

U.S. CUSTOMS AND BORDER PROTECTION

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**Customs Broker License Examination**

**DIRECTIONS - READ CAREFULLY**

This examination consists of 80 questions. The minimum passing score is 75%. For each question, choose the letter representing your answer (**A, B, C, D, or E**) and completely darken the corresponding space on your answer sheet. There is no penalty for guessing; therefore, you should attempt to answer every question. **Each question is designed to have a single best answer.**

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States** (2014 Basic Edition, No Supplements)
- **Title 19, Code of Federal Regulations** (Revised as of April 1, 2014)
- **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

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

## **Section 2: Customs Broker License Examination**

<b>Category I – Powers of Attorney</b>	<b>Questions 1-3</b>
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### Category 1: Power of Attorney

- 1) A Power of Attorney issued by a partnership shall be limited to a period not to exceed \_\_\_\_\_ years.
  - A) 1
  - B) 5
  - C) 2
  - D) 10
  - E) Unlimited
  
- 2) Where a limited partnership is the Grantor of a power of attorney, \_\_\_\_\_ must accompany the power of attorney.
  - A) a nonnegotiable check for duties due to U.S. Customs and Border Protection as identified on CBP Form 7501
  - B) CBP Form 7501
  - C) a copy of the partnership agreement
  - D) a copy of the articles of incorporation
  - E) fingerprint cards and proof of citizenship of the partners
  
- 3) ABC Brokers has authorized its unlicensed employee, Joe, to sign Customs documents on its behalf, and has executed a valid Power of Attorney for this purpose. Which of the following correctly reflects Joe's legal authority to sign documents?
  - A) Joe is unlicensed, and even with a valid Power of Attorney, he cannot sign Customs documents.
  - B) Joe can sign Customs documents without a valid Power of Attorney.
  - C) ABC Brokers cannot execute a valid Power of Attorney because Joe is unlicensed, and therefore, cannot sign customs documents.
  - D) ABC Brokers, upon request from Customs, must furnish proof of the existence of the Power of Attorney so that Joe can sign legally for ABC Brokers.
  - E) Joe is required to file the Power of Attorney with the port director.

**Category II: Practical Exercises**

**Practical Exercise 1:**

Using the invoice provided below, answer questions 4 and 5.

<b>COMMERCIAL INVOICE</b>			
Mario's Foods			
<b>A. Shipper/Exporter</b> Mario's Foods Atlixco 100B Mexico City Mexico		<b>B. No. and Date of Invoice</b> US001836    Monday, January 13, 2014	
<b>D. For Account and Risk of Messers</b> Jones Cafe 301 Texan Plaza Dallas, TX 78205		<b>C. No. and Date of L/C</b>	
<b>F. Notify Party</b> G. R.Schaub, 231-423-1234		<b>E. L/C Issuing Bank</b>	
<b>I. Port of Lading</b> Mexico City, Mexico	<b>J. Final Destination</b> Dallas	<b>H. Remarks</b> P/O No.: TPS001 Not subject to AD/CVD cases	
<b>K. Carrier</b>	<b>L. Departure on or about</b> January 20, 2014	<b>Marks and Numbers of Pkgs.</b> Fernando's Pickles 25/1. 16 Ounce Jar.	
<b>M. Description of Goods</b>	<b>N. Quantity</b>	<b>O. Unit Price</b>	<b>P. Amount</b>
Country of Origin: Mexico Pickled cucumbers One pound jar	10000 pieces	0.70 USD	\$7,000
<b>TOTAL</b>			<b>\$7,000</b>
Master Bill: 001-63324833 House Bill: COSC56676406 Estimated Entry Date 01/20/2014			

4) If Dallas, TX is the port of entry, what is the port code?

- A) 2101
- B) 5501
- C) 5311
- D) 5507
- E) DATX

5) What is the Manufacturer's Identification Code?

- A) MXELGOR2568MEX
- B) NAFTAMARFOOMX
- C) MXGORDES2BAGTA
- D) TAEELGOR2568MAT
- E) MXMARFOO100BMEX

Practical Exercise 2:

Use the below-identified abbreviated CBP Form 7501 “Entry Summary” to answer questions 6 through 8.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection			1. Filer Code / Entry No. ABC- 1234567-8	2. Entry Type 01 ABI/A	3. Summary Date 01/17/14
<b>ENTRY SUMMARY</b>			4. Surety No. 891	5 Bond Type 8	6. Port Code 1101
8. Importing Carrier MAERSK SENANG		9. Mode of Transport 11	10. Country of Origin SG		11. Import Date 01/03/14
12. B/L or AWB No. MAEU751824346		13. Manufacturer ID SGHSEXT1234NO R	14. Exporting Country MY		15. Export Date 12/03/13
16. I.T. No. V0670830522	17. I.T. Date 01/02/14	18 Missing Docs	19. Foreign Port of Lading 55700		20. U.S. Port of Unlading 1001
21. Location of Goods/GO No. H572 BNSF LOGISTICS PARK PHL		22. Consignee No. SAME	23. Importer No. 04- 0422353-00		24. Reference No.
26. Ultimate Consignee Name and Address City State Zip			26. Importer of Record Number and Address HS Exteriors 1234 Main Street Norristown, PA 19401		

6) Which date is used for calculating the applicable rate of duty?

