fees.
8. When ball or roller bearings are classified under subheading 8482.10.50 through 8482.80.00 of the Harmonized Tariff Schedule of the United States what additional information is required on the invoice?
- A. certificate of origin
  - B. breakdown on component materials
  - C. type of bearing
  - D. the production lot number
  - E. grams per circumference
9. Imported cargo arrives at the Port of Mobile on January 28<sup>th</sup>. The importer files proper entry documentation on January 30<sup>th</sup>, without making requests on the entry documentation. The entry was processed on January 31<sup>st</sup> and merchandise was authorized for release on July 1st. The entry summary must be filed within \_\_\_\_\_ :
- A. 10 working days after the date of arrival.
  - B. 10 calendar days after the date of entry documentation filing.
  - C. 10 calendar days after the date of filing the CBP Form 3461.
  - D. 10 calendar days after the date of processing the entry.
  - E. 10 working days after the date of CBP's release authorization.

10. A customs broker may be listed as an ultimate consignee on a formal entry if \_\_\_\_\_.
- A. The ultimate consignee has not been determined by importer, and the broker is not the owner of the merchandise
  - B. The delivery destination of the merchandise has not yet been determined by the importer
  - C. They own the merchandise, or there is no known U.S. buyer and the accompanying documentation shows the broker premises as the location to which the merchandise is to be delivered
  - D. The merchandise is owned by a foreign company and the location of the delivery for the merchandise is unknown
  - E. The merchandise is going to be exported through another port

11. Polyethylene retail carrier bags (plastic bags) are manufactured and shipped from the People's Republic of China (PRC) to Panama. The bags do not undergo any manufacturing or processing in Panama. Subsequently, the bags are shipped *via* air to Miami, Florida.

What duties, taxes and/or fees will be due when the entry summary is filed within the Miami District when the plastic bags are subject to an antidumping duty order from the PRC?

- A. Only the merchandise processing fee (MPF) because Panama qualifies for duty exemption under the Caribbean Basin Economic Recovery Act (CBERA).
  - B. Zero.
  - C. The MPF, *ad valorem* duty and the assigned antidumping duty cash deposit rate.
  - D. Only the harbor maintenance fee (HMF).
  - E. The MPF and the assigned antidumping duty cash deposit rate for the exporter/manufacturer.
12. The correct classification of the aforementioned plastic bags in question 11 is \_\_\_\_\_
- A. 3901.20.1000
  - B. 3921.90.4000
  - C. 3923.21.0085
  - D. 3925.90.0000
  - E. 3926.90.2100

13. The Toxic Substance Control Act (TSCA) is \_\_\_\_\_:
- A. used to control all toxic substances
  - B. used to govern the importation of chemical substances in consultation with the Environmental Protection Agency (EPA)
  - C. regulated by the U.S. Department of Agriculture (USDA)
  - D. is no longer in effect
  - E. has not been established by Congress yet.

14. The TSCA requires a certificate to be filed \_\_\_\_\_ .
- A. at the convenience of the importer
  - B. with the entry summary
  - C. after summary is accepted
  - D. prior to the importation of the merchandise with the Customhouse broker
  - E. with the director of the port of entry prior to the release of the shipment
15. NBC Bonded warehouse has had a final warehouse withdrawal of merchandise relating to a specific warehouse entry on December 3, 2010. The warehouse proprietor must review the permit file folder to ensure that all necessary documentation is in the file folder accounting for the merchandise covered by the entry; notify CBP of any merchandise covered by the warehouse entry, general order or seizure that has not been withdrawn or removed; and file the permit file folder with CBP no later than \_\_\_\_\_, unless there is an exemption to the submission requirement granted at the discretion of the port director.
- A. January 2, 2011
  - B. January 19, 2011
  - C. December 08, 2010
  - D. December 17, 2010
  - E. December 31, 2010
16. The licensed individual qualifying a corporation's broker license leaves the corporate brokerage. What is the maximum period before which the corporate brokerage must replace the licensed individual before the corporation's broker license will be revoked?
- A. 60 days
  - B. 90 days
  - C. 120 days
  - D. 150 days
  - E. 180 days
17. Bills resulting from dishonored Automated Clearinghouse House transactions are due within \_\_\_\_ days of the date of the issuance of the bill.
- A. 10
  - B. 15
  - C. 30
  - D. 45
  - E. 90



18. How long after the date of entry for consumption is an importer of record required to retain records normally kept in the ordinary course of business pertaining to the importation of merchandise?
- A. 180 days
  - B. 1 year
  - C. 2 years
  - D. 4 years
  - E. 5 years

