

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 (2016 Basic Edition, No Supplements)
- Title 19, Code of Federal Regulations (Revised as of April 1, 2016)
 - 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 exam questions, U.S. Customs and Border Protection (CBP) will be administering six **voluntary** process evaluation questions. The first three questions, located in Section 1, will take place before you begin the test. The last three survey questions, located in Section 3, will take place after you complete the test, but within the test timeframe. Each set of questions is expected to take no longer than 2 minutes each. The purpose of this survey is only to inform future testing processes. These survey 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 – Antidumping/Countervailing Duties

1. What is the correct entry type code for a warehouse withdrawal for antidumping/countervailing duties (AD/CVD)?

- A. 03
- B. 21
- C. 34
- D. 32
- E. 31

2. In which column on the CBP Form 7501 would you report the AD/CVD CASE Number?

- A. Column 27
- B. Column 28
- C. Column 29
- D. Column 32
- E. Column 34

3. Top Dawg imported seven ball bearings with integral shafts from Germany, which are classified under subheading 8482.10.10, Harmonized Tariff Schedule of the United States, at a 2.4% ad valorem duty rate and subject to antidumping duties. The ball bearings are shipped by air and formally entered at John F. Kennedy International Airport. The total value of the shipment is \$9,875.00. The applicable antidumping duty case deposit rate is 68.89%. What are the total amount of fees and estimated duties that should be reported on the CBP Form 7501?

- A. \$237.00
- B. \$7,039.89
- C. \$7,074.10
- D. \$6,837.10
- E. \$6,802.89

Category II – Bonds

4. CBP will periodically review each bond on file to determine whether the bond is adequate to protect the revenue and ensure compliance with applicable law and regulations. If CBP determines that a bond is inadequate, the principal and surety will be promptly notified in writing. The principal will have how many days from the date of notification to remedy the deficiency?

- A. 10 days
- B. 15 days
- C. 20 days
- D. 25 days
- E. 30 days

5. Entry summary documentation was not filed timely for a shipment of \$100,000.00 entered with Single Transaction Bond (STB) in the amount of \$110,000.00. Liquidated damages will be assessed at:

- A. The entire amount of the STB (\$110,000)
- B. \$100,000 plus duties and fees
- C. \$100,000 plus duties
- D. 10% of the value of the merchandise
- E. Duties and Fees

6. In determining whether the amount of a bond is sufficient, CBP will consider all of the below EXCEPT:

- A. The value and nature of the merchandise involved in the transaction(s) to be secured.
- B. B. The degree and type of supervision that CBP will exercise over the transaction(s)
- C. The volume of import transactions conducted annually.
- D. The prior record of the principal in timely payment of duties, taxes, and charges with respect to the transaction(s) involving such payments
- E. The prior record of the principal honoring bond commitments, including the payment of liquidated damages.

7. If any CBP Bond, except one given only for the production of free-entry or reduced-duty documents, has not been satisfied upon the expiration of _____ has accrued under the bond, the matter will be reported to the Department of Justice for prosecution unless measures have been taken to file an application for relief or protest to satisfactorily settle this matter.

- A. 30 days after liability
- B. 60 days after liability
- C. 90 days after liability
- D. 120 days after liability
- E. 180 days after liability

8. Which statement is TRUE concerning Customs Bonds?

- A. The surety, as well as the port director, remains liable on a terminated bond for obligations incurred prior to termination.
- B. Continuous bond applications must be submitted to the Commissioner of Customs.
- C. The principal may list on the bond trade names and the names of unincorporated divisions of the corporate principal which have a separate and distinct legal status who are authorized to use the bond in their own name.
- D. A continuous bond is effective on the effective date identified on CBP Form 368.
- E. A surety on a CBP bond which is in default may be accepted as surety on other CBP bonds only to the extent that the surety assets are unencumbered by the default.

Category III – Broker Compliance

9. The triennial process consists of a status report and fee payment that must be submitted by all licensed brokers. The regulations governing this process may be found:

- A. 19 CFR § 10.31(3)(ii)
- B. 19 CFR § 142.12 (b)
- C. 19 CFR § 114.3
- D. 19 CFR § 111.30 (d)
- E. 19 CFR § 163.4 (a)

10. When must Form 3347, Declaration of Owner, be filed?

- A. Within 90 days from the time of entry
- B. At the time of entry
- C. Any time before final liquidation
- D. Within 180 days from the time of entry
- E. When entry summary is filed

11. What factor is NOT considered by Customs when measuring if a brokerage is exercising proper supervision and control?

- A. Circumstances which indicate that the licensed broker has a real interest in the operations of the business
- B. Issuance of written instructions and guidelines to employees of the broker
- C. Volume and type of business
- D. Location of where records are stored and size of office
- E. Extent the local permit qualifying broker is involved in the operation

12. Under which scenario below would a broker be exempt from notifying importers annually of their right to pay CBP directly under 19 CFR 111.29?