- A) 12/03/13
- B) 1/03/14
- C) 1/04/14
- D) 1/17/14
- E) 1/02/14

7) Which of the following is the port of processing?

- A) Lubbock, Texas
- B) New York, New York
- C) Seattle, Washington
- D) Philadelphia, Pennsylvania
- E) Miami, Florida



8) Which of the following is the entry type?

- A) Warehouse Withdrawal for Consumption
- B) Consumption Foreign Trade Zone
- C) Consumption Free and Dutiable
- D) Transportation and Exportation
- E) Consumption Anti-dumping/Countervailing Duty

Practical Exercise 3:

Answer questions 9 and 10 using the abbreviated Entry Summary for a shipment that arrived from Ghana *via* United Airlines at Washington Dulles airport below:

27. Line No.	28. Description of Merchandise			32. A. Entered Value B. CHGS C. Relationship	33. A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No.	34. Duty and I.R. Tax
	29. A. HTSUS No. B. ADA/CVD Case No	30. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units			Dollars Cents
001 D	M 55217035541 LADIES / MEN'S POLO SHIRTS 384 CTNS Invoice Number – 24011 04/2013 APPL AGOA, FROM NON US FABRICS 9819.11.09 WOMENS COTN BLOUS/SHIRS, NIT/C 6106.10.0010 905 225 DOZ CAT 339 (810 KG)			384 CTNS  NOT-RELATED 0 9536 C 1339	FREE  FREE V3ET022805 DOE 08/18/13  0.010717 / KG	0.00  0.00  8.68
	Other Fee Summary for Block 39		35. Total Entered Value			

9) What is the Special Program Identifier?

- A) GH
- B) LY
- C) US
- D) DE
- E) D

10) What is the “Total Entered Value” that should be entered into Block 35?

- A) \$0
- B) \$1,339
- C) \$9,536
- D) \$10,875
- E) \$63,4

**Category III: Entry**

- 11) A Foreign Trade Zone Operator shall prepare a reconciliation report within \_\_\_\_\_ days after the end of the zone/sub-zone year unless the port director authorizes an extension for reasonable cause.
- A) 30
  - B) 60
  - C) 90
  - D) 120
  - E) 180
- 12) Records relating to customs transactions, other than powers of attorney, must be retained by a licensed customs broker for at least \_\_\_\_\_ year(s) after the date of entry.
- A) 2
  - B) 5
  - C) 4
  - D) 1
  - E) 3
- 13) What are the recordkeeping requirements for Export Certificates for sugar-containing products that are subject to tariff-rate quota?
- A) The Export Certificate is not subject to recordkeeping requirements.
  - B) The Export Certificate must be retained for a period of three (3) years.
  - C) The Export Certificate must be retained for a period of one (1) year and be made available to CBP upon request.
  - D) The Export Certificate must be retained for a period of two (2) years.
  - E) The Export Certificate must be retained for a period of five (5) years and be made available to CBP upon request.
- 14) The initial 1 year period of validity for an A.T.A. Carnet \_\_\_\_\_.
- A) can be extended up to 6 months
  - B) can be extended up to 9 months
  - C) can be extended up to 1 year
  - D) can be extended up to 3 years
  - E) cannot be extended

- 15) Goods are brought into the customs territory of the United States by the National Aeronautics and Space Administration (NASA) from space or from a foreign country as part of a NASA international program. What type of entry is required for these goods?
- A) 01 -Formal Entry
  - B) 11 - Informal Entry
  - C) 51 - Defense Contract Management Command - International is the importer of record and filer of the entry
  - D) 52 - Any U.S. Federal Government agency is the importer of record
  - E) Entry is not required

A shipment arrives on the 3<sup>rd</sup> of the month. Use the calendar provided below to answer the next 2 questions.

Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16-Federal Holiday	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- 16) The entry is filed and cargo is released on the 13<sup>th</sup>. The importer is not required to file the entry summary documentation at the time of entry. By which date shall the entry summary be filed with CBP?
- A) 13<sup>th</sup>
  - B) 23<sup>rd</sup>
  - C) 24<sup>th</sup>
  - D) 27<sup>th</sup>
  - E) 30<sup>th</sup>
- 17) If the entry is not filed, by which date shall the master or agent of the vessel notify CBP of un-entered cargo?
- A) 23<sup>rd</sup>
  - B) 24<sup>th</sup>
  - C) 25<sup>th</sup>
  - D) 29<sup>th</sup>
  - E) 31<sup>st</sup>