### Section II: Classification

19. What would be the correct classification of women's footwear with the following characteristics: black colored, open toe, open heel, not covering the ankle, outer soles wholly of rubber and having uppers with an external surface area of 66.4% rubber or plastics, 32.4% glass and 1.2% metal?
- A. 6402.99.3165
  - B. 6402.99.3171
  - C. 6402.99.4040
  - D. 6402.99.4060
  - E. 6402.99.7060
20. What is the correct classification for a wallet with outer surface of textile material containing 90% of silk waste?
- A. 4202.31.3000
  - B. 4202.32.1000
  - C. 4202.32.4000
  - D. 4202.32.8500
  - E. 4202.32.9560
21. What is the **CLASSIFICATION** for a plastic printed card **not** containing a magnetic media strip or any electronic integrated circuits?
- A. 3926.90.9400
  - B. 4911.99.8000
  - C. 8310.00.0000
  - D. 8523.21.0000
  - E. 8523.52.0000

22. What is the correct classification of a catalytic converter imported to be used in a motor vehicle?
- A. 8421.29.0065
  - B. 8421.39.4000
  - C. 8421.99.0080
  - D. 8708.92.5000
  - E. 8708.99.8180
23. What is the four-digit heading of human saliva for prophylactic use?
- A. 3001
  - B. 3002
  - C. 3004
  - D. 3306
  - E. 3502
24. Which of the following shall be considered to have undergone an applicable change in tariff classification or to have met any other applicable requirements to be marked as originating in Canada?
- A. Chinese origin plant cuttings grown to maturity in Canada.
  - B. Chinese origin articles that undergo a change in end-use in Canada
  - C. Chinese origin electric motors dismantled or disassembled in Canada.
  - D. Chinese origin toys packed or repacked in Canada.
  - E. Chinese apple juice diluted with water and repacked in Canada.
25. The classification of a man's knitted shirt made of 60% cotton, 30% polyester and 10% acrylic fabric is \_\_\_\_\_.
- A. 6105.10.0010
  - B. 6105.10.0020
  - C. 6105.10.0030
  - D. 6105.20.2010
  - E. 6105.90.8010
26. What is the **CLASSIFICATION** for a compression-type household refrigerator-freezer combination that has separate external doors for the refrigerator and freezer compartments and has a 396-liter (approximately 14.1 cubic feet) capacity?
- A. 8418.10.0040
  - B. 8418.21.0090
  - C. 8418.50.0080
  - D. 8418.61.0075
  - E. 8418.40.0000

27. When the tariff classification of any article is controlled by its actual use in the United States, three conditions must be met to qualify for free entry or a lower rate of duty unless the language of the particular subheading of the Harmonized Tariff Schedule of the United States applicable to the merchandise specifies other conditions. One of these conditions is proof of use must be furnished within \_\_\_\_\_ after the date the article is entered or withdrawn from warehouse for consumption.
- A. 10 calendar days
  - B. 2 years
  - C. 3 years
  - D. 90 days
  - E. 6 months
28. Canon Medical, Inc. imported antibiotic beads for testing. The beads were imported on July 27, 2011 under a temporary importation bond. The applicable classification is 9813.00.30. What is the maximum total amount of time (including any extensions) that Canon Medical, Inc. has to export the antibiotic beads?
- A. 1 year from the date of importation.
  - B. 2 years from the date of the initial request for extension.
  - C. 3 years from the date of importation.
  - D. 4 years from the date of importation.
  - E. 5 years from the date of the initial request for extension.
29. Medics Web intends to import into the United States an aspirin compound that will be manufactured into tablets. The aspirin in tablet form will be exported. The tablets will not be sold in the United States. Medics Web does not want to file a consumption entry and claim drawback upon exportation. Medics Web instructs their broker to enter the merchandise as a temporary importation under bond. Which temporary importation under bond tariff provision is applicable for the aspirin compound?
- A. 9813.00.05
  - B. 9813.00.20
  - C. 9813.00.25
  - D. 9813.00.30
  - E. 9813.00.60
30. What is/are the **CLASSIFICATION(S)** for a new road tractor with a gross vehicle weight (G.V.W.) greater than 36,287 kgs and its tanker semi-trailer when entered together?
- A. 8701.20.0045 and 8716.31.0000
  - B. 8701.20.0045
  - C. 8701.20.0080 and 8716.31.0000
  - D. 8716.39.0090
  - E. 8701.20.0015 and 8716.39.0090

