

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. 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 (2009)**
- **Title 19, Code of Federal Regulations** Revised as of April 1, 2009 (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
 - Appendix H – Census Warning Messages
 - Appendix L – Drawback Errors
 - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501 (8-30-2005)**
- **Submission Changes for Supplemental Information Letters and Post Entry Amendments**
- **Remote Location Filing Eligibility Requirements (4-18-2005)**
- **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

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.**

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Section 1: ENTRY

1. Which of the below-identified statements concerning Powers of Attorney (POA) is false?
 - A. A POA for engaging in “Customs business” may be on CBP Form 5291.
 - B. A freight forwarder may obtain a POA from a resident principal, and the freight forwarder can assign the POA to a broker to make entry on behalf of the resident principal (i.e., importer of record) only if the resident principal granted the freight forwarder the power to “authorize other Customs brokers to act as grantor’s agent” .
 - C. A POA from a nonresident principal requires language whereby the agent is authorized to accept service of process against such nonresident.
 - D. An individually licensed broker must be in possession of a POA prior to the broker making entry on behalf of the importer of record.
 - E. A Customs broker does not need to be in possession of a POA where the importer of record is the Department of Justice and the broker is making entry on behalf of the Department of Justice.

2. What type of entry is required on an air shipment of textile articles valued at \$1,500 and subject to quota and visa restraints?
 - A. consumption entry using an A.T.A. Carnet
 - B. inward foreign manifest
 - C. formal entry
 - D. temporary importation under bond (T.I.B.) entry
 - E. informal entry

3. Which of the following may be identified as the importer of record whereby the U.S. Customs broker is authorized to accept service of process on the Power of Attorney?
 - A. A corporate manufacturer located in the People’s Republic of China.
 - B. Mr. Chang, a U.S. citizen, residing in Hereford, Texas and Assistant Vice President for a medium size domestic incorporated importer.
 - C. A U.S. freight forwarder (i.e., nominal consignee) that does not have a financial interest in the entered merchandise.
 - D. A foreign common carrier located in the United Arab Emirates where a container is reladen and the merchandise is destined to be consumed and entered in Italy.
 - E. Customs and Border Protection

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4. In which four months are the quarterly Harbor Maintenance Fees payments due?
- A. March, June, September, and December
 - B. October, January, April and August
 - C. January, April, August, and October
 - D. February, May, August, and November
 - E. HMF Quarterly payments are not allowed
5. What type of liquidation occurs when CBP fails to liquidate, extend or suspend, a consumption entry or a warehouse entry on which all merchandise was withdrawn for consumption, within one year?
- A. Automatic liquidation
 - B. Deemed liquidation
 - C. No Change liquidation
 - D. Change liquidation
 - E. Involuntary liquidation
6. Which of the following imported items are goods subject to the provisions of the Harmonized Tariff Schedule?
- A. Software imported *via* the internet
 - B. Telecommunication transmissions
 - C. Tulips accompanying corpses
 - D. Samples for soliciting orders
 - E. Articles exported from the U.S. which are returned within 45 days after such exportation from the U.S. as undeliverable and which have not left the custody of the carrier or foreign customs service.
7. What is the retention period for a Power of Attorney (POA) by a Customs broker?
- A. The POA must be returned to client 1 year after revocation.
 - B. The POA must be sent to CBP immediately after revocation.
 - C. The POA must be retained for 1 year after revocation.
 - D. The POA must be retained until revoked and must be retained for 5 years after the date of revocation or for 5 years after the date the client ceases to be an active client.
 - E. There is no specific retention period for a POA.
8. When a commercial transaction and subsequent entry is in foreign currency, the date that should be considered for conversion purposes is the date the goods were _____.
- A. imported into the U.S.
 - B. sold
 - C. exported from the country of export
 - D. packed
 - E. intended to be shipped to the U.S.

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9. A U.S. resident importer and manufacturer sends electrical conduit for processing to Mexico with the intention to return the conduit to the U.S. for entry under HTSUS subheading 9802.00.60. It is determined that additional proof of exportation is required to prove actual exportation of the articles from the U.S. Which of the following is **NOT** an acceptable document?
- A. Foreign customs entry
 - B. Foreign customs invoice
 - C. Bill of lading
 - D. Airway bill
 - E. Manufacturers affidavit
10. Which of the following is **NOT** a valid Column 1 "Special" symbol denoting a current trade program or agreement?
- A. IT
 - B. PE
 - C. T
 - D. SG
 - E. K
11. Which Special Program Indicators (SPI) may be EXEMPT from the merchandise processing fee (MPF)?
- A. J
 - B. C
 - C. MA
 - D. A
 - E. Z
12. The Automated Broker Interface status indicator **must** be recorded in block _____ of CBP Form 7501.
- A. 2
 - B. 9
 - C. 13
 - D. 19
 - E. 23
13. A shipment valued at \$175 arrives by a commercial carrier. The shipment qualifies for informal entry and meets the requirements of 19 CFR 10.151 and 10.152. The bill of lading representing the entry must contain all of the following **EXCEPT**:
- A. Country of origin of the merchandise.
 - B. Value.
 - C. Shipper name, address and country.
 - D. Quantity.
 - E. Harmonized tariff number.