- 18) OrangeX imported 730 cases of pencils, and merchandise was released to a bonded warehouse. OrangeX made a withdrawal for 25 cases for consumption. OrangeX decided to sell the remaining 705 cases to an importer called Purple2. Purple2 has a bonded warehouse and a withdrawal was made for the 705 cases to be entered into their warehouse. What is the entry type for this process?
- A) Entry type 21
  - B) Entry type 23
  - C) Entry type 31
  - D) Entry type 06
  - E) Entry type 22
- 19) Quota Class merchandise is any imported merchandise subject to limitations under an absolute or tariff rate quota. Entry summaries for consumption or withdrawal for consumption shall be presented during official office hours. Official office hours for purposes of administering quotas shall be:
- A) 8:00 am to 4:30 PM PST
  - B) 8:30 am to 4:30 PM EST
  - C) 8:30 am to 4:30 PM in all time zones
  - D) 8:00 am to 4:30 PM in all time zones
  - E) 8:30 am to 5:00 PM in all time zones

### Category IV: Foreign Trade Zones

- 20) Which of the following satisfies the requirement to export merchandise in accordance with customs law?
- A) Letter of intent to destroy merchandise
  - B) Prepare a CBP form 7501
  - C) Entry into a Foreign Trade Zone
  - D) Entry into a bonded warehouse
  - E) Sale to foreign company without physical exportation
- 21) A manufacturing Foreign Trade Zone (FTZ) files weekly entries for consumption. This week's entry was for 50,000 widgets. An order comes in for an additional 2,000 widgets, which will be produced and delivered by the end of the week. Which of the following is the correct course of action for the FTZ operator to take?
- A) File a request to have CBP update the quantities on the entry
  - B) Add the 2,000 widgets to the following week's entry
  - C) File a 7501 for 52,000 widgets within 10 working days of the entry
  - D) File an additional CBP form 3461 for 2,000 widgets
  - E) Ignore the difference, as it is less than 1% of the entry
- 22) A transfer of merchandise from one FTZ to another at the same port and with the same operator must be \_\_\_\_\_.
- A) made by a licensed cartman or bonded carrier under an entry for immediate transportation on CBP Form 7512
  - B) made under a permit on CBP Form 6043 or under a local control system approved by the port director and any loss of merchandise is treated as if the loss occurred in the zone
  - C) made by the operator of the zone for which the merchandise is destined under an entry for immediate transportation on CBP Form 7512
  - D) done by filing a 7501 type 06 consumption entry followed by a new CBP form 214 zone admission
  - E) done by submitting a completed CBP Form 216 to the port director for approval
- 23) Absolute quota merchandise imported in excess of the admissible quantity may NOT be \_\_\_\_\_.
- A) held in a FTZ for the opening of the next quota period
  - B) held in a warehouse for the opening of the next quota period
  - C) exported
  - D) destroyed under CBP supervision
  - E) entered at a higher rate of duty

**Category V: Classification**

- 24) A walking stick contains markings on it which will allow the user to measure the length of an item in both inches and centimeters. What is the classification for a walking stick that can also be used as a measuring device?
- A) 4417.00.8090
  - B) 4421.90.9780
  - C) 4602.90.0000
  - D) 6602.00.0000
  - E) 9017.80.0000
- 25) What is the classification for a correcting fluid pen consisting of a mixture composed of Tetrahydrofuran, over 5% Benzoyl alcohol (organic compound), water and hydrofluoric acid (organic compound)?
- A) 2906.21.0000
  - B) 3824.90.2800
  - C) 2811.11.0000
  - D) 3824.90.4800
  - E) 3824.90.9290
- 26) Mango chips are thinly sliced pieces of mango that have been fried in low temperature vegetable oil, salted, and dried. Mango chips are kept in sealed foil pouches and composed of approximately 80% mango slices, 16% vegetable oil, and 4% salt. What is the tariff classification of the mango chips?
- A) 0804.50.8010
  - B) 2005.99.9700
  - C) 2007.99.7500
  - D) 2008.99.4000
  - E) 1905.90.9030
- 27) What is the tariff classification of a laser printer capable of internet facsimile, local and network printing, network scanning and copying, and has a print speed of 10 ppm?
- A) 8443.32.1020
  - B) 8443.31.0000
  - C) 8443.39.4000
  - D) 8472.90.9080
  - E) 8471.49.0000