31. What countries are subject to the “Column 2” rate of duty of the Harmonized Tariff Schedule of the United States?
- A. Uzbekistan and Kazakhstan
  - B. Hong Kong and China
  - C. Iraq and Afghanistan
  - D. Cuba, Korea and Libya
  - E. North Korea and Cuba
32. What is the **CLASSIFICATION** for peach pulp?
- A. 2007.99.6500
  - B. 2008.99.8000
  - C. 2008.70.2040
  - D. 2008.70.1040
  - E. 2008.99.9090
33. All of the following commodities are subject to the tariff rate quota EXCEPT \_\_\_\_\_ .
- A. satsumas, a type of mandarin orange, in an airtight container
  - B. infant formula containing oligosaccharides for retail sale
  - C. green not pitted olives in a saline solution and in container each holding more than 8 kg., drained weight for repacking purposes
  - D. peanuts in the shell
  - E. kitchenware steins with permanently attached pewter lids.
34. “Schedule tares” do NOT apply to \_\_\_\_\_.
- A. Fresh tomatoes
  - B. Limes
  - C. Oranges
  - D. Lemons
  - E. Apples
35. Which General Rule of Interpretation (GRI) applies to the classification of cases, packing containers and packing materials?
- A. GRI 1
  - B. GRI 2
  - C. GRI 4
  - D. GRI 5
  - E. GRI 6

36. CBP Form 3299 “Declaration for Free Entry of Unaccompanied Articles” is used to support the claim for free importation of personal articles not accompanying an individual. What is the correct **CLASSIFICATION** that can be processed using this form?
- A. 9802.00.20
  - B. 9802.00.60
  - C. 9804.00.35
  - D. 9821.11.01
  - E. 9822.05.10

### **Section III: Valuation**

37. The commercial invoice from the seller accompanying the entry package provides the following itemized costs and sales data: 100,000 pieces of fry pans; unit value = \$3.00 each; \$50,000 identified as a credit for an over-payment by the buyer on a previous transaction, which has already been applied to the selling price; \$5,000 of marine insurance; and \$10,000 of ocean freight:

What would be the transaction value?

- A. \$250,000
  - B. \$305,000
  - C. \$310,000
  - D. \$315,000
  - E. \$350,000
38. A U.S. importer purchased ceramic tiles from a manufacturer located in Madrid, Spain. He paid \$21,308 ex-factory. Inland freight from Madrid to the port of Cadiz, Spain cost \$225. The price does not include the U.S. duty (8.5% ad valorem for the ceramic tiles), MPF (.21%), and HMF (.125%). What is the correct entered value?
- A. \$19,497
  - B. \$21,083
  - C. \$21,237
  - D. \$21,308
  - E. \$21,533
39. All of the following are additions to the price actually paid or payable **EXCEPT** \_\_\_\_\_.
- A. Buying Commission
  - B. Packing Costs
  - C. Selling Commission
  - D. Proceeds
  - E. Royalties

### Section IV: Bonds

40. When is a bond rider not used to make changes on a continuous bond?
- A. Principal ABC, Inc. changes its name to BCD, Inc.
  - B. Principal Suzanne Morris decides to do business under the trade name Team Coco.
  - C. Principal Piñatas Inc changes their address from 123 1st St. to the address across the street.
  - D. Principal HTR Corp. dissolves and forms a new corporation.
  - E. Principal ABC, Corp. shuts down one of its affiliated unincorporated subsidiaries and has it removed from the bond.
41. What is the type of bond that covers an obligation to redeliver widgets when, during transportation, the widgets were delivered to an unauthorized location?
- A. Basic Importation Bond
  - B. Basic Custodial Bond
  - C. International Carrier Bond
  - D. Instrument of International Traffic
  - E. Foreign Trade Zone Operator Bond
42. Which statement about an anticipatory breach of a Temporary Importation Bond is incorrect?
- A. By submitting payment of liquidated damages for an anticipatory breach, the importer waives the right to petition for mitigation of the amount.
  - B. Payment of liquidated damages constitutes waiver of the importer's right to receive a notice of claim for liquidated damages.
  - C. The importer may submit written notification to CBP of the anticipatory breach after the bond period has expired.
  - D. Payment of liquidated damages must accompany the written notification to CBP of the anticipatory breach.
  - E. The importer must notify the surety in writing of the anticipatory breach and the payment.
43. One condition of the basic importation and entry bond is that an importer of record will redeliver merchandise if ordered to do so by CBP. If an importer of record fails to timely redeliver a shipment of restricted merchandise, the importer of record is subject to liquidated damages in which of the following amounts?
- A. Three times the value
  - B. Double duty
  - C. Value plus duty
  - D. 110 percent of the duty
  - E. 2.5 to 4 times the loss of revenue

44. When a **single transaction bond** is required or used, the CBP Form 301 be must be presented \_\_\_\_\_ .
- A. within 30 days of entry of merchandise
  - B. within 60 days of entry of merchandise.
  - C. before final liquidation of the entry.
  - D. with entry invoice and manifest before cargo can be released.
  - E. with entry summary within ten days of entry.