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14. Quick Imports, a Customs broker incorporated in Texas, is purchased by an unlicensed person (i.e., freight forwarder). The freight forwarder dissolves the corporate Customs broker, and reincorporates in Delaware. The dissolution of Quick Imports, Inc. requires that a new federal identification number be obtained. The new owners intend to conduct “Customs businesses” under the name of East West Imports, Inc.

All of the below-identified answer are correct **EXCEPT**.

- A. Quick Imports, Inc. shall notify CBP of the changes in the Articles of Incorporation.
 - B. A corporate Customs broker applicant shall be empowered under its Articles of Incorporation to transact Customs business as a broker.
 - C. Mr. Lee, a Korean citizen and president of the freight forwarder, may not be the officer to qualify East West Imports corporate Customs broker’s license.
 - D. East West Imports, Inc. may engage in “Customs business” using Quick Imports, Inc. former Customs broker’s license, filer code and permits.
 - E. East West Imports, Inc. may not obtain a district permit in the State of Texas.
15. A Government Agency establishes an ultimate consignee number with CBP by filing a properly executed:
- A. CBP Form 19
 - B. CBP Form 3461
 - C. CBP Form 5106
 - D. CBP form 5291
 - E. Internal Revenue Service Schedule Form 1099
16. A broker files a temporary importation under bond entry in January 2009. In February of 2010 he calls Customs and Border Protection to find out if the entry has liquidated. Which of the following is correct?
- A. Temporary importation under bond entries do not liquidate.
 - B. Temporary importation under bond entries liquidate 1 year from the date of entry.
 - C. Temporary importation under bond entries liquidate within 180 days from the date of entry.
 - D. Temporary importation under bond entries are valid for 1 year and then may be converted into a consumption entry and therefore liquidate within 2 years.
 - E. Temporary importation under bond entries are valid for 1 year and then may be converted into a transportation in bond and therefore liquidate within 3 years.

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17. 17. A consumption entry has not been liquidated by CBP, and the time for liquidation has not been extended or suspended. When will this entry be deemed liquidated by operation of law?
- A. 1 year from the date of entry.
 - B. 90 days from the date of importation.
 - C. 1 year from the date of importation.
 - D. 3 years from the date of entry.
 - E. 3 years from the date of importation.
18. Which one of the following is **NOT** a requirement for proper country of origin marking of Native American imitation jewelry?
- A. The article must be marked in a conspicuous place.
 - B. The article must be marked using die stamping, cast-in-the-mold lettering, etching, or engraving.
 - C. The article must be marked with the English name of the country of origin.
 - D. The article must be legibly marked.
 - E. The article must be marked as permanently as the nature of the article will permit.
19. What is the merchandise processing fee for a shipment of strawberry jam from England and is valued at \$10,000?
- A. \$ 485.00
 - B. \$ 125.00
 - C. \$ 75.00
 - D. \$ 25.00
 - E. zero
20. A shipment of merchandise arrives within the Customs territory of the U.S. on December 22, and is unloaded on December 23. The broker advises the client to take advantage of the immediate delivery procedures to secure the lower duty rate which will be effective January 1. The client agrees, and the merchandise is released under a special permit for immediate delivery on December 28. An entry summary is filed on January 3, with estimated duties attached. What is the date of entry for this shipment?
- A. December 22
 - B. December 23
 - C. Decemember 28
 - D. January 1
 - E. January 3

