

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** (Either the 2015 or 2016 HTSUS may be used for this examination. All classification, free trade agreements and other questions will be consistent across both tariff schedules.)
- **Title 19, Code of Federal Regulations** (Either the 2015 or 2016 CFR may be used)
- **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** (July 24, 2012)
- **Right to Make Entry Directive 3530-002A**

This examination lasts four and a half (4.5) hours. When you finish, please give your answer sheet to the test administrator. **You may take this booklet with you.**

In addition to the 80 examination questions, U.S. Customs and Border Protection (CBP) will be administering six **voluntary** process evaluation questions. The first three **voluntary** questions, located in Section 1, will take place before you begin the timed component of the examination. The last three **voluntary** questions, located in Section 3, will take place after you complete the test, but within the test timeframe. Each set of **voluntary** questions is expected to take no longer than 2 minutes each. The purpose of this **voluntary** process is only to enhance future testing processes. These questions are completely **voluntary** and will have **NO** impact on your scores.

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Section 1: Pre-Examination Process Evaluation Survey

This survey is being administered to collect information about the examination process for the Customs Broker Exam. The survey is completely **voluntary** and your responses will have no impact on your scores for this exam.

1) What is your background with regard to Customs laws and regulations?

- A. Former CBP employee
- B. Works or has worked for a broker
- C. Works or has worked for an importer on trade issues
- D. No experience with Customs laws and regulations

2) How did you prepare for the Customs Broker Examination?

- A. Took an in-person course through an educational institution
- B. Took an online course through an educational institution
- C. Self-prepared
- D. Did not spend time preparing for examination

3) How many hours did you spend preparing for the examination?

- A. 1-10
- B. 11-25
- C. 26-100
- D. More than 100
- E. Did not spend time preparing for examination

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Section 2: Customs Broker License Examination

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Category I: Marking

1. A CBP officer examines a shipment of widgets and determines that they are not legally marked. Which of the following statements is FALSE?
 - A. The importer may export the shipment
 - B. The importer may mark the shipment within 60 days
 - C. The importer may destroy the shipment
 - D. Failure to export, destroy or mark the shipment within the specified timeframe will result in additional duties of 10%
 - E. Failure to export, destroy or mark the shipment within the specified timeframe will result in liquidated damages equivalent to the value of the merchandise.

2. What is the amount of additional duties to which articles NOT marked as required under 19 CFR Part 134 may be subject?
 - A. \$5,000 for each violation discovered.
 - B. 10 percent of the final appraised value of the merchandise.
 - C. The lesser of the domestic value of the merchandise or four times the loss of duties, taxes and fees; or if no loss of duties, taxes and fees, 40 percent of dutiable value of the merchandise.
 - D. A maximum of \$10,000 for any one incident.
 - E. The entire bond amount in the case of an entry with single entry bond or in the case of continuous bond, the amount if the merchandise had been released under a single entry bond.

3. What item is **NOT** a General Exception to the marking requirements?

- A. Articles which are crude substances
- B. Articles that are incapable of being marked
- C. Products of possessions of the United States
- D. Goods of a NAFTA country which are original works of art
- E. Products of American fisheries which are not free of duty

Category II: Power of Attorney

4. Which of the following is **NOT** a true statement concerning Power of Attorney (POA)?
- A. Written notification to the client of the option to pay CBP directly is to be cited within the POA document or be attached to the POA.
 - B. Brokers are not required to file POA with the Port Director but must retain them and make them available to CBP upon demand.
 - C. The name of the Broker on the POA must match the name on the Broker's license. If the Broker has been approved to use a trade or fictitious name, the Broker's name must be included on the POA followed by "doing business as" the approved trade or fictitious name.
 - D. POA must be retained until revoked. Letters of Revocation must be retained for 3 years after the date of revocation or 2 years after the date the client ceases to be an active client.
 - E. POA issued by a partnership shall be limited to a period not to exceed 2 years from the date of execution.

Using the information provided below, please answer Questions 5 through 9.

Below are two Powers of Attorney (POA). The first was received by Daniel Evans, General Manager, East Coast Freight Forwarder & Logistics, Inc. (a freight forwarder), from General Merchants Corp., on December 31, 2008 (POA1). The second was issued by East Coast Freight Forwarder & Logistics, Inc. to Russell Morris, a customs broker doing business as Quick Brokers, on January 2, 2009 (POA 2). The importing history between the customs broker on behalf of the importer of record demonstrates that entries were made on February 1, 2009; March 1, 2009 and May 22, 2009.

POA 1: East Coast Freight Forwarder & Logistics, Inc. from General Merchants Corp.

CUSTOMS POWER OF ATTORNEY

I hereby authorize East Coast Freight Forwarders & Logistics, Inc. to act as General Merchants Corp. 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): BUYER Date: DECEMBER 31, 2008 (Signature) _____ (Signed) _____

POA 2: East Coast Freight Forwarder & 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 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.

5. Which person or entity may act as the intended 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.
6. Based on the information provided for POA 1, which statement is TRUE?
- A. POA 1 allows the forwarder to create a subagency relationship (i.e., assign the POA to a broker)
 - B. POA 1 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 POA 1.
 - D. POA 1 is invalid since it does not allow for the service of process.
 - E. POA 1 must be on CBP Form 5291 “Power of Attorney”
7. Based on the information provided for 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.