**Section V: Customs Broker**

45. Which of the following may **NOT** engage in the classification, valuation, and appraisement of merchandise that is reported to U.S. Customs and Border Protection?
- A. A Mexican citizen domiciled and employed in Ciudad Juarez, Mexico who is an employee of the corporate licensed U.S. Customs brokerage's affiliated unincorporated Mexican north-bound operations.
  - B. A U.S. citizen of an affiliated unincorporated business division whose U.S. parent company that imports into the United States is in possession of a filer code.
  - C. An employee of a resident importer who makes entry for their own account.
  - D. An employee, who is not individually licensed as a Customs broker, identified on the broker's Power of Attorney authorizing the employee to complete "Customs business" documents.
  - E. An individually licensed broker contracted by an unlicensed person (e.g., freight forwarder) to service the unlicensed persons' clients.
46. "Customs business" includes all of the following activities involving transactions with U.S. Customs and Border Protection (CBP) EXCEPT \_\_\_\_\_ :
- A. payment of antidumping duties calculated by the Department of Commerce
  - B. submitting an Importer Security Filing to CBP
  - C. preparation of a *pro forma* invoice
  - D. revising an Entry Type code from 01 to 03
  - E. preparation of a CBP Power of Attorney and making entry for the identified Grantor

47. Andrew Balder, an employee of Morris Customs Brokerage (MCB), decides to import dual color lapel men's dress jackets to take advantage of the latest fashion trends. One of MCB's clients regularly imports comparable dress jackets and has soaring sales. Which statement is correct?
- A. Andrew Balder may not import items similar to articles imported by MCB's clients without the written consent of the broker.
  - B. An employee of a broker may never import merchandise similar to merchandise imported by the broker's clients.
  - C. Andrew Balder must request permission of the port director to import such articles.
  - D. Andrew Balder must apply for a waiver from the Commissioner.
  - E. Andrew Balder may not import comparable merchandise unless MCB's client has full knowledge of the facts.
48. A **BROKER** receives his license through the port of Los Angeles, is permitted in the San Diego district and has a national permit. When he fails to pay his national permit annual user fee timely, CBP starts rejecting his entries at the port of El Paso, Texas. The **BROKER** discovers his permits have been revoked, and now he wants to reinstate them and participate in Remote Location Filing (RLF).

The **BROKER** must submit his payment for a national permit to \_\_\_\_\_.

- A. El Paso
- B. San Diego
- C. Washington, D.C.
- D. Los Angeles
- E. San Francisco, Drawback Office

### Section VI: Fines and Penalties

49. IMPORTER filed an initial petition on a liquidated damages case and it was denied. In order to file a supplemental petition the IMPORTER needs to file the supplemental petition within how many days from the date of notice to the IMPORTER (e.g., petitioner)?
- A. 5 days
  - B. 10 days
  - C. 30 days
  - D. 60 days
  - E. 120 days



50. A petition for relief from liquidated damages must be filed with \_\_\_\_\_ .

- A. the Broker Management Office at the port
- B. the Port Entry Branch
- C. Fines, Penalties, and Forfeitures, Washington, DC
- D. Fines, Penalties, and Forfeitures, notice address
- E. Broker Compliance Branch, Washington, DC

51. Your client (an importer) informs you (its broker) that, for the last 3 years, it has falsely reported the country of origin on certain entries covering shipments of shoes. The importer tells you that it has declared Mexico as the country of origin for the shoes and has claimed North American Free Trade Agreement (NAFTA) preference on the entries when the correct country of origin of the shoes was Japan.

U.S. Customs and Border Protection (CBP) is validating the country of origin of the shoes. CBP has recently advised the importer, in writing, that CBP has reason to believe that the reported origin of the shoes is false and that CBP has commenced an investigation on the issue.

Would you advise the importer to consider filing a Prior Disclosure?