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21. To comply with manufacturing drawback (direct identification and substitution), the use of domestic merchandise taken in exchange for imported merchandise of the same kind and quality shall be treated as use of the imported merchandise if no certificate of delivery is issue covering the transfer of the imported merchandise. This provision is known as a/an _____?
- A. interchange
 - B. fungibility
 - C. trade good
 - D. exchange merchandise.
 - E. tradeoff
22. If conditionally released merchandise must be examined, inspected, or appraised, CBP has up to _____ days after the end of the conditional release period to issue a demand for redelivery?
- A. 14
 - B. 30
 - C. 90
 - D. 180
 - E. 314
23. Who is the ultimate consignee for a formal entry when U.S. Company (1) places an order with an overseas shipper and then sells the goods to U.S. Company (2) in a domestic transaction prior to the importation? The invoice issued by the overseas shipper states “sold to: U.S. Company (1)” and “ship to: U.S. Company (2).” The consignee on the bill of lading is U.S. Company (2).
- A. The overseas shipper
 - B. U.S. Company 2
 - C. The U.S. Customs broker
 - D. U.S Company 1
 - E. The domestic common carrier
24. 24. The entry of livestock, exported for temporary exhibition and returned and claimed to be exempt from duty under subheading 9801.00.60 shall be supported with a _____.
- A. CBP Form 3311 or equivalent export documentation, and a CBP Form 4455.
 - B. CBP Form(s) 3495 and 4455.
 - C. CBP Form 4455 or equivalent export documentation, and a CBP Form 3311.
 - D. CBP Form(s) 5106 and 3311.
 - E. CBP Form(s) 7512 and 7501.

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25. An entry is made on February 1, 2010 of food product merchandise. The Food and Drug Administration (FDA) issues a notice of sampling on February 5, 2010, but does not issue a “Notice of Refusal” nor “Notice that Merchandise May Proceed” within 30 days of release. For the “Notice to Redeliver” (CBP Form 4647) to be considered timely, when is the latest the CBP Form 4647 must be issued by CBP?
- A. March 3, 2010
 - B. March 5, 2010
 - C. March 7, 2010
 - D. April 2, 2010
 - E. CBP cannot issue the Notice to Redeliver because it is not considered timely
26. Numeric code 21, entered in Block 9 of the CBP Form 7501 refers to which mode of transportation by which the imported merchandise entered the U.S. port of arrival from the last foreign country?
- A. Rail, non-container
 - B. Rail, container
 - C. Truck, container
 - D. Truck, non-container
 - E. Passenger, hand-carried
27. With the exception of bulk and certain bulk-break cargo, the Importer Security Filings for immediate export or transportation and exportation in-bond shipments must be submitted no later than 24 hours _____.
- A. prior to arrival of laden cargo from foreign port
 - B. after the cargo is laden aboard vessel destined to the U.S.
 - C. before the cargo is laden aboard a vessel destined to the U.S.
 - D. prior to departure of vessel from foreign port
 - E. after departure of vessel from foreign port
28. If the entry type code, in block 2 of CBP Form 7501 begins with the number ‘5’, the general category code is identified as a/an _____ entry.
- A. consumption
 - B. government
 - C. transportation
 - D. warehouse
 - E. informal

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29. On mail shipments of internet purchases, what information must be provided on the Customs declaration supplied by a foreign post office?
- A. Country of origin of the merchandise
 - B. Reason for the purchase
 - C. Value of the merchandise
 - D. Website address used to make the purchase
 - E. A declaration form is not required for internet purchases
30. Which one of the below-identified related document identifiers is authorized to certify a source document for Remote Location Filing?
- A. U.S. / Israeli Free Trade Agreement Certificate of Origin (C94)
 - B. Textiles, Visa Waivers (C80)
 - C. Proof of Actual Use (Various Commodities) (C63)
 - D. Declarants Reference Number (C36)
 - E. Certificate of Repacking (C85)
31. A corporate broker continually misuses their license, permit and filer code. Which of the below-identified actions may CBP **NOT** pursue against the broker?
- A. CBP may refuse to allow continued use of the filer code by the broker.
 - B. If the misuse is nonegregious in nature, CBP may provide “informed compliance” to the broker through oral consultations, written guidance or a visit to the broker’s facility.
 - C. CBP may pursue monetary penalties against the corporate broker.
 - D. CBP may immediately revoke the corporate broker’s permit.
 - E. CBP may pursue monetary penalties against the license qualifier and the corporate brokerage.
32. A _____ shall be presented to CBP to obtain release of a shipment of pesticides.
- A. Department of State form 2031
 - B. Environmental Protection Agency form 3520-1
 - C. Department of Transportation form HS-7
 - D. Environmental Protection Agency form 3540-1
 - E. Consumer Product Safety Commission form 740