8. 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 Freight Forwarder & Logistics, Inc. may authorize the customs broker to forward a completed CBP Form 3461
 - C. The customs broker shall exercise responsible supervision and control when transacting customs business.
 - D. The POA may be completed and signed after the merchandise has been released from CBP custody.
 - E. General Merchants Corp. is a resident corporate principal.
9. The Customs broker shall retain POA 2 for a period of 5 years starting on _____.
- A. December 31, 2008
 - B. January 2, 2009
 - C. February 1, 2009
 - D. March 1, 2009
 - E. May 22, 2009

Category III: Intellectual Property Rights

- 10.** Which of the following is **NOT** required when submitting an application to record a trademark?
- A. The name, address and citizenship of the trademark owner or owners
 - B. The name or trade style to be recorded
 - C. The name and principal business address of each foreign person or business entity authorized or licensed to use the trade name and statement as the use authorized
 - D. The name of the person submitting the application if different from the owner
 - E. A description of the merchandise with which the trade name is associated
- 11.** A “counterfeit mark” is a (n) _____ mark that is identical with, or substantially indistinguishable from, a mark registered on the Principal Register of the U.S. Patent and Trademark Office.
- A. Authentic
 - B. Irregular
 - C. Unreadable
 - D. Unrecognizable
 - E. None of the above

12. The following, if introduced or attempted to be introduced into the U.S. contrary to law, shall be seized:

- A. Merchandise marked intentionally in violation of Title 19, United States Code, section 1304
- B. Merchandise, the importation or entry of which is subject to any restriction or prohibition imposed by law relating to health, safety, or conservation and which is not in compliance with the applicable rule, regulation or statute
- C. Merchandise whose importation or entry requires a license, permit or other authorization of a U.S. government agency, and which is not accompanied by such license, permit or authorization
- D. Merchandise subject to quantitative restrictions, unless appropriate visa, permit license, or similar document, or stamp is presented to CBP
- E. Merchandise that is stolen, smuggled, or clandestinely imported or introduced

13. CBP officers examine a commercial shipment of T-shirts and find that many of the t-shirts bear suspect versions of popular trademarks. Upon further investigation, the officers find that the suspect marks are recorded with CBP. Through the broker, the officers notify the importer in writing that the shipment has been detained and request information that would assist CBP in determining whether the detained merchandise bears counterfeit marks. The importer does not respond to the notice and the trademark owners, when contacted, advise that the suspect marks were not applied with authorization. CBP seizes the merchandise on the basis that it bears counterfeit marks. The importer wishes to challenge CBP's decision. What options does the importer have?

- A. Request a change of entry type from formal to informal
- B. Re-export the commodity to the country of exportation
- C. File an in-bond to another port for entry
- D. File a petition for relief
- E. Pay the counterfeit duty and enter the shipment anyway

Category IV: Practical Exercise

Using the information provided below, answer questions **14 – 18**.

On April 12, 2015, an importer in the U.S. receives 500 single action economy stopwatches shipped by air from Munich, Germany. The shipment was entered and released through ABI by CBP on April 8, 2015. The stopwatches are packaged for retail sale and are invoiced at U.S. \$ 24 F.O.B per stopwatch. The stopwatches are classified under HTSUS 9102.99.60 e/o nominee. The Watch Information Sheet indicates the following:

Manufacturer: Bern Watch Inc.

Model: A1020 Single Action Stopwatch

Features:

- * Perfect for industrial use
- * Start/stop by crown, reset by 10 o'clock button
- * Preset push button
- * Long hand 60 sec per turn, 1/100 min. increments
- * 30 minute short hand
- * Rugged steel case
- * 1 year warranty
- * Quality movement made in Switzerland

Type of Display: Mechanical with hands

Type of Movement: Mechanical Value US\$ 18.50

Type of Case: Base Metal, Chrome Plated Value US\$ 5.00

Type of Packaging: Clear Plastic Blister Pack Value US\$ 0.50

Battery Powered: No

Automatic Winding: No

Number of jewels in movement: 13

Country of Origin: Switzerland

14. What is the DUTY due on this entry?

- A. \$ 560.00
- B. \$ 535.00
- C. \$ 235.00
- D. \$ 730.00
- E. \$ 23.50

15. What is the merchandise processing fee due on this entry?
- A. \$ 2.00
 - B. \$ 25.00
 - C. \$ 41.57
 - D. \$ 485.00
 - E. Watches are exempt from MPF.
16. What is the International Standard Country Code (ISO) for the country of origin?
- A. CF
 - B. CH
 - C. CN
 - D. SZ
 - E. DE
17. Which statement regarding the plastic blister packaging is TRUE?
- A. The packaging is classified with the stopwatches.
 - B. The packaging is classified separately as articles of plastic.
 - C. The packaging costs are deducted from the entered value.
 - D. The packaging must include the importer's name.
 - E. The packaging must include the manufacturer's name.