- 28) Extracted oleoresins are obtained from natural cellular raw plant materials (usually spices or aromatic plants), either by organic solvent extraction or by super-critical fluid extraction. Rosemary oleoresin is processed from rosemary leaves. What is the classification of rosemary oleoresin extract?
- A) 3301.29.5137
  - B) 3301.90.1050
  - C) 1211.90.9190
  - D) 1302.19.9140
  - E) 1301.90.9190
- 29) A seaweed-based fertilizer is composed of 5% potassium and 95% other fertilizers. It is intended to grow an array of vegetables in small planting pots. It will be imported in the form of a powder fertilizer in one kilogram packages. What is the tariff classification of this fertilizer?
- A) 3105.20.0000
  - B) 3105.90.0050
  - C) 3824.90.9290
  - D) 3101.00.0000
  - E) 3105.10.0000
- 30) A lavatory mirror assembly is a composite good constructed of a glass mirror framed in aluminum/nickel alloy. The glass mirror, which is not optically worked, is coated on the back side with a silver substrate and treated on the front side to prevent scratches and marks. The mirror assembly measures approximately 35.56 cm by 35.56 cm (not including the frame) and is designed for use exclusively in aircraft. What is the classification of this lavatory mirror assembly?
- A) 7009.92.1000
  - B) 7009.92.5000
  - C) 8306.30.0000
  - D) 8803.30.0060
  - E) 9001.90.6000
- 31) What is the classification of a watch box constructed of molded plastic wholly covered on the exterior by man-made textile fibers?
- A) 4202.32.9550
  - B) 4202.92.9010
  - C) 4202.92.9026
  - D) 4202.99.1000
  - E) 4202.99.3000



32) What is the classification of plastic gutters for a building?

- A) 3925.20.0091
- B) 3925.30.5000
- C) 3925.90.0000
- D) 3926.90.9980
- E) 6906.00.0000

33) A plain weave fabric is composed wholly of nylon filament yarns of different colors, measures 45 cm in width, and weighs 50 g/m<sup>2</sup>? One side of this fabric has been completely covered with a PU plastic coating. The fabric has been cut from a wider piece with a hot knife, creating two false selvages. What is the classification for this fabric?

- A) 5407.42.0060
- B) 5407.43.2030
- C) 5407.44.0030
- D) 5806.32.2000
- E) 5903.20.2500

**Category VI: Valuation**

- 34) You are using transaction value of merchandise that is identical or similar in nature, but varies in price. Which of the following can be used to adjust for these differences when the merchandise is being appraised?
- A) Quality level
  - B) Commercial level
  - C) Quantity
  - D) Both B&C
  - E) Assists
- 35) In relation to valuation of merchandise, what is the general definition of "Price Actually Paid or Payable?"
- A) Any commission paid to the seller's agent, who is related to or controlled by, or works for or on behalf of the manufacturer or the seller.
  - B) Cost of all containers and coverings of whatever nature and of packing, whether for labor or materials, used in placing merchandise in condition packed ready for shipment to the United States.
  - C) Supplies that are directly or indirectly and free of charge or at reduced cost, provided by the buyer of imported merchandise for use in connection with the production or the sale for exported to the United States of the merchandise.
  - D) Total payment (whether direct or indirect, and exclusive of any charges, costs, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation in the United States) made or to be made for imported merchandise by the buyer to, or for the benefit of the seller.
  - E) Fees for patents covering processes to manufacture the imported merchandise.
- 36) What is the amount of the IRS Excise Tax on 72,000 small cigarettes with the following characteristics?
- Do not exceed 3 pounds per 1,000 cigarettes
  - The entered value is \$828.00 and
  - The net tobacco weight is 77 kg with
  - The tariff classification is 2402.20.8000?
- A) \$80.85
  - B) \$90.89
  - C) \$2,533.89
  - D) \$3,623.76
  - E) \$3,704.61

37) A Swiss manufacturer produces 1000 gadgets at a total cost of \$6000 (\$6.00 per piece). A Canadian distributor then buys the entire lot for a total price of \$9000 (\$9.00 per piece), and has it shipped from Geneva to his warehouse in Toronto. The Canadian distributor cannot find any buyers for the goods, which end up sitting in his warehouse for over three years, thereby becoming slightly outmoded. Eventually, he manages to locate a U.S. customer who negotiates with him and finally agrees to purchase half the lot (500 pieces) at a total price of \$4000 (\$8.00 per piece). The U.S. customer then imports the 500 pieces, having them delivered to his premises in Chicago. There is no relationship between any of the parties mentioned, and all business is conducted at arm's length. What is the appraised value of the merchandise imported into the United States?

- A) \$4500
- B) \$3000
- C) \$4000
- D) \$6000
- E) \$9000

38) In a transaction with Chinese supplier Rose Enterprise, the U.S. importer Thorn Incorporated agreed to pay \$100,000 for the sale of widgets, shipped FOB (Free On Board) Chicago. However, Rose Enterprise owed a \$20,000 debt to a third party, Flower Corporation. Thorn Incorporated agreed to pay that debt and then pay \$80,000 directly to Rose Enterprise. The international shipping cost was \$10,000. What is the Transaction Value of the imported widgets from China?