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Section 2: CLASSIFICATION

33. What is the classification for a shipment of glass tumblers with ribbon-like swirls cut into the side of the glass? The value of the tumblers is \$4.00 each.
- A. 7013.99.10
 - B. 7013.28.30
 - C. 7013.37.30
 - D. 7013.49.30
 - E. 7013.33.30
34. What is the classification of ladies knit cardigans that are 65% silk and 35% cotton? The construction of the cardigan consists of 8 stitches per 2 centimeters. All components of the cardigans are knit to shape.
- A. 6110.90.1060
 - B. 6110.90.9036
 - C. 6110.90.9042
 - D. 6110.90.9038
 - E. 6110.90.9090
35. What is the classification of an alloy steel, non-welded gas line with an outside diameter of exactly 114.3 mm?
- A. 7306.11.0010
 - B. 7306.19.1010
 - C. 7306.19.1050
 - D. 7306.19.5110
 - E. 7306.19.5150
36. What is the classification of spent catalyst in form of ash being imported for extraction of platinum?
- A. 3815.12.0000
 - B. 7112.30.0000
 - C. 8421.39.4000
 - D. 2620.99.1000
 - E. 7110.11.0050
37. What is the classification of disposable plastic sleeve protectors constructed of 100% polyvinyl chloride plastic from China?
- A. 3926.20.1020
 - B. 6216.00.1900
 - C. 3926.20.9050
 - D. 3926.90.6090
 - E. 3926.20.4010

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38. What is the classification of chocolate coated peanuts from Canada? The quantity of chocolate will range from a minimum of 20% to a maximum of 50% of the finished product. The composition of the roasted peanuts is 98% peanuts, 1% sucrose, and 1% vegetable oil; while the chocolate consists of 45% sugar, 24% milk powder, 17% cocoa mass, 13% cocoa butter, and up to 1% lecithin, vanillin and salt. The raw peanuts will be sourced in Argentina, China, Mexico, and Nicaragua. Refineries in the U.S. or Canada will supply the vegetable oil and the sugar will be from Canadian origin. The chocolate will be made in the U.S.; also the chocolate liquor used is from the U.S.
- A. 2008.11.4500
 - B. 2008.11.6000
 - C. 1806.90.9019
 - D. 1806.90.9090
 - E. 1806.90.9011
39. An importer plans to import one liter bottles of brandy from France. Each one liter bottle of brandy has a value of \$3.50. What is the correct classification for the brandy?
- A. 2208.90.1200
 - B. 2208.70.0030
 - C. 2208.90.3000
 - D. 2208.90.2000
 - E. 2208.90.2500
40. What is the classification of tie rods which are used exclusively with jet aircraft turbine engines? They are $\frac{3}{4}$ " in diameter and 10" in length. They are hot rolled and hardened and made up of 50% Nickel, 46% Iron and 4% Cobalt.
- A. 8411.91.9081
 - B. 7318.15.2065
 - C. 7505.12.3000
 - D. 7508.90.5000
 - E. 7326.90.8588
41. What is the correct classification of a woman's 60% wool/40% polyester (synthetic) knit suit comprised of a divided skirt and a suit coat? The skirt and suit coat are of the same fabric construction, color and composition.
- A. 6204.11.0000
 - B. 6104.13.1000
 - C. 6104.19.5000
 - D. 6204.33.4010
 - E. 6104.19.1000

42. What is the classification of a woven scarf that is 58cm by 58cm containing 78% silk and 22% polyester?
- A. 6214.90.0090
 - B. 6213.90.0500
 - C. 6214.10.1000
 - D. 6213.90.2000
 - E. 6214.30.0000
43. Most types of articles imported under a Temporary Importation Under Bond (TIB) have one year from the date of importation to be exported or destroyed; moreover, the one year time frame may be extended up to two times for a total of three years from the date of importation. This time frame does not apply to articles that are imported under HTS _____.
- A. 9813.00.20
 - B. 9813.00.35
 - C. 9813.00.60
 - D. 9813.00.70
 - E. 9813.00.75
44. What is the classification for a shipment of women's woven ski jackets? The jackets are made of camel hair with down filling. The down comprises 48% of the garment's weight, and the camel hair comprises the remaining 52%.
- A. 6202.91.2011
 - B. 6202.93.1000
 - C. 6202.92.1000
 - D. 6211.20.5820
 - E. 6102.10.0000
45. What is the classification of a diffusing apparatus used for the commercial extraction of sugar juice?
- A. 8419.40.0040
 - B. 8421.22.0000
 - C. 8435.10.0000
 - D. 8438.30.0000
 - E. 8509.40.0030
46. What is the classification for a non-clad/plated/ coated, hot-rolled coil that has a width of less than 600mm and thickness of 5mm? The element weights are 95% Iron (FE) and 5% Nickel (Ni).
- A. 7211.14.00.90
 - B. 7211.19.66.66
 - C. 7211.19.60.00
 - D. 7211.23.20.00
 - E. 7211.23.60.85