18. Six months after the entry summary for the stopwatches was filed, the importer informs the broker he gave a die (purchased from a nonrelated U.S. firm at a cost of U.S. \$500) to Bern Watch Inc., without charge, to be used only for the manufacturing of the 500 stopwatches. Transportation and duty costs to the importer to get the die to Bern were an additional U.S. \$70. Based on this information, the broker should:

- A. Take no action because the entry summary is already projected for liquidation.
- B. Submit a SIL to CBP with a check for US \$570 because this is a proceed to the seller, Bern Watch Inc.
- C. Submit a SIL or a Prior Disclosure to CBP because this is an assist valued at US \$500.
- D. Submit a SIL or a Prior Disclosure to CBP because this is an assist valued at US \$570.
- E. Submit as a SIL requesting that the entered value be reduced by the amount of the assist and that the subsequent difference in duty and fees be refunded.

Using the invoice provided below, answer questions 19 through 21.

COMMERCIAL INVOICE			
EL GORDO de S.A.			
Shipper/Exporter El Gordo's Fajita Shack de S.A. . 2568 Bagdad Matamoros, Tamaulipas Mexico		No. and Date of Invoice US001836 Lunes, Julio 14, 2007	
For Account and Risk of Messers Crocketts Cafe 301 Alamo Plaza San Antonio, TX 78205		No. and Date of L/C	
Notify Party R.Person, 956.729.3070		L/C Issuing Bank	
Port of Lading Matamoros, Tamaulipas Mexico	Final Destination San Antonio	Remarks P/O No.: TPS001 Not subject to AD/CVD cases	
Carrier	Departure on or about July 17, 2007	<u>Marks and Numbers of Pkgs.</u> Fernando's Fire Salsa 25/1. 16 Ounce Jar.	
Description of Goods	Quantity	Unit Price	Amount
1. Country of Origin: Mexico Salsa: Ingredients - Tomato puree, peppers (jalapeno, ancho, cascabel), vinegar, onions, garlic, salt, cottonseed oil, bay leaves, and spices. PN: HOTSAUCEFI One pound jar	10000 pieces	0.35 USD	\$3500
2. Country of Origin: Vietnam Shrimp: Peeled, headless weight 33 – 45 per kg., dusted w/flour, quick frozen	400 kgs.	0.90 USD	\$360
(2%, Net 15 Days) TOTAL			\$3,860
Master Bill: 001-63324833 House Bill: COSC56676406 Estimated Entry Date 07/18/07			

19. What is the classification of the salsa?

- A. 2002.90.8050
- B. 2005.91.9700
- C. 2103.20.4020
- D. 2103.90.9051
- E. 2103.90.9091

20. Column 31 of the CBP Form 7501 should indicate _____ for the salsa.

- A. 4,536 kilograms
- B. 10,000 pounds
- C. 10,000 pieces
- D. 16 ounces
- E. 2,2046 kilograms

21. The shrimp is identified as line item 002 of the Entry Summary. The correct information for identifying line number 002 from the abbreviated Entry Summary at Blocks 27 through 29 is:

A.

27.		28. Description of Merchandise	
Line No.	29. A. HTSUS No. B. ADA/CVD Case No.	30. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units
002 O-VN	SHRIMP, Frozen dusted 1605.20.1030		

B.

27.		28. Description of Merchandise	
Line No.	29. A. HTSUS No. B. ADA/CVD Case No.	31. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units
002 O-MX	SHRIMP, Frozen dusted 0306.23.0040		

C.

27.		28. Description of Merchandise	
Line No.	29. A. HTSUS No. B. ADA/CVD Case No.	32. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units
002	SHRIMP, Frozen dusted 1605.90.6060		

D.

27.		28. Description of Merchandise	
Line No.	29. A. HTSUS No. B. ADA/CVD Case No.	33. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units
002 VN	SHRIMP, Frozen dusted 0306.23.0040		

E.

27.		28. Description of Merchandise	
Line No.	29. A. HTSUS No. B. ADA/CVD Case No.	34. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units
002	SHRIMP, Frozen dusted 1605.20.1030		

Category V: Broker Compliance

22. If a Customs broker receives payment of duty, taxes and fees from a client after the due date to CBP, the broker must transmit the payment to the Government _____.

- A. within 24-48 hours
- B. within 5 calendar days
- C. within 5 working days
- D. within 10 calendar days
- E. within 10 working days

23. How long does the Broker have to submit new employee information to Customs & Border protection?

- A. 10 Business days after employment for 30 consecutive days.
- B. 30 Calendar days after employment for 30 consecutive days
- C. 15 Calendar days after employment initiated.
- D. 30 Business days after employment initiated.
- E. 10 Calendar days after employment for 30 consecutive days.

24. Certain documents required for the entry of merchandise must be maintained by brokers for 5 years from the date of entry and must be made available upon reasonable notice for inspection by CBP. The following documents are examples of those that are subject to this requirement, EXCEPT:

- A. Evidence of the right to make entry
- B. Invoices
- C. Packing lists
- D. Bond information
- E. Export certificates for beef or sugar-containing products subject to tariff-rate quota

25. An ABI participant who has had his/her ABI privileges revoked, due to fraud or misstatement of material fact, has _____ days to appeal to the Assistant Commissioner, Information and Technology from the date of the written notice of revocation.

- A. 0 - appeals are not granted for fraud
- B. 10
- C. 20
- D. 30
- E. 60

26. When a complaint or charge against a broker is investigated, who determines if there is sufficient basis to recommend that charges be preferred against that broker?