- A) \$80,000
- B) \$20,000
- C) \$100,000
- D) There is no Transaction Value of the imported widgets from China because Thorn Incorporated did not directly arrange to pay the total \$100,000 to Rose Enterprise.
- E) \$110,000

- 39) Your client is importing a used aircraft engine manufactured in England from a Canadian shipper. Your client has accepted the aircraft engine on consignment and has promised to find a US buyer for the engine. Your client will receive a commission on the sale of 5%. The asking price for the engine is \$90,000. The shipper paid all of the transportation costs (\$1,000) from its dock to your client's dock on a through bill of lading. What is the entered value of the used aircraft engine?
- A) Under transaction value, the entered value of the aircraft engine is the asking price of \$90,000.
  - B) Under transaction value, the dutiable value of the aircraft engine is the asking price of \$90,000, minus the \$1,000 transportation cost, plus the sales commission due the importer of \$4,500 ( $\$90,000 \times 5\%$ ), or \$93,500.
  - C) Under transaction value, the entered value of the aircraft engine is the asking price of \$90,000, plus the \$1,000 transportation cost, plus the sales commission due the importer of \$4,500 ( $\$90,000 \times 5\%$ ), or \$95,500.
  - D) Under transaction value, the entered value of the aircraft engine is the asking price of \$90,000, minus the \$1,000 transportation cost, minus the sales commission due the importer of \$4,500 ( $\$90,000 \times 5\%$ ), or \$84,500.
  - E) Because transaction value cannot be used on a consignment shipment, the entered value of the aircraft engine cannot be determined under transaction value and one of the other bases of appraisement must be applied.
- 40) A shipment of Evaporative Coolers with a documented U.S. value of \$100,000 was exported to Taiwan for \$2000 in repairs, and then reimported into the U.S. Which of the following value(s) and classification(s) apply to the Evaporative Coolers?
- A) \$98,000 under 9802.00.5060
  - B) \$102,000 under 8479.60.0000
  - C) \$100,000 under 8479.60.0000 and \$2,000 under 9802.00.5060
  - D) \$100,000 under 9802.00.5060 and \$2,000 under 8479.60.0000
  - E) \$102,000 under 9802.00.5060
- 41) Your client receives a CBPF 29 resulting in an increase in duties exceeding \$17.50 for 100% polyester sweaters. Which of the following regulations cites this authority?
- A) 19 CFR 151.5
  - B) 19 CFR 151.65
  - C) 19 CFR 152.0
  - D) 19 CFR 152.2
  - E) 19 CFR 152.12

## VII: Free Trade Agreements

- 42) Which of the following is NOT a United States Free Trade Agreement (FTA)?
- A) Singapore (SFTA)
  - B) Jordan (JFTA)
  - C) Oman (OFTA)
  - D) Australia (AFTA)
  - E) India (IFTA)
- 43) Where can you file a post-importation duty refund NAFTA claim?
- A) At any port of entry
  - B) At the port where the corporate broker license was initially issued
  - C) With the CBP Revenue Division
  - D) With the director of the port at which the entry covering the good was filed
  - E) At the closest port of entry
- 44) Of the below identified trade agreements, which one is the exception that allows the importer, for an originating good, to claim a refund of excess duties if not originally conferred in the entry by special tariff treatment to claim their duty refund within one year?
- A) United States - Chile Free Trade Agreement
  - B) United States - Singapore Free Trade Agreement
  - C) United States - Korea Free Trade Agreement
  - D) United States - Peru Trade Promotion Agreement
  - E) United States - Colombia Trade Promotion Agreement
- 45) What is the correct symbol to use when claiming duty-free treatment for the Caribbean Basin Initiative (CBI) on an eligible commodity?
- A) E
  - B) J
  - C) P
  - D) P+
  - E) R
- 46) Under the Australia FTA, which of the following are NOT indirect materials?
- A) Catalysts and solvents
  - B) Discards unsuitable for sale
  - C) Lubricants, greases, compounding materials used to operate equipment and buildings
  - D) Dies and molds
  - E) Safety clothing and equipment for the employees

### VIII: Drawback

- 47) \_\_\_\_\_ are/is required to correctly calculate the amount of drawback due.
- A) Drawback claimants
  - B) A United States Principal Party of Interest
  - C) A Freight Forwarder
  - D) An Import Specialist
  - E) The United States Department of the Treasury
- 48) Rejected merchandise may not be \_\_\_\_\_.
- A) shipped with the consent of the importer
  - B) nonconforming to sample or specifications
  - C) shipped without consent of the consignee
  - D) determined to be defective as of the time of importation
  - E) as being ultimately sold at retail by the importer or person who received the merchandise from the importer under a certificate of delivery
- 49) Merchandise processing fees are not subject to drawback except for merchandise processing fees for \_\_\_\_\_.
- A) indirect identification unused merchandise
  - B) substitution used merchandise
  - C) substitution of finished petroleum
  - D) rejected merchandise
  - E) substitution of indirect used merchandise
- 50) Which of the following is not a type of drawback entry?
- A) Direct identification manufacturing
  - B) Direct identification unused merchandise
  - C) Substitution of finished petroleum derivatives
  - D) Substitution manufacturing
  - E) Substitution modified merchandise

### **IX: Antidumping and Countervailing Duties**

51) A certificate of reimbursement must be submitted to CBP prior to liquidation of any antidumping entry. Who is responsible for signing the certificate?