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47. What is the classification of a jewelry box consisting of a base metal box covered in paper which has an exterior coating of plastic?
- A. 4202.92.6010
 - B. 4202.92.9015
 - C. 4202.92.9060
 - D. 4202.99.1000
 - E. 7326.90.3500
48. What is the correct classification of camera filters?
- A. 9002.11.9000
 - B. 9002.19.0000
 - C. 9002.20.8000
 - D. 9002.20.4000
 - E. 9006.91.0000
49. What is the classification of women's size three golf shoes with outer soles of rubber and uppers of cow leather and not welt construction.
- A. 6402.19.0560
 - B. 6403.19.3090
 - C. 6403.19.5061
 - D. 6403.19.5091
 - E. 9506.39.0080

Section 3: WAREHOUSE

50. The operator of a foreign trade zone has _____ to prepare a reconciliation report after the end of the zone/subzone year unless the port director authorizes an extension for reasonable cause.
- A. 30 calendar days
 - B. 30 business days
 - C. 90 calendar days
 - D. 120 days
 - E. 180 days
51. Foreign merchandise that is entered into a foreign trade zone and is manufactured or changed in condition may be exported to Canada or Mexico at a waived or reduced duty amount. Which of the answers below apply for filing and/or duty payment to claim the waived or reduced duty amount?
- A. Within 30 calendar days, a CBP Form 3461 must be submitted to report the quantities and value of merchandise exported.
 - B. The estimated duty must be deposited with CBP 60 calendar days after the date of exportation of the goods.
 - C. A CBP Form 7501 must be filed 10 working days after the merchandise is physically removed from the Zone for export.
 - D. A CBP Form 7501 must be filed no later than 10 calendar days after the date of exportation to Canada or Mexico.
 - E. CBP Form 368 must be issued by the broker.
52. Once merchandise is admitted into a foreign trade zone under privileged foreign status the status is binding **EXCEPT** for which one of the following?
- A. Petroleum products
 - B. Furniture
 - C. Bicycle parts
 - D. Textiles
 - E. Recoverable waste

53. According to the CBP Regulations which of the following is an **INCORRECT** statement regarding warehouse withdrawals for exportation?
- A. Merchandise withdrawn for indirect exportation (transportation and exportation) shall be forwarded to the port of exportation, in accordance with general provisions for transportation in bond.
 - B. Merchandise may be withdrawn from warehouse for exportation by mail in accordance with the provisions of Subpart F of 19 CFR 145.
 - C. Merchandise in bulk, and packaged articles which are customarily bought and sold by weight, gauge, or measure may not be withdrawn for exportation or transportation.
 - D. Merchandise withdrawn from warehouse and admitted into a foreign trade zone in zone restricted status is considered to be exported.
 - E. If any part of a shipment is not exported or if a shipment is divided at the port of exportation, extracts in duplicate from the manifest on file in the Customhouse shall be made on CBP Form 7512 for each portion.
54. What is **NOT** eligible to be entered for warehousing?
- A. Merchandise subject to a countervailing duty order.
 - B. Merchandise awaiting documents.
 - C. Deferred payment of duty until merchandise is needed.
 - D. Dangerous and highly flammable merchandise.
 - E. Spirits and wine
55. For purposes of a warehouse entry, when packages which are not uniform in contents, quantities, values, or rates of duty are grouped together as one item on an entry summary, which of the following items does **NOT** have to be included in the specifications list furnished with the entry summary?
- A. The quantity of each class of merchandise.
 - B. The entered value of each class of merchandise.
 - C. The rate of duty for each class of merchandise.
 - D. The marks or numbers of each package.
 - E. The date of importation of each class of merchandise.