- A. Yes, disclose all of the entry numbers involved and appropriate documentation before CBP issues a penalty.
- B. No, most of the entry summaries are liquidated and CBP will not be able to accept and process any monies tendered.
- C. Yes, CBP may consider the prior disclosure valid since the importer voluntarily declared the violations out of good will.
- D. No, the importer has knowledge of a commencement of an investigation.
- E. Yes, disclose all of the entry numbers and appropriate documentation plus tender the actual loss of duties, taxes, and fees or actual loss of revenue plus interest so CBP can consider it a valid prior disclosure.

52. A prior disclosure is considered valid when \_\_\_\_\_ :

- A. it concerns a violation involving the exportation of merchandise.
- B. it concerns a violation involving undervaluation, misdescription of merchandise and/or overvaluation.
- C. it concerns a violation involving the foreign trade zone.
- D. the disclosing party provides information of a violation orally.
- E. the monies to be reimbursed to CBP is forwarded to the Broker Compliance Branch, Washington, D.C.

53. What is the liquidated damages amount for failing to redeliver restricted or prohibited merchandise that fails to comply with the laws or regulations governing admission into the United States?
- A. Double the estimated unpaid duties, taxes and charges estimated to be due or \$1000, whichever is greater.
  - B. \$100 (Comment: We suggest the following be used in its stead: “110% of the value of the merchandise, plus any duties, taxes and fees owed.”)
  - C. The value of the merchandise.
  - D. \$1000 for each default or any amount as may be authorized by law or regulation, not to exceed the bond amount.
  - E. Three times the value of the merchandise or any amount as may be authorized by law or regulation, subject to the limitation of the principal’s bond.

**Section VII: Powers of Attorney**

Using the below-identified Powers of Attorney (POA) received by Daniel Evans, General Manager, East Coast Logistics, Inc. (an unlicensed person and freight forwarder) from General Merchants Corp. on December 31, 2008 (POA1); the subsequent POA issued by East Coast Logistics, Inc. to Russell Morris doing business as (dba) under the name Quick Brokers (the Customs broker) on January 2, 2009 (POA2); and the understanding that the Customs broker acted as an agent on behalf of the importer of record and made entry on February 1, 2009, March 1, 2009, and May 22, 2009 answer questions 54 through 58.

***POA 1: East Coast Logistics, Inc. from General Merchants Corp.***

**CUSTOMS POWER OF ATTORNEY**

I hereby authorize East Coast Logistics, Inc. to act as General Merchants Corp.'s agent and Customs broker and to file entry/entry summary for all commercial shipments from January 1, 2009 onwards. General Merchants Corp. authorizes other duly licensed Customs brokers to act as Grantor's agent.

(Capacity): VICE PRESIDENT Date: DECEMBER 31, 2008 (Signature) \_\_\_\_\_ (Signed) \_\_\_\_\_

***POA 2: East Coast Logistics, Inc. to Russell Morris dba Quick Brokers***

**CUSTOMS POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That GENERAL MERCHANTS CORP. doing business as a corporation under the laws of the State of Texas residing or having a place of business at 2960 EL ZAPATO LAREDO, TEXAS hereby constitutes and appoints RUSSELL MORRIS dba QUICK BROKERS, which may act through any of it's licensed officers or employees duly authorized to sign documents by power of attorney as a true and lawful agent and attorney of the grantor named above for and in the name, place, and stead of said grantor from this date and in ALL Customs Ports and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal, declaration, certificate, bill of lading, carnet, or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor; to perform any act or condition which may be required by law or regulation in connection with such merchandise; to receive any merchandise deliverable to said grantor.

To receive, endorse and collect checks issued for Customs duty refunds in grantor's name drawn on the Treasurer of the United States.

This power of attorney is to remain in full force and effect until revocation in writing is duly given to and received by grantee (if the donor of this power of attorney is a partnership, the said power shall in no case have any force or effect in the United States after the expiration 2 years from the dates of its execution);

IN WITNESS WHEREOF: the said GENERAL MERCHANTS CORP. has caused these presents to be sealed and signed:

(Signature) \_\_\_\_\_ (Signed) \_\_\_\_\_ (Print Name) DANIEL EVANS  
(Capacity) ATTORNEY IN FACT (A.I.F.) Date: JANUARY 2, 2009  
Witness: (if required) \_\_\_\_\_ (Signature) \_\_\_\_\_

If you are the importer of record, payment to the broker will not relieve you of liability for Customs Charges (duties, taxes, or other debts owed CBP) in the event the charges are not paid by the broker. Therefore, if you pay by check, customs charges may be paid with a separate check payable to U.S. Customs and Border Protection which shall be delivered to CBP by the broker. Importers who wish to utilize this procedure must contact our office in advance to arrange timely receipt of duty checks.