- A. Commissioner
- B. Port director
- C. Special agent
- D. Import specialist
- E. Hearing officer

27. ABC Brokers, Inc. legally changed its name to Zumba Brokers, Inc. Before doing Customs business under the new name, the broker must submit evidence of his authority to use the new name to which of the following offices?

- A. Office of the Chief Counsel
- B. Office of International Trade
- C. Regulatory Audit Division
- D. Office of the Commissioner
- E. National Finance Center in Indianapolis

Category VI: Antidumping/Countervailing Duties

28. What duty is levied when imported merchandise receives a bounty or grant when exported with material injury to an U. S. manufacturer?

- A. Foreign Export Duties
- B. Quota
- C. Anti-Dumping Duties
- D. Countervailing Duties
- E. Marking

29. What is the correct collection code for antidumping duties?

- A. 499
- B. 012
- C. 013
- D. 501
- E. 311

30. An entry made on July 18, 2003, is under a statutory suspension of liquidation because it is subject to an antidumping order, and is later liquidated on December 20, 2004. A protest must be filed _____ in order to be considered timely filed.

- A. within 180 days of December 20, 2004, the date of liquidation
- B. within 90 days of December 20, 2004, the date of liquidation
- C. within one year of December 20, 2004, the date of liquidation
- D. within one year of July 18, 2003, the date entry
- E. 30 days before December 20, 2004, the date of liquidation

Category VII: Bonds

31. When a resident of France temporarily imports articles under subheading 9813.00.50, HTSUS, and formal entry is made, the importer of record shall be required to file a bond in what amount?

- A. An amount equal to 110 percent of estimated duties and fees
- B. An amount equal to 110 percent of estimated duties
- C. An amount equal to three times the entered value
- D. An amount equal to 200 percent of estimated duties and fees, if payable
- E. An amount equal to the entered value plus duties, taxes and fees

32. For Government entries secured by stipulation, bond type _____ should be used in conjunction with surety code _____.

- A. 8; 998
- B. 9;999
- C. 9; 998
- D. 0; 999
- E. 0; 998

33. If the principal gets free release of any serially numbered shipping container classifiable under subheading 9801.00.10 or 9803.00.50, HTSUS, the principal agrees to all of the following, EXCEPT?

- A. To advance the value or improve its condition abroad or claim (or make a previous claim) drawback on, any container released under subheading 9801.00.10, HTSUS
- B. To pay the initial duty due and otherwise comply with every condition in subheading 9803.00.50, HTSUS, on any container released under that item
- C. To mark that container in the manner required by CBP
- D. To keep records which show the current status of that container in service and the disposition of that container if taken out of service
- E. To remove or strike out the markings on that container when it is taken out of service or when the principal transfers ownership of it

34. If a port director believes the acceptance of a transaction such as a “03” antidumping entry secured by a continuous bond would place the revenue in jeopardy, or otherwise hamper the enforcement of Customs and Border Protection laws or regulations, he/she shall require additional security according to:

- A. 19 C.F.R. § 151.65
- B. 19 C.F.R. § 113.13
- C. 19 C.F.R. § 152.101
- D. 19 C.F.R. § 152.107
- E. 19 C.F.R. § 171.1

Category VIII: Classification

35. A driver bit is interchangeable and designed to be fitted into hand-operated power drills and impact drivers in order to drive a screw. What is the classification of the driver bit?

- A. 8207.90.6000
- B. 8207.90.7585
- C. 8204.20.0000
- D. 8205.40.0000
- E. 8466.10.0175

36. One 13oz. jar of 100% petroleum jelly labeled as skin protectant is put up for retail sale. How would you classify the petroleum jelly?

- A. 3301.29.51
- B. 2712.10.00
- C. 3304.99.10
- D. 3403.11.50
- E. 2711.12.00

37. A two-piece box is constructed of rigid cardboard. Within the box is a paperboard sleeve and plastic “c” clip, upon which a watch will be mounted. Logos and graphics related to the style of watch being sold are printed on the exterior of the box. This packaging will be imported in the United States without watches. Upon importation the watch will be put into the boxes for retail sale. This container is not suitable for long term use. What is classification of the box?

- A. 3923.10.0000
- B. 3923.29.0000
- C. 4202.92.9015
- D. 4202.92.9036
- E. 4819.50.4040

38. What is the classification of women's cheerleading briefs made of 100% nylon knit fabric?

A. 6108.29.9000

B. 6114.30.3070

C. 6104.63.2060

D. 6104.69.2060

E. 6307.90.9889

39. What is the classification of a men's 100% knit cotton sleeveless muscle shirt?

A. 6105.10.0010

B. 6110.20.2069

C. 6105.20.2010

D. 6106.10.0010

E. 6205.20.2066

40. What is the proper classification of a fluorine-based polyether polymer, in primary form?

This is also chemically known as trifluoromethyl- poly[oxy-2-(trifluoromethyl)-trifluoro-ethylene]-poly(oxy- difluoromethylene)-trifluoromethyl ether.

A. 3403.99.0000

B. 3907.20.0000

C. 9902.23.11/3907.20.0000

D. 3907.30.0000

E. 9902.01.85/3907.30.0000

41. A package of trail mix is made up of a loose blend of nut kernels, seeds and candy. It contains raw almonds 26.4% C/O USA; raw cashews 22% C/O Vietnam, India or Brazil; raw pumpkin seeds 17.6% C/O China; raw walnut halves 10% C/O USA; candy coated milk chocolate pieces 15% C/O USA; and raw sunflower seeds 9% C/O USA. All of the ingredients will be imported into Canada, where they will be mixed together in the indicated proportion and packaged for export to the United States. No other processing will be done in Canada. What is the classification of the trail mix?