Section 4 : TRADE AGREEMENTS

56. A NAFTA Certificate of Origin shall be accepted by CBP for ____.
- A. One year after the date of importation to the U.S.
 - B. Four years after the date on which the certificate was signed by the exporter or producer.
 - C. 30 calendar days after date of discovery.
 - D. Four years after the date of the entry summary.
 - E. Five years after the date entry summary was filed by the broker
57. Tank tops manufactured and imported from Mexico are 52 % acetate and 48% percent rayon woven fabric with 100 percent rayon woven fabric trim. The fabric for the tank tops was woven in the U.S. from yarn produced in the U.S. The fabric for the trim however is Korean. Does the tank top originate under NAFTA?
- A. The garment qualifies as originating under Note 12(i) wholly obtained or produced entirely in the territory of the NAFTA parties.
 - B. The garment qualifies as originating under Note 12 (iii) goods produced entirely in the territory of the NAFTA parties, exclusively from originating materials.
 - C. The garment does not qualify as originating under Note 12(b)(i)(A), Korean trim fabric does not satisfy the tariff change requirement.
 - D. The garment qualifies as originating under Note 12(b)(i)(A), Korean trim fabric can be disregarded and does not have to satisfy the tariff change requirements set out in the rule of origin for this good.
 - E. The garment is considered a US Good returned.
58. Foreign merchandise that is entered into a Foreign Trade Zone and is manufactured or changed in condition may be exported to Canada or Mexico at a waived or reduced duty amount in the U.S. Which of the answers below apply for filing and/or duty payment to claim the waived or reduced duty amount?
- A. Within 30 calendar days, a CPB Form 3461 must be submitted to report the quantities and value of merchandise exported.
 - B. The estimated duty must be deposited with CBP 60 calendar days after the date of exportation of the goods.
 - C. A CBP Form 7501 must be filed 10 working days after the merchandise is physically removed from the Zone for export.
 - D. A CBP Form 7501 must be filed no later than 10 calendar days after the date of exportation to Canada or Mexico.
 - E. Answers C and D

59. A woven cotton dress is shipped from Israel directly to the U.S. The cotton fabric for the dress was woven in Pakistan and comprises 64% of the value of the finished garment. A polyester contrasting trim fabric was woven in Puerto Rico and constitutes 5% of the value of the finished garment. The dress was cut and sewn in Israel which constitutes 31% of the value. Which statement is **TRUE**?
- A. The country of origin of the dress is Israel and it qualifies for the United States Israel Free Trade Area (USIFTA).
 - B. The country of origin of the dress is Israel and the Pakistani fabric disqualifies the woven dress for the USIFTA.
 - C. The country of origin of the woven dress is Israel and there is insufficient value added to qualify it for USIFTA.
 - D. The country of origin of the woven cotton dress is the United States of America.
 - E. The finished garment is classified in Chapter 61 of the Harmonized Tariff Schedule of the United States of America.
60. A farm truck with grain box on it is being imported. A company in North Dakota shipped the truck cab and chassis manufactured in Japan, classified 8704.32.0010, to Canada to have the grain box mounted on it. The value of the truck when it entered Canada was \$100,000. The cost of mounting the grain box onto the truck was \$8,000. To pay the lowest amount of duty, which statement is **CORRECT**?
- A. Truck would be classified CA8704.32.0010 using the special rate of duty column for \$108,000.
 - B. Truck would be classified 9802.00.5060 with duty rate Free for \$100,000 and 8704.32.0010 with general rate of duty for \$8,000.
 - C. Truck would be classified 8704.32.0010 using the general rate of duty for \$108,000.
 - D. Truck would be classified 9802.00.5060 with duty rate Free for \$108,000.
 - E. Truck would be classified 9802.00.5060 with duty rate Free for \$100,000 and CA8704.32.0010 using the special rate of duty column for \$8,000.

61. Blended yarn (5205.13) is imported from Mexico, consisting of 95% cotton fibers originating from Mexico, blended with 5% imported nylon fiber from Taiwan under HTSUS 5506.10. Does the blended yarn originate under NAFTA?
- A. The Taiwanese fibers of heading 5506.10, fall outside the range of non allowable changes in tariff classification, therefore the blended yarn would originate under General Note 12(b)(ii)(A).
 - B. The Taiwanese fibers of heading 5506.10, fall within the range of non allowable changes in tariff classification, therefore yarn would not originate under General Note 12(b)(ii)(A) but originate under de minimis Rule Note 12(f).
 - C. The Mexican fibers predominate in weight, 95 percent, therefore the yarn originates under Note 12(i) as goods wholly obtained or produced entirely in the territory of the NAFTA parties.
 - D. The blended yarn is a specialty yarn of chapter 56 and requires only a “single transformation”, spun within a NAFTA.
 - E. The blended yarn does not originate under NAFTA but qualifies for GSP.
62. For CBP country of origin purposes, fungible goods or fungible material means:
- A. Commercial goods or materials which have been assembled and advanced in value.
 - B. Goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical.
 - C. Waste or scrap imported for the recovery of the essential raw materials.
 - D. Perishable goods or materials imported into the U.S. for consumption.
 - E. Usable goods or materials which have been produced in a single country.
63. Each importer claiming preferential tariff treatment NAFTA for a good imported into the U.S. shall maintain in the U.S. all documentation relating to the importation of the merchandise for a period of _____ years after the date of entry.
- A. 1
 - B. 3
 - C. 4
 - D. 5
 - E. 6