54. Which person or entity may act as the importer of record?
- A. General Merchants Corp.
  - B. East Coast Logistics, Inc.
  - C. The nominal consignee
  - D. Quick Brokers
  - E. Daniel Evans A.I.F.
55. Reviewing POA1 which statement is **TRUE**
- A. POA1 allows the forwarder to create a subagency relationship (i.e., assign the POA to a broker)
  - B. POA1 allows the East Coast Logistics, Inc. to classify and value the imported merchandise, and report the outcome to U.S. Customs and Border Protection
  - C. The Vice President of an incorporated business entity must sign the POA1.
  - D. POA1 is invalid since it does not allow for the service of process.
  - E. POA1 must be on CBP Form 5291 "Power of Attorney"
56. Upon review of both POAs, which statement is **FALSE**.
- A. The customs broker may prepare and present the entry summary to CBP.
  - B. East Coast Logistics, Inc. may authorize the customs broker to forward a completed CBP Form 3461 to CBP.
  - C. The customs broker shall exercise responsible supervision and control when transacting customs business.
  - D. POA2 may be completed and signed after the merchandise has been released from CBP custody.
  - E. General Merchants Corp. is a resident corporate principal.
57. The Customs broker shall retain POA2 for a period of 5 years from \_\_\_\_\_.
- A. December 31, 2008
  - B. January 2, 2009
  - C. February 1, 2009
  - D. March 1, 2009
  - E. **May 22, 2009**
58. Based on POA 2, which statement is **FALSE**
- A. POA 2 identifies a resident principal.
  - B. POA 2 omits the "notice to client of method of payment"
  - C. Failure of the broker to retain a valid POA may result in a monetary penalty in an amount not to exceed an aggregate of \$30,000.00 for one or more violations.
  - D. POA 2 may be granted for an unlimited period of time.
  - E. POA 2 authorizes the broker to sign documents in Puerto Rico.

### **Section III: Warehouses**

59. Upon receipt of the approved CBP Form 3499, a warehouse proprietor is entitled to manipulate merchandise \_\_\_\_\_ .
- A. For two years
  - B. For a period of up to one year
  - C. Until final withdrawal for consumption is completed
  - D. Until the end of the warehouse period
  - E. For five years from the date of importation
60. Which of the following could be taken into custody as general order merchandise?
- A. A shipment sitting in a warehouse after four years
  - B. Show automobiles (temporary importation under bond) not exported after three months
  - C. Released goods residing in a broker's facility
  - D. Incomplete entry due to failure to pay estimated duties
  - E. A non-released three day old shipment located on the carriers dock
61. Which status may only be requested for merchandise entered for warehousing and transferred to a foreign trade zone for exportation?
- A. Non-privileged domestic
  - B. privileged foreign
  - C. Non-privileged foreign
  - D. Privileged diplomat
  - E. Zone-restricted
62. What type of dutiable merchandise may be entered into a warehouse without written consent of the insurance company insuring the warehouse in which the merchandise will be stored?
- A. Fresh cut flowers
  - B. Fresh Atlantic salmon
  - C. Gasoline
  - D. Firecrackers
  - E. Ammunition

63. A shipment of lamps was found to be not legally marked with the proper country of origin upon examination at the dock. The port director can demand redelivery of this merchandise within how many days?
- A. Within 180 days from the date the merchandise enters the Customs territory
  - B. 30 days from the date of entry
  - C. 30 days from the date of export
  - D. 90 days from when the merchandise is found to be improperly marked
  - E. The port director cannot demand redelivery.
64. If a CBP Form 214 is designated as a Temporary Deposit due to incomplete documentation, a complete and accurate CBP Form 214 must be submitted within \_\_\_\_\_ days, unless an extension is granted by the port director.
- A. 5
  - B. 10
  - C. 15
  - D. 20
  - E. 30

**Section IX: Miscellaneous**

**Use the below-identified narrative to answer questions 65 through 67.**

100 cases each containing twelve 750 ml bottles of 40 proof Scotch Whisky are imported into the United States from the United Kingdom, in compliance with the laws of the United Kingdom regulating the production of Scotch Whisky.