- A. 0813.50.0020
- B. 0813.50.0040
- C. 0812.90.1000
- D. 0813.50.0060
- E. 2008.97.1040

42. Stainless steel tattooing needles are designed for use in a hand-held tattooing machine which features a self-contained electric motor. The needles are dipped in ink and placed in the hand-held machine which utilizes a vibratory action to drive the needle in an up-and-down fashion. This causes the needle tips to pierce the top layer of skin and deposit the ink into the second or dermal skin layer. What is the classification of the tattooing needles?

- A. 8207.90.6000
- B. 8453.90.5000
- C. 8467.99.0190
- D. 8479.90.9496
- E. 8487.90.0080

43. Certain women's bowling shoes, while imported as a pair, have separate identities. Both shoes have uppers of 100 percent rubber/plastics. The left shoe has an outer sole of rubber/plastics. The right shoe has an outer sole consisting of rubber/plastics and a large textile sliding pad. The textile pad comprises the majority of the surface area facing the ground. The shoes are below-the-ankle, do not have a foxing or foxing-like band, are not protective, and are secured to the foot with laces. What is the classification of this pair of bowling shoes?

- A. 6402.19.1541
- B. 6402.91.0500
- C. 6402.99.3165
- D. 6404.19.3960
- E. 6405.90.9000

44. What is the classification of a woman's handbag with outer surface of textile materials and with a fiber content of 30% nylon, 30% cotton and 40% rayon?

- A. 4202.22.4040
- B. 4202.22.6000
- C. 4202.22.8030
- D. 4202.22.8050
- E. 4202.22.8080

45. How would you classify a glass jar of spread that includes both peanut butter and grape jelly? The peanut butter and jelly each comprise 50% of the product.

- A. The item would be classified as peanut butter.
- B. The item would be classified as grape jelly.
- C. The item would be classified as a glass jar.
- D. The item would be classified as a 'mixed condiment/seasoning'.
- E. The item must be classified using the tariff numbers for both peanut butter and grape jelly.

46. Which statement is False?

- A. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, mutatis mutandis, to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule, the relative section, chapter and subchapter notes also apply, unless the context otherwise requires.
- B. Subject to the provisions in section 213 of the Caribbean Basin Economic Recovery Act, goods which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such goods when they are imported from a beneficiary country under such Act.
- C. Goods of Canada, when marked or eligible to be marked with their country of origin, that comply with the terms of the Automotive Products Trade Act are exempt from the Merchandise Processing Fee (MPF) when entered with the Special Program Indicator (SPI) "B#" prefacing the 10-digit HTS number.
- D. Instruments of international traffic, such as containers, lift vans, rail cars and locomotives, truck cabs and trailers, etc. are exempt from formal entry procedures but are required to be accounted for when imported and exported into and out of the United States, respectively, through the manifesting procedures required for all international carriers by the United States Customs Service. Fees associated with the importation of such instruments of international traffic shall be reported and paid on a periodic basis as required by regulations issued by the Secretary of the Treasury and in accordance with 1956 Customs Convention on Containers (20 UST 30; TIAS 6634).
- E. Schedule C provides a list of U.S. Customs districts, the ports included under each district, and the corresponding numeric codes used in compiling the U.S. foreign trade statistics. The Schedule contains a code for each official U.S. Customs district and port, with some additional codes provided to meet specific compiling requirements of the foreign trade statistics program.

47. What is the classification of a steel piston designed for a reciprocating positive displacement liquid pump that is used in the oil industry?

- A. 8413.91.90
- B. 7326.90.85
- C. 9015.90.00
- D. 8413.50.00
- E. 8414.90.90

Category IX: Drawback

48. Merchandise or articles that for commercial purposes are identical and interchangeable in all situations are called:
- A. Multiple products
 - B. Fungible merchandise or articles
 - C. Commercially interchangeable merchandise
 - D. Designated merchandise
 - E. Substituted merchandise or articles
49. How long must records pertaining to the filing of a drawback claim be kept?
- A. Five years from the date of entry
 - B. Ten years from the date the claim is filed
 - C. Indefinitely
 - D. At least until the third anniversary of the date of payment of the claim
 - E. At least until the fifth anniversary of the date of payment of the claim
50. 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 issued covering the transfer of the imported merchandise. The provision is known as a/an _____?
- A. Interchange
 - B. Fungibility
 - C. Trade Good
 - D. Exchange Merchandise
 - E. Tradeoff

51. A drawback claimant proposes to destroy unmerchantable distilled spirits, wine, or beer and must return the merchandise to CBP custody. The returned merchandise must be destroyed under the supervision of a CBP officer and the completed destruction shall be documented on_____.