- A) The U.S. Customs Broker
- B) The Manufacturer
- C) The Importer
- D) Options a) and c)
- E) Options b) and c)

52) Importer ABC is importing widgets produced by manufacturer XYZ in China. The widgets are subject to antidumping duties. The rates that were posted in the Federal Register and set by the Department of Commerce's International Trade Administration for the antidumping case were:

- Producer and/or exporter: DEF, rate 5.5%
- Producer and/or exporter: GHI, rate 18.5%
- Producer and/or exporter: LMN, rate 10.0%
- Producer and/or exporter: XYY, rate 15.0%
- Producer and/or exporter: China-wide entity, rate 15.5%

Which antidumping deposit rate is importer ABC required to pay for his importation of widgets?

- A) 5.5%
- B) 18.5%
- C) 10.0%
- D) 15.0%
- E) 15.5%

53) Which of the following duties and fees is not subject to drawback?

- A) Antidumping duties and countervailing duties
- B) Duties paid on a warehouse withdrawal
- C) Duties paid on a prior disclosure
- D) Duties paid on after liquidation
- E) Internal Revenue Taxes

54) It will be presumed by CBP that the exporter or manufacturer paid or reimbursed the importer for antidumping duties or countervailing duties if:

- A) The importer failed to submit a completed reimbursement certificate prior to liquidation.
- B) The exporter failed to submit a certificate of reimbursement to the importer.
- C) The broker failed to correctly annotate the 7501 with the manufacturer's name.
- D) The exporter alerted CBP that they had reimbursed the importer.
- E) The importer failed to provide completed invoice with manufacturer's name and address.



**Category X: Marking**

- 55) Which article is excepted from the requirements of country of origin marking in accordance with the provisions of section 304(a)(3)(J), Tariff Act of 1930, as amended (19USC1304(a)(3)(J))?
- A) Screwdriver
  - B) Ceramic cups
  - C) Cigars and cigarettes
  - D) Paper book
  - E) Plastic picket fence
- 56) What is the difference between restricted gray market goods and goods bearing counterfeit marks?
- A) There is no difference. Gray Market and counterfeit goods are considered the same.
  - B) Gray Market goods are harder to distinguish than counterfeit goods.
  - C) The seizure process is different between Gray Market and counterfeit goods.
  - D) Gray Market goods bear a trademark or trade name which has been applied with the approval of the trademark owner as genuine and is recorded with Customs and Border Protection.
  - E) Gray Market products are of lesser quality products just like counterfeit products.
- 57) Which of these articles or products is not an exception to marking requirements under the Customs regulations?
- A) Articles that are incapable of being marked
  - B) Products of possessions of the United States
  - C) Products of the United States that are exported and returned
  - D) Imported articles repacked after release
  - E) Articles entered or withdrawn from warehouse for immediate exportation or transportation and exportation.
- 58) Alaskan souvenir carving knives were made in China and imported into the U.S. from Taiwan. Which of the following is an acceptable method of country of origin marking for the knives?
- A) Paper hangtags attached to the knife handle with the phrase "Made in China"
  - B) Die stamped on the knife blade with the phrase "Made in Taiwan"
  - C) Paper stickers on the knife handle or blade with the phrase "Made in China"
  - D) This is a J-List item and therefore is excepted from country of origin marking
  - E) Engraved on the blade with the phrase "Made in China"

**Category XI: Broker Compliance**

- 59) Which of the following is a ground for suspension or revocation of the privilege of operating a container station?
- A) The container station operator retains merchandise which has been designated for examination.
  - B) The container operator provides secure facilities and properly safeguards merchandise within the container station.
  - C) The container station operator or officer which has been granted the privilege of operating a container station is convicted or has committed acts which constitute a felony or a misdemeanor.
  - D) The container station operator provides a current list of names, addresses, and other information required by 19 CFR 19.46.
  - E) The bond required by 19 CFR 19.40 is determined to be sufficient in amount.
- 60) Lever-rule protection applies to, and provides protection for \_\_\_\_\_.
- A) copyrighted materials
  - B) trademarks that are not recorded with CBP
  - C) gray market articles on the basis of physical and material differences
  - D) goods that are not labeled as being physically and materially different from the authorized product
  - E) both trademarks and copyrights only if the right holder pays an additional fee of \$190
- 61) Big Boss Customs Brokers (BBCB), a licensed broker, decides to import sunglasses (9004.10.0000) to cash-in on the big tourist business in the area. One of their clients regularly imports similar items. Which of the following statements is correct?
- A) A broker cannot be an importer.
  - B) BBCB must notify their client that they are also going to import sunglasses.
  - C) BBCB cannot import items similar to that of their clients since it would represent a conflict of interest.
  - D) BBCB must apply for a waiver from the International Trade Commission (ITC) and the Commissioner.
  - E) BBCB must notify the port Director for permission to import such articles.