64. Except as otherwise provided, under 19 CFR 102, Rules of Origin, foreign materials that do **NOT** undergo the applicable change in tariff classification, or satisfy the other applicable requirements when incorporated into a textile or apparel product covered by that section shall be disregarded in determining the country of origin of the good if:
- A. The value of the materials is no more than 7 percent of the value of the good.
 - B. The total weight of the components or materials is not more than 7 percent of the total weight of the good.
 - C. The value of the materials is 10 percent of the total value of the good.
 - D. The value of the materials is less than 10 percent of the total value of the good.
 - E. The value of the good is 10 percent of the value of a good of Chapter 22 of the Harmonized Tariff System.
65. Which one of the following statements is **FALSE**?
- A. Gabon is a beneficiary of the Generalized System of Preferences.
 - B. Venezuela is a designated beneficiary country of the Andean Trade Preference Act.
 - C. Puerto Rico is a Beneficiary Country under the Caribbean Basin Economic Recovery Act for purposes of determining the 35% value added requirement under that program.
 - D. Goods originating in Indonesia that enter the commerce of Singapore for repacking and are then shipped to the United States may qualify for benefits under the Generalized System of Preferences.
 - E. Croatia is a designated beneficiary of the Generalized System of Preferences.
66. Which is **NOT** a program providing special tariff treatment?
- A. Automotive Products Trade Act
 - B. Caribbean Basin Economic Recovery Act
 - C. Agreement on Trade in Civil Aircraft
 - D. Eastern Bloc Human Rights and Tariff Reduction Act
 - E. Generalized System of Preferences.

Section 5: FP&F

67. The maximum monetary civil penalty that CBP may assess against an individual for a fraudulent violation of Section 592 of the Tariff Act of 1930, as amended, when the circumstances of the violation were not disclosed, is _____.
- A. an amount not to exceed the domestic value of the merchandise.
 - B. any amount the port director of CBP imposes.
 - C. 40% of the dutiable value of the merchandise if there is no loss of duties.
 - D. the lesser of the domestic value of the merchandise or 4 times the loss of duties.
 - E. two times the lawful duties of which the United States is or may be deprived.
68. An importer is under investigation by CBP. Half of the entries and entry summaries CBP lists in its investigation have liquidated. Which one of the following is correct?
- A. Entries and entry summaries that have liquidated are subject to investigatory actions and penalties.
 - B. Entries and entry summaries that have liquidated are not subject to investigatory actions, therefore penalties cannot be assessed.
 - C. If the investigation began prior to the liquidation of the entries and entry summaries then and only then are they subject to investigatory actions and penalties.
 - D. Entries and entry summaries that have liquidated are not subject to investigatory actions, but liquidated damages can be assessed.
 - E. Entries and entry summaries that have liquidated are not subject to investigatory actions if a Notice of Marking or Redelivery (CF-4647) had been issued by Customs prior to the release of the merchandise.

Section 6: VALUATION

69. You have a shipment of canoes to enter, from the White Water Co., of Edmonton, Alberta, Canada. This particular sale has been made to White Water's retail outlet in Buffalo, New York, The Outback, a related party. The canoes are invoiced at U.S. \$500/each. A 5% variation in price is considered a "close approximation" in this industry. The only information available to consider for this related party sale is a test value from an unrelated seller of similar merchandise, to another unrelated U.S. importer for U.S. \$450. That sale occurred at approximately the same time as the one before you. There were no adjustments necessary with respect to the commercial levels and the quantity of the merchandise being appraised, and the basis of appraisal for the similar sale was transaction value, at the \$450 price. Based on this information, the correct value and basis of appraisal is:
- A. U.S. \$450, Transaction Value of the instant shipment.
 - B. U.S. \$500, Transaction Value.
 - C. U.S. \$525, Value if other values cannot be determined.
 - D. U.S. \$450, Transaction Value of Identical or Similar merchandise.
 - E. U.S. \$475, Computed Value.
70. An importer may submit a written request for an explanation of how CBP determined the value of its imported merchandise within _____ days after liquidation.
- A. 90 calendar
 - B. 90 business
 - C. 120 calendar
 - D. 180 calendar
 - E. 314 calendar
71. What **VALUE(S)** and **CLASSIFICATION(S)** apply to an electron microscope with a documented U.S. value of \$100,000 that was exported to Taiwan for a \$2000 repair and then reimported into the U.S.?
- A. \$2000 under 9802.00.5060
 - B. \$2000 under 9012.10.0000
 - C. \$100,000 under 9012.10.0000 and \$2000 under 9802.00.5060
 - D. \$100,000 under 9802.00.5060 and \$2000 under 9012.10.0000
 - E. \$102,000 under 9802.00.5060 and \$2000 under 9012.10.0000

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72. Which one of the following choices does **NOT** qualify as a “related person” for purposes of valuing imported merchandise?
- A. Employer and Employee
 - B. Members of the same family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants.
 - C. Any officer or director of an organization and such organization.
 - D. Any person directly or indirectly, owning, controlling or holding with power to vote, less than five percent of the outstanding voting stock or shares of any organization and such organization.
 - E. An officer or director of an organization and an officer or director of another organization, if each such individual is also an officer or director in the other organization.