A. CBP Form 7551

B. CBP Form 7553

C. CBP Form 7501

D. CBP Form 3495

E. CBP Form 3461

Category X: Free Trade Agreements

- 52.** Which of the following is **NOT** true about the North American Free Trade Agreement (NAFTA) Certificate of Origin?
- A. The Certificate must be signed by the exporter or the exporter's authorized agent having knowledge of the relevant facts.
 - B. The Certificate must be in the possession of the importer at the time preferential treatment is claimed, unless waived by the Port Director pursuant to 19 CFR 181.22(d)(1).
 - C. A Certificate which is photocopied, faxed, or scanned on a computer disc is acceptable.
 - D. A Certificate is required for each importation on which NAFTA is claimed, but does not need to accompany each shipment.
 - E. A producer who is not an exporter may prepare and sign a Certificate, relieving the exporter of his/her obligation to do so.
- 53.** The phrase "goods wholly obtained or produced entirely in the territory of Canada, Mexico and/or the United States" refers to all of the following goods, EXCEPT:
- A. mineral goods extracted in the territory of one or more of the NAFTA parties
 - B. live animals born and raised in the territory of one or more of the NAFTA parties
 - C. goods obtained from hunting, trapping or fishing in the territory of one or more of the NAFTA parties
 - D. goods produced on board factory ships from the goods referred to in subdivision (n)(v) provided such factory ships are registered or recorded with that NAFTA party and fly its flag;
 - E. vegetable goods, as such goods are defined in this schedule, imported in the territory of one or more of the NAFTA parties

- 54.** Which Country would qualify under the African Growth and Opportunity Act (AGOA)?
- A. Barbados
 - B. Republic of Togo
 - C. Trinidad
 - D. Tobago
 - E. Jordon
- 55.** With respect to Mexico, the term territory means all of the following except:
- A. the states of the Federation and the Federal District
 - B. the islands, including the reefs and keys, in adjacent seas
 - C. the islands of Cayman and Revillagigedo situated in the Pacific Ocean
 - D. the continental shelf and the submarine shelf of such islands, keys and reefs
 - E. the waters of the territorial seas, in accordance with international law, and its interior maritime waters
- 56.** How long does the importer have to claim preferential tariff treatment on an originating good if preferential tariff treatment was not claimed at importation?
- A. Within 5 days after the date of importation
 - B. Within 90 days after the date of importation
 - C. Within one year after the date of importation
 - D. Within 60 days after the date of importation
 - E. Within 30 days after the date of importation

57. The NAFTA de minimis provision allows for non-originating materials that do not satisfy the required tariff shift when incorporated into a finished textile product to be disregarded when determining NAFTA eligibility, IF:

- A. The value of the materials is not more than 7 percent of the value of the good.
- B. The total weight of those components or materials is not more than 7 percent of the total weight of the good.
- C. The value of the materials is more than 7 percent of the value of the good.
- D. The total weight of those components or materials is more than 7 percent of the total weight of the good.
- E. The value of the materials is more than 15 percent of the value of the goods

Category XI: Valuation

58. Which of the following is considered an assist and should be included in the entered value of headphones?

- A. The cost of engineering plans produced in Las Vegas, Nevada for a headphone.
- B. The cost of wiring purchased at full price by the foreign producer of headphones in Shenzhen, China.
- C. The cost of copier paper supplied free of charge by the U.S. importer to the foreign producer of headphones in Shenzhen, China, for wedding invitations.
- D. The cost of plastic earpiece components supplied free of charge by a U.S. importer to the foreign producer of headphones in Shenzhen, China.
- E. The cost of computer training classes supplied free of charge by a U.S. importer to the foreign producer of headphones for use in training employees how to track time worked and leave.

59. Which statement is true?

- A. Interest on overdue bills will be assessed on the delinquent principal amount by 60-day periods. No interest charge will be assessed for the 60-day period in which the payment is actually received at the "Send Payment To" location designated on the bill.
- B. Imported merchandise may not be appraised on the basis of, the price of merchandise in the domestic market of the country of exportation.
- C. For the purpose of the entry of theatrical scenery, properties and apparel under subheading 9817.00.98, Harmonized Tariff Schedule of the United States, animals imported for use or exhibition in theaters or menageries may not be classified as theatrical properties.
- D. A person transacting business in connection with entry or clearance of vessels or other regulation of vessels under the navigation laws is required to be licensed as a broker.
- E. For purposes of administering quotas, "official office hours" shall mean 8:30 a.m. to 4:30 a.m. in all time zones.

60. Which of the following is NOT an assist?

- A. Materials, components, parts, and similar items incorporated in the imported merchandise that are supplied directly and free of charge by the buyer of the imported merchandise.
- B. Tools, dies, molds, and similar items used in the production of the imported merchandise that are supplied indirectly and at a reduced cost by the buyer of the imported merchandise.
- C. Engineering, development, artwork, design work, and plans and sketches that are undertaken elsewhere than in the United States and are necessary for the production of the imported merchandise that are supplied directly and free of charge by the buyer of the imported merchandise.
- D. Merchandise consumed in the production of the imported merchandise that are supplied indirectly and at a reduced cost by the buyer of the imported merchandise.
- E. Merchandise consumed in the production of the imported merchandise that are supplied directly and free of charge by the seller of the imported merchandise.