- 62) What is the maximum penalty that CBP may assess against any person who intentionally transacts customs business without holding a valid broker's license?
- A) \$5,000 penalty against the person for each transaction
  - B) \$10,000 for each transaction or violation, and in an amount not to exceed an aggregate of \$30,000 for all those transactions or violations
  - C) \$100 for each transaction or violation, and in an amount not to exceed an aggregate of \$5,000 for all those transactions or violations
  - D) \$500 for each transaction or violation, and in an amount not to exceed an aggregate of \$5,000 for all those transactions or violations
  - E) \$30,000 for each transaction or violation, and in an amount not to exceed an aggregate of \$90,000 for all those transactions or violations
- 63) A broker terminates the individually licensed broker qualifying their corporate license in Houston, Texas. The same individual also was the qualifier for their local permit. The decision is made to replace the positions vacated with two different individually licensed brokers. How long do they have to replace each individual before the license and permit are revoked by operation of law?
- A) 150 continuous days for the license qualifier and 180 continuous days for the local permit qualifier
  - B) 180 continuous days for the license qualifier and 120 continuous days for the local permit qualifier
  - C) 120 continuous days for the license qualifier and 180 continuous days for the local permit qualifier
  - D) 200 continuous days for the license qualifier and 365 continuous days for the local permit qualifier
  - E) 365 continuous days for both positions
- 64) A protest under section 514 covering the liquidation of an entry made on or after December 18, 2004 must be filed and completed within what time period in order to be considered timely filed?
- A) within 90 days after the date of liquidation of the entry being protested
  - B) within 180 days after the date of liquidation of the entry being protested
  - C) within one year after the date of liquidation of the entry being protested
  - D) within one year after the date of importation of the underlying entered merchandise
  - E) within 20 days before the liquidation date or within 180 days after the liquidation date of the entry being protested

- 65) Which of the following customs transactions is NOT required to be performed by a licensed Customs broker?
- A) Temporary Importation under Bond
  - B) Transportation in Bond
  - C) Permanent Exhibition Bond
  - D) Trade Fair Entry
  - E) Foreign Trade Zone Entry
- 66) For each release of merchandise, what is the maximum penalty that may be assessed against an importer who is negligent in producing entry records at the request of an Import Specialist?
- A) 40% of the appraised value of the merchandise
  - B) 75% of the appraised value of the merchandise
  - C) \$10,000
  - D) \$100,000
  - E) 75,000
- 67) Requests for alternative methods of storage for records required to be maintained as original records must be made from which of following?
- A) Port Director, in the port where the records will be stored
  - B) Broker Management Office, Washington DC
  - C) Regulatory Audit Division, Miami FL
  - D) Director of Field Operations, in the District where the records will be stored
  - E) National Finance Office, Indianapolis ID

**Category XII: Fines and Penalties**

- 68) If no extension has been provided by the Fines, Penalties, and Forfeitures Officer, a petition for relief in a seizure case is due within:
- A) 60 days from the date of mailing of the notice of seizure
  - B) 30 days from the date of mailing of the notice of seizure
  - C) 90 days from the date of publication of the forfeiture
  - D) 45 days from the date of seizure
  - E) 30 days from the date of seizure
- 69) A decision to mitigate a penalty or to remit a forfeiture upon condition that a stated amount is paid will be effective for:
- A) No more than 30 days from the date of notice to the petitioner unless the decision prescribes a different effective period
  - B) No more than 45 days from the date of notice to the petitioner unless the decision prescribes a different effective period
  - C) No more than 60 days from the date of notice to the petitioner unless the decision prescribes a different effective period
  - D) Until the amount is actually paid by the petitioner
  - E) Up to one year, unless the decision prescribes a different effective period
- 70) Which of the following guidelines are NOT included as an appendix of the CBP Regulations?
- A) Guidelines for the Imposition and Mitigation of Penalties for Violations of 19 U.S.C. 1592
  - B) Guidelines for Disposition of Country of Origin Marking Violations under 19 U.S.C. 1304
  - C) Guidelines for the Imposition and Mitigation of Penalties for Violations of 19 U.S.C. 1641
  - D) (a) and (c)
  - E) (a) and (b)
- 71) Licensed broker Larry receives a Pre-Penalty Notice from the local CBP Fines, Penalties, and Forfeitures Officer (FPFO) informing him that CBP is contemplating issuance of a \$10,000 penalty against him for failing to exercise responsible supervision and control over Customs business which he has transacted. Larry files a timely response to the Pre-Penalty Notice with the FPFO claiming that the violation did not occur. After reviewing Larry's response, the FPFO may not do which of the following:
- A) Issue a Notice of Penalty in the amount of \$10,100 against Larry
  - B) Issue a Notice of Penalty in the amount \$5,000 against Larry
  - C) Issue a Notice of Penalty in the amount \$9,999 against Larry
  - D) Issue a Notice of Penalty in the amount of \$10,000 against Larry
  - E) Issue a Notice of Penalty in the amount of \$30,000 against Larry

72) Who may approve a request for extension to file a petition for relief?