Section 7: BROKER COMPLIANCE

73. East West Trading Company is a large incorporated importer of automotive parts for use by its parent company, NED, Inc., also located in the U.S. in the assembly of automobiles. East West Trading Company arranges for all of the imports for NED, Inc.

All of the below-identified statements are correct **EXCEPT**.

- A. East West Trading Company may not prepare CBP Form 3461 "Entry" for its affiliated incorporated parent company, NED, Inc.
 - B. NED, Inc. may make entry for its own account and have East West Trading Company review CBP Form 7501 for accuracy.
 - C. NED, Inc. may employ a Customs broker to solicit and engage in "Customs business" on its behalf.
 - D. East West Trading Company may apply to participate in the Customs-Trade Partnership Against Terrorism program as an importer participant
 - E. East West Trading Company may obtain an entry filer code and file an entry summary wherein NED, Inc. is identified as the importer of record.
74. Mr. Smith, an individually licensed broker and Vice President of Quick Imports, resigns his position and employment. Quick Imports, a corporate Customs broker, shall obtain the employment of an individually licensed broker who will also serve as an officer of Quick Imports within _____ days of Mr. Smith's resignation before Quick Imports' license is revoked by operation of law.
- A. 30
 - B. 45
 - C. 60
 - D. 120
 - E. 180

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75. A broker in possession of a single district permit issued from Laredo attempts to remotely file (i.e., remote location filing) a consumption entry at the Port of Gary, Indiana. Upon review of the documentation, CBP determines and informs the broker that the merchandise is subject to and included within the scope an antidumping duty order. The broker may **ONLY** do which of the below-identified action.
- A. The broker shall identify the entry type code as '01' and continue to make entry.
 - B. The broker shall identify the entry type code as subject to an antidumping duty order and continue to file the entry remotely.
 - C. The broker may instruct a family member who is unlicensed and domiciled in Gary, Indiana to make entry on behalf of the importer of record.
 - D. The broker may advise the importer of record that entry may be made remotely in Los Angeles, California instead of Gary, Indiana.
 - E. If authorized to do so by the grantor of the power of attorney, the broker may obtain the services of another broker permitted within the district of Chicago and whose place of business is located at the port of Davenport, Iowa to make entry on behalf of the importer of record.
76. When a change of ownership results in the addition of a new principal to a corporate broker, Customs may conduct a background investigation of the new principal. A "principal" is defined as any person having at least a _____ percent capital, beneficiary or other direct or indirect interest in the business of a broker.
- A. 1
 - B. 5
 - C. 10
 - D. 50
 - E. 51

Section 8: QUOTA

77. What is the correct quota/visa category number for a woman's 60% polyester, 40% wool woven dress imported from Nepal?
- A. no quota/visa category number
 - B. 336
 - C. 436
 - D. 636
 - E. 836
78. Which one of the following items, imported in October, 2009, falls within quota/visa category 459?
- A. Nylon bags
 - B. Women's knitted woolen sweaters
 - C. Cotton bed sheets
 - D. Knitted 100 percent wool scarves
 - E. Women's woven silk blouses
79. A shipment of shirts manufactured in Thailand and subject to absolute quota arrives in the U.S. You find that the quota for this merchandise from Thailand is closed, but the quota for Mexico is open. Which of the following describes the appropriate action for the importer?
- A. Export the merchandise to Mexico and re-import into the U.S. as a product of Mexico.
 - B. Request a visa waiver from the Thai embassy.
 - C. Make a warehouse entry.
 - D. Request quota priority status.
 - E. Make a consumption entry and pay column 2 rates.
80. A quota category that has closed will be opened again shortly. It is anticipated that the quota will be filled at the opening of the quota period. If a preliminary review has not been submitted, the correct time frame for presenting the entry summaries or withdrawals for consumption is no earlier than _____ in all time zones.
- A. 12:00 Noon Eastern Standard Time
 - B. 12:00 Noon Mountain Standard Time
 - C. 8:00 A.M. Eastern Standard Time
 - D. 8:00 A.M. Pacific Standard Time
 - E. 12:00 Noon Pacific Standard Time

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.