65. What is the correct tariff classification of the Scotch Whisky.
- A. 2208.30.3030
  - B. 2208.30.3060
  - C. 2208.90.2000
  - D. 2208.70.0060
  - E. 2208.30.6085
66. The number of gallons is \_\_\_\_\_ .
- A. 100
  - B. 237.75
  - C. 463.50
  - D. 900
  - E. 1200

67. The International Organization for Standardization country code identifying the country of origin is \_\_\_\_\_.
- A. SC
  - B. GB
  - C. IR
  - D. US
  - E. EU
68. Widgets, LLC, a foreign entity incorporated and domiciled in Iceland, may be the ultimate consignee \_\_\_\_\_.
- A. for informal entries
  - B. for entries where the entered merchandise is bedroom furniture subject to an antidumping duty order from the People's Republic of China
  - C. for consumption entries where the entered merchandise is Atlantic cod subject to a countervailing duty order from Iceland
  - D. for entries valued over \$3,000
  - E. when it sells easels to a trade fair operator in Amarillo, Texas
69. If the ISF and CBP Form 7501 are provided *via* a single electronic transmission to U.S. Customs and Border Protection the party making the transmission must be a/an \_\_\_\_\_.
- A. freight forwarder
  - B. common carrier
  - C. foreign trade zone operator
  - D. importer acting on its own behalf
  - E. non-vessel operating common carrier
70. A broker filing electronic entries with U.S. Customs and Border Protection receives error message 510. To correct this error, the broker \_\_\_\_\_.
- A. shall apply the correct area code when calling from Oakland, California
  - B. must use his three digit alpha-numeric entry filer code correctly
  - C. must enter such merchandise on a separate entry with a new entry number
  - D. should verify the correct country of origin and resubmit with the correct ISO code
  - E. should recalculate and retotal the antidumping duties
71. An example of an entry a broker may file *via* remote location filing is a/an \_\_\_\_\_ entry.
- A. Consumption - Antidumping/ Countervailing Duty
  - B. Vessel - Repair
  - C. Informal - Free and Dutiable
  - D. Consumption - Quota/Visa
  - E. Reconciliation Summary

72. What is one of the time frames for disposition of merchandise entered for a trade fair?
- A. 120 days after the closing date of the fair
  - B. 180 days after the closing date of the fair
  - C. Any time before the closing date of the fair
  - D. Up to 314 days after the closing date of the fair
  - E. One year after the closing of the fair
73. What is the maximum period of validity from the date of issue for an A.T.A. carnet?
- A. 6 months
  - B. 1 year
  - C. 2 years
  - D. 5 years
  - E. indefinitely
74. A carnet is an international customs document which serves simultaneously as a \_\_\_\_\_:
- A. CBP Entry and Warehouse Withdrawal
  - B. CBP Entry and Trade Fair Entry
  - C. CBP Entry and CBP Bond
  - D. CBP Entry and Drawback Entry
  - E. CBP Warehouse Entry and Immediate Export Entry
75. Your brokerage firm prepares an immediate transportation entry for a shipment of file cabinets with Portland, Maine as the port of delivery. After receiving authorization from CBP and while the merchandise was in transit, the importer tells you that the merchandise has been sold to a customer in Kansas City, Kansas. To facilitate delivery to Kansas City which of the following is the correct course of action?
- A. Cancel the immediate transportation entry
  - B. Return the merchandise to the port of arrival and file a new immediate transportation entry
  - C. Tell the importer to wait until the merchandise is delivered and released by CBP in Portland, and then have the merchandise shipped as domestic freight
  - D. Tell the importer that diversion of an in bond shipment is never authorized by Customs
  - E. Move the merchandise directly to Kansas City using the same immediate transportation entry



76. At the discretion of the \_\_\_\_\_ a special permit for immediate delivery may be issued on CBP Form 3461.
- A. Entry, Branch Chief
  - B. Assistant Commissioner of Field Operations
  - C. Assistant Port Director of Trade
  - D. Port Director**
  - E. Director of Field Operations
77. Which of the following statements best completes the sentence? Liquidation of an entry may be extended for an additional period \_\_\_\_\_.
- A. If information is needed by CBP for the appraisalment of the merchandise
  - B. For 5 years after the date of entry, if information is needed by CBP for the classification of the merchandise
  - C. By general declaration
  - D. For up to 90 days after the date of the statutory period expires upon request of the importer
  - E. For any suspended time period CBP deems appropriate
78. The Certificate of Eligibility for textile or apparel products under the North American Free Trade Agreement must be signed by an authorized official of the \_\_\_\_?
- A. Manufacturer
  - B. Importer
  - C. Shipper
  - D. Government
  - E. Foreign Consolidator
79. Richmond files a notice of intent to export unused merchandise, subject to a drawback claim, on Friday, August 1st. He indicates that the merchandise will be exported on Monday, August 4th. Is Richmond in compliance with the applicable regulations?
- A. Yes, because all Richmond needs to do is file the CBP Form 7553 prior to exportation.
  - B. No, because Richmond didn't allow for the required one week notice.
  - C. Yes, because the regulations only require that CBP be notified within 3 calendar days prior to exportation.
  - D. No, because the regulations require that the CBP Form 7553 is filed at least 2 working days prior to intended date of exportation.
  - E. Yes, because Richmond can decide when it is appropriate to file the CBP Form 7553