- A) Supervisory Import Specialist
- B) Supervisory Entry Specialist
- C) Port Director
- D) Fines, Penalties, and Forfeitures Officer
- E) Director Field Operations

73) An importer submits a prior disclosure pertaining to misclassification of its imported widgets. During its verification of the disclosure, CBP discovers that the importer also furnished undeclared assists to the manufacturer. The undeclared assists were used in the production of the widgets. Which answer describes how the undeclared assists will be treated?

- A) The importer failed to disclose the undeclared assists; therefore, this violation will not be entitled to the benefits of prior disclosure.
- B) The importer may disclose the undeclared assists in a separate prior disclosure because CBP's verification does not constitute commencement of a formal investigation.
- C) The importer's failure to disclose the undeclared assists will result in denial of the entire prior disclosure.
- D) Given that the prior disclosure addressed violations concerning the widgets, the additional valuation violations are within the scope of the prior disclosure.
- E) The importer should submit a perfected prior disclosure to include the undeclared assists.

**Category XIII: Bonds**

- 74) Within how many days are bills resulting from dishonored checks or dishonored Automated Clearinghouse (ACH) transactions are due?
- A) 10 days from the date of issuance
  - B) 30 days from the date of issuance
  - C) 15 days from the date of issuance
  - D) 2 days from the date of issuance
  - E) 20 days from the date of issuance
- 75) What merchandise is eligible for bonded warehouse entry?
- A) Any merchandise subject to duty
  - B) Any merchandise subject free of duty, except for perishable merchandise and explosive substances (other than firecrackers)
  - C) Any merchandise subject to duty, except for perishable merchandise and explosive substances (other than firecrackers)
  - D) Any merchandise subject free of duty
  - E) None of the above
- 76) An importer notifies CBP in writing of an anticipatory breach on a Temporary Importation Bond (TIB). What percentage of the liquidated damages that will be assessed at the time of the breach shall the importer pay to CBP?
- A) 75%
  - B) 100%
  - C) 50 %
  - D) 25 %
  - E) 200%
- 77) Which regulatory authority provides that the Commissioner of Customs can delegate specific instructions for bond requirements to protect the revenue?
- A) 19 CFR 111.1
  - B) 19 CFR 111.2(b)(iv)
  - C) 19 CFR 111.34
  - D) 19 CFR 113.0
  - E) 19 CFR 113.1

### **Category XIV: Intellectual Property Rights**

- 78) Upon issuance of a detention notice for suspected IPR violative articles, CBP shall disclose to the owner of the trademark all of the following pieces of information, EXCEPT:
- A) the date of importation
  - B) a description of the merchandise and quantity involved
  - C) the country of origin of the merchandise
  - D) the name and address of the importer, exporter, and manufacturer
  - E) the port of entry
- 79) CBP may detain articles suspected of bearing a counterfeit version of a trademark that is registered with the U.S. Patent & Trademark Office and recorded with CBP. What notification does the detention notice provide to the importer?
- A) The goods in the shipment will be detained for a minimum of 60 days.
  - B) The importer has fourteen (14) days to respond to the notice of detention.
  - C) The detention period may be extended for up to an additional 60 days for good cause shown by the importer.
  - D) That the importer is notified within 7 days that CBP must receive confirmation of the import being original in mark and if not the trademark owner will be notified with full disclosure about the information of the violation
  - E) The importer must contact the trademark owner within seven (7) days of receipt of the notice of detention



80) Which of the following shipments does not contain restricted gray market merchandise as defined in 19 C.F.R. § 133.23?

- A) A shipment of jeans, bearing a trademark registered and recorded in the United States, applied by a U.S. trademark owner's foreign licensee independent of the U.S. trademark owner.
- B) A shipment of shoes, bearing a trademark registered and recorded in the United States, applied under the authority of a foreign trademark owner other than the U.S. owner, a parent or subsidiary of the U.S. owner, or a party under common ownership or control with the U.S. owner, to whom the U.S. owner sold the foreign title.
- C) A shipment of jackets, bearing a trademark registered and recorded in the United States, applied under the authority of a foreign trademark owner other than the U.S. owner, a parent or subsidiary of the U.S. owner, or a party under common ownership or control with the U.S. owner, from whom the U.S. owner acquired the domestic title.
- D) A shipment of books, bearing a U.S. registered and recorded trademark applied by a foreign subsidiary of the U.S. owner, determined by CBP to be different from the books authorized by the U.S. owner for importation or sale in the United States. The books feature a conspicuous label that they are not authorized by the U. S. owner for importation into the U.S. and are physically and materially different from the authorized ones.
- E) A shipment of shirts, bearing a genuine foreign trademark owned by a foreign trademark owner, identical with or substantially indistinguishable from a trademark registered and recorded in the United States. The shipment was imported without the authorization of the U.S. owner who is not related to the foreign owner.

**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 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. 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