61. “Generally accepted accounting principles” refers to any generally recognized consensus or substantial authoritative support regarding all of the following, EXCEPT:

- A. Which economic resources and obligations should be recorded as assets and liabilities
- B. Which changes in assets and liabilities should be recorded
- C. How the assets and liabilities and changes in them should be measured
- D. What information should not be disclosed and how it should be disclosed
- E. Which financial statements should be prepared

Category XII: Fine and Penalties

62. Which is **NOT** a valid element to a prior disclosure per 19CFR162.74?
- A. Specifies the material false statements, omissions or acts including an explanation as to how and when they occurred.
 - B. Identification of the class or kind of merchandise involved in the violation.
 - C. Actual loss of duties, taxes, and fees must be tendered.
 - D. Provide any information or data unknown at the time of disclosure within 60 days of the initial disclosure date.
 - E. Identifies the importation or drawback claim included in the prior disclosure.
63. Section 592(d) demands for actual losses of duty ordinarily are issued in connection with a _____ action.
- A. Liquidated damages
 - B. Seizure remission decision
 - C. Liquidation Notice
 - D. Penalty
 - E. Bill
64. A broker counsels a client that certain gemstones are absolutely free of duty and need not be declared upon entry into the United States. The client arrives in the United States and fails to declare a quantity of gemstones worth \$45,000. A penalty of \$30,000 may be imposed against the broker for such counseling, yet not to exceed \$30,000. What personal penalty would the client incur, under the provision of title 19, United States Code, section 1497?
- A. None
 - B. \$10,000
 - C. \$15,000
 - D. \$30,000
 - E. \$45,000

65. The port director may review transactions for correctness and take action under his general authority to correct errors, including those in appraisement where appropriate, at the time of all the below except.

- A. Liquidation of an entry
- B. Voluntary reliquidation completed within 90 days after liquidation
- C. Voluntary correction of an exaction within 180 days after the exaction was made
- D. Reliquidation made pursuant to a valid protest covering the particular merchandise as to which a change is in order
- E. Modification, pursuant to a valid protest, of a transaction or decision which is neither a liquidation nor reliquidation.

Category XIII: Entry

66. The following motor vehicles may be imported by any person and do not have to be shown to be in compliance with emission requirements or modified before entitled to admissibility, except for which of the following:

- A. Gasoline-fueled light-duty trucks and light-duty motor vehicles manufactured before January 1, 1968
- B. Diesel-fueled light-duty motor vehicles manufactured before January 1, 1979
- C. Diesel-fueled light-duty trucks manufactured before January 1, 1976
- D. Motorcycles manufactured before January 1, 1978
- E. Gasoline-fueled and diesel-fueled heavy-duty engines manufactured before January 1, 1970

67. Where in 19 CFR would you find information relation to importations prohibited by Section 307, Tariff Act of 1930?

- A. 19 CFR 10.107
- B. 19 CFR 12.42
- C. 19 CFR 127.32
- D. 19 CFR 141.112
- E. 19 CFR 192.12

68. All of the following articles are articles that may **NOT** be designated as an eligible article for purposes of the GSP, EXCEPT:

- A. Watches, except as determined by the President pursuant to section 503(c)(1)(8) of the Trade Act of 1974, as amended
- B. Import-sensitive steel articles
- C. Import-sensitive electronic articles
- D. Any agricultural product of chapters 2 through 52, inclusive, that is subject to a tariff-rate quota, if entered in a quantity in excess of the in-quota quantity for such product;
- E. Textile and apparel articles which were eligible articles for purposes of this note on January 1, 1994

69. Which statement is TRUE?

- A. “Guaranteeing association” means an association approved by the Office of Trade to guarantee the payment of obligations under carnets covering merchandise entering the Customs territory of the United States under a Customs Convention or multilateral Agreement to which the United States has acceded.
- B. The importation into the United States of plants and plant products is subject to regulations and orders of the Food and Drug Administration. Customs officers and employees shall perform such functions as are necessary or proper to carry out such regulations and orders.
- C. Any packages containing merchandise subject to an absolute quota, which is filled shall be returned to the postmaster for return to the sender immediately as undeliverable mail.
- D. Unless a formal entry or entry by appraisalment is required, a mail entry on Customs Form 7501 shall be issued and forwarded with the package to the postmaster for delivery to the addressee.
- E. Under the Trade Facilitation and Trade Enforcement Act of 2015, the port director shall pass free of duty and tax any shipment of merchandise, as defined in § 101.1, imported by one person per week and having a fair retail value, in the country of shipment not exceeding \$200, unless he has reason to believe that the shipment is one of several lots covered by a single order or contract and that it was sent separately for the express purpose of securing free entry therefor or of avoiding compliance with any pertinent law or regulation.

70. If merchandise is withheld from release by CBP due to an active withhold release order, an importer has up to _____ after the article was imported to provide information to CBP to contend that its goods were not mined, produced, or manufactured with any form of labor specified in section 307, Tariff Act of 1930.