80. What Trade Agreement Program is denoted by the Special Program Indicator “A+”?

- A. North American Free Trade Agreement (NAFTA)
- B. Generalized Systems of Preferences (GSP)
- C. United States - Australia Free Trade Agreement Implementation Act (UAFTA)
- D. United States - Jordan Free Trade Area Implementation Act (US-JFTA)
- E. United States - Chile Free Trade Agreement (UCFTA)

**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.**

## October 2011 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citation(s)</u>
1.	B	127.28(a) and 158.41
2.	A	159.6(a)
3.	E	159.35 and 159.1(c)
4.	A	Customs Directive 5610-002
5.	E	142.12(b) and 142.23
6.	B	111.29(a)
7.	D	191.3(b) and 191.3(A)(1)(a)(4)
8.	C	141.89(a)
9.	E	142.12(b) and 142.23
10.	C	Customs Directive 3550-079A
11.	C	10.195 and 24.24
12.	C	<i>Eo Nominee</i>
13.	B	12.118
14.	E	12.121
15.	A	19.12(c ) and (d)
16.	C	111.45(a)
17.	B	24.3(e)
18.	E	163.4(a)
19.	D	<i>Eo Nominee</i>
20.	D	<i>Eo Nominee</i>
21.	B	Chapter 85 Note 4(b)
22.	B	Section XVII Note 3, Section XVI Note 1(l), Section XVII Note 2(e)
23.	A	<i>Eo Nominee</i>
24.	A	102.17(a) , 102.20 and 102.21
25.	A	Section II Statistical Note 2(a) and General Rules of Interpretation
26.	A	<i>Eo Nominee</i>
27.	C	10.133 and General Rules of Interpretation 1(b)
28.	C	10.37
29.	A	Harmonized Tariff Schedule of the United States
30.	A	Chapter 87 Additional U.S. Note 1
31.	E	General Note 3(b)
32.	C	Harmonized Tariff Schedule of the United States
33.	E	Additional U.S. Notes. 6911.10.4100, 2008.30.42, 1901.10.15 Additional U.S. Note 2 to Chapter 19 , 0711.20.18, Additional U.S. Note 5 to Chapter 7, 1202.10.40 and 2008.11.45, Additional U.S. Note 2 to Chapter 12
34.	B	159.22(c)
35.	D	General Rules of Interpretation
36.	C	148.6
37.	E	152.103
38.	D	152.103
39.	A	152.103(b)
40.	D	113.24

41.	B	113.63(d)
42.	C	10.39(f) and 172.1
43.	A	113.62(m)
44.	D	142.4(a)
45.	A	111.28(b)(1)(i), 111.1, 101.1 and 111.19
46.	B	111.1
47.	E	111.32 and 111.37
48.	D	111.15, 111.96(c), 111.19(c)
49.	D	172.41
50.	D	172.3
51.	D	162.74(a)(1)
52.	B	162.74
53.	E	113.62(m)
54.	A	Customs Directive 3530-002A
55.	A	141.43(a)
56.	D	141.46, 111.1, 111.28 and 141.31(d)
57.	E	111.23(a)(2) and 111.29(b)(2)(ii).
58.	B	111.29(b)(1) and (b)(2)(i).
59.	B	19.11
60.	D	127.1
61.	E	146.44(d)
62.	D	144.1(a)
63.	B	141.113(a)(2)
64.	C	146.35(e)
65.	A	Harmonized Tariff Schedule of the United States
66.	B	Appendix D Customs and Trade Automated Interface Requirements
67.	B	Annex B Harmonized Tariff Schedule of the United States
68.	A	Customs Directive 3550-079
69.	D	149.5(a)
70.	E	Appendix G Customs and Trade Automated Interface Requirements
71.	C	Appendix B Customs and Trade Automated Interface Requirements
72.	C	147.42(a)
73.	B	114.23(a)
74.	C	113.4(b)
75.	E	18.5(a)
76.	D	142.24(a)
77.	A	159.12(a)
78.	D	102.25
79.	D	191.35(a)
80.	B	General Notes