- A. 1 month
- B. 6 months
- C. 3 months
- D. 2 months
- E. 12 months

71. Importation is prohibited, except as authorized by the issuance of a permit by the Director, U.S. Fish and Wildlife Service, for all the below, EXCEPT:

- A. Any species of European rabbit the genus *Oryctolagus*
- B. Any species of Indian wild dog, red dog, or dhole of the genus *Cuon*
- C. Any live specimens or egg of the species of so-called “pink starling” or “rosy pastor” *Sturnus roseus*
- D. Any live fish or viable eggs of the family *Clariidae*
- E. Any species of the so-called Bumblebee bat

72. In the case of nonconsumable vessel stores and equipment returned to the United States under subheading 9801.00.10, HTSUS, the entry summary may be made on CBP Form 3311, or its electronic equivalent. The entry summary on CBP Form 3311, or its electronic equivalent, must be executed in duplicate by the entrant and supported by the entry documentation required by §142.3 of this chapter. Before an entry summary on CBP Form 3311, or its electronic equivalent, may be accepted for nonconsumable vessel stores and equipment, the CBP officer must be satisfied with all of the following, EXCEPT:

- A. The articles are products of the United States.
- B. The articles have not been improved in condition or advanced in value while abroad
- C. No drawback has been or will be paid
- D. No duty equal to an internal revenue tax is payable under subheading 9801.00.80, HTSUS.
- E. Duty equal to an internal revenue tax is payable under subheading 9801.00.80, HTSUS

73. A radiation generator unit is sent to Japan for repair under warranty and returned. The value of the equipment prior to repair is \$45000. The value of the repairs is \$4000. The equipment is properly classified under subheading 9022.90.0050, HTSUS, and subheading 9802.00.4040, HTSUS, is properly claimed. What is the merchandise processing fee?

- A. \$0.00
- B. \$169.74
- C. \$25.00
- D. \$155.88
- E. \$13.86

74. The person claiming a certification of exemption from entry for undeliverable articles under General Note 3(e), HTSUS, is subject to the following conditions, EXCEPT:

- A. The merchandise was intended to be exported to a foreign country
- B. The merchandise is being returned within 45 days of departure from the United States
- C. The merchandise did not leave the custody of the carrier or foreign customs
- D. The merchandise is being returned to the United States because it was undeliverable to the foreign consignee.
- E. The merchandise was sent abroad to receive benefit from, or fulfill obligations to, the United States as a result of exportation.

75. Which of the following operations performed abroad would not be regarded as an assembly operation?

- A. Laminating
- B. Sewing
- C. Mixing or Combining of liquids
- D. Gluing
- E. Welding

76. Any person outside the Customs Service who has reason to believe that any merchandise produced whether by mining, manufacture, or other means, in any foreign locality with the use of convict labor, forced labor, or indentured labor under penal sanctions, is likely to be, imported into the United States and that merchandise of the same class is being produced in the United States in such quantities as to meet the consumptive demands of the United States may communicate his belief to any port director or the Commissioner of Customs. Every such communication shall contain, or be accompanied by all of the below, EXCEPT:

- A. a full statement of the reasons for the belief
- B. a detailed description or sample of the merchandise
- C. all pertinent facts obtainable as to the production of the merchandise abroad
- D. if the foreign merchandise is believed to be mined, produced or manufactured with forced labor or indentured labor under penal sanctions include detailed information as to the production and consumption of the particular class of merchandise in the United States and the names and addresses of domestic producers likely to be interested in the matter
- E. location of foreign mining, production or manufacture at issue

CATEGORY XIV: Foreign Trade Zones

77. After merchandise is warehoused, the importer has 5 years from what DATE to remove the merchandise, provided an extension was not granted by the port director?

- A. Release Date
- B. Entry Summary Date
- C. Exportation Date
- D. Importation Date
- E. Liquidation Date

78. What is the time limit for physical removal from a foreign trade zone of merchandise that has been permitted for transfer to Customs territory?

- A. Within 30 business days of issuance of a Customs permit.
- B. Within 5 calendar days of issuance of a Customs permit.
- C. Within 90 business days of issuance of a Customs permit.
- D. Within 5 business days of issuance of a Customs permit.
- E. None of the above.

79. The person with the right to make entry shall file a Customs entry or file an application for admission of the merchandise to the foreign trade zone on Customs Form 214 within _____ days after identifying an OVERAGE.

- A. 5
- B. 7
- C. 10
- D. 15
- E. 30

80. A CBP Form 7512 must be presented to CBP for _____.
- A. merchandise to be withdrawn from a bonded warehouse for consumption
 - B. admission into a foreign trade zone
 - C. presentation of quota class merchandise withdrawn from continuous customs custody
 - D. a drawback claimant to claim manufacturing drawback on merchandise transferred from continuous customs custody
 - E. merchandise to be withdrawn from a bonded warehouse for immediate transportation, immediate exportation, or transportation and exportation

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. Incorrect bubbling of your address will delay notifications 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. If you have finished double checking your information and would like to participate in the survey, please turn the page and respond to the following questions.

Section 3: Post-Examination Process Evaluation Survey

This survey is being administered to collect information about the examination process for the Customs Broker Exam. The survey is completely **voluntary** and your responses will have no impact on your scores for this exam.

- 1) How difficult was the examination?
 - A) Very Easy
 - B) Easy
 - C) Moderate
 - D) Difficult
 - E) Very Difficult

- 2) How clear were the examination questions?
 - A) Very clear
 - B) Clear
 - C) Neither clear nor difficult to understand
 - D) Difficult to understand
 - E) Very difficult to understand

- 3) Would you have liked more, less, or the same amount of time for this examination?
 - A) Less time – I finished early
 - B) Same amount of time – it was just right
 - C) Slightly more time – to consider or review my answers
 - D) More time – I did not finish the examination