- A. The importer has contracted for payment through a freight forwarder, and the broker's invoice to the freight forwarder provides notice of the right to pay CBP directly.
- B. The broker has not transacted Customs business on behalf of the importer for the preceding six months.
- C. The broker has provided clear written instructions to the freight forwarder to provide a copy of the 19 C.F.R. 111.29(b)(1) statement to the importer directly.
- D. All of the Above.
- E. None of the Above.

13. 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. An amount not to exceed 40% of the appraised value of the merchandise
- B. An amount not to exceed 75% of the appraised value of the merchandise
- C. \$10,000
- D. \$100,000
- E. \$75,000

14. John Henry received a license through the port of Duluth, MN (3604). John Henry also has a local permit for the port of Duluth, MN (3604). John Henry is now looking to move his business to the port of Minneapolis, MN (3501). Which of the following is the correct course of action for John Henry to take?

- A. John Henry should notify the port of Minneapolis, MN of the new address.
- B. John Henry should send a letter cancelling the permit to Minneapolis, MN.
- C. John Henry should request to be permitted in Duluth, MN.
- D. John Henry should apply for a National permit and pay in Duluth, MN.
- E. John Henry should send a triennial report and fee to Minneapolis, MN.

Category IV – Classification

15. The duty free provision for returned American Goods is found in _____.

- A. 9813.00.35
- B. 9812.00.20
- C. 9801.00.10
- D. 9808.00.30
- E. 9806.00.50

16. What is the **CLASSIFICATION** of a men's woven shirt, made of 65 % rayon and 35 % polyester fiber? The garment features a full front zippered opening, a pocket on the left chest panel, a pointed collar, long sleeves with buttoned cuffs, and a straight hemmed bottom with two side vents.

- A. 6205.20.2066
- B. 6205.30.1510
- C. 6205.90.4040
- D. 6205.20.2051
- E. 6205.30.2070

17. What is the **CLASSIFICATION** of a necklace with a heart pendant made of zinc metal 50 or fewer years old? The value of the item is \$600.00.

- A. 7111.00.0000
- B. 7113.20.5000
- C. 7901.11.0000
- D. 7117.90.9000
- E. 9706.00.0060

18. What is the **CLASSIFICATION** for an adult size, unisex, pullover constructed from 100% bamboo knit fabric? The Fiber Trade Name is Rayon.

- A. 6110.30.3059
- B. 6110.90.9066
- C. 6110.30.3053
- D. 6110.90.1060
- E. 6110.90.9054

19. What is the **CLASSIFICATION** of a woman's knitted Irish sweater with a fiber content of 50% merino wool and 50% man-made rayon?

- A. 6110.30.1520/17%
- B. 6110.20.2020/16.5%
- C. 6110.30.1020/6%
- D. 6110.19.0030/16%
- E. 6105.20.1000/13.6%

20. What is the **CLASSIFICATION** of tomato juice concentrate with 49% of soluble tomato solids and 51% water that is produced by washing, crushing, screening, centrifuging and concentrating the tomatoes prior to the juice concentrate being aseptically packed into airtight bottles?

- A. 2009.50.0010
- B. 2009.50.0090
- C. 2009.89.8031
- D. 2202.90.3600
- E. 2002.90.8050

21. What is the **CLASSIFICATION** of frozen, uncooked, shrimp-stuffed ravioli packaged with a white wine sauce made in Italy which contains 51% by weight of shrimp?

- A. 1605.29.0500
- B. 1605.29.1010
- C. 1605.29.1040
- D. 1902.19.4000
- E. 1902.20.0040

22. What is the **CLASSIFICATION** of a woven, embroidered, single layer bedspread made of 50% rayon fibers and 50% silk fibers?

- A. 6304.11.2000
- B. 6304.11.3000
- C. 6304.19.1500
- D. 6304.19.3060
- E. 9404.90.8536

23. Which of the following is required when importing iron or steel classifiable under Chapter 72 or headings 7301 to 7307 HTSUS?

- A. Country of Origin certificate.
- B. Mill certificate containing percentage by weight of carbon or any metallic elements contained in the imported products.
- C. Single entry bond
- D. Reimbursement statement
- E. ASTM standard specifications for steel

24. What is the **CLASSIFICATION** for dried potato flakes composed of dried potato flakes, sodium acid pyrophosphate (a preservative), sodium bisulfite (a preservative), monoglycerides (an anti-sticking agent), citric acid (an antioxidant), and butylated hydroxyanisole?

- A. 0701.90.5040
- B. 0712.90.3000
- C. 1105.20.0000
- D. 1108.13.0010
- E. 2005.20.0070

25. What is the **CLASSIFICATION** of used rescue blankets, not over 3 meters in length, constructed from 50 % polyester and 50 % wool knit fabric that show signs of appreciable wear, but have been cleaned and are individually packaged?

- A. 6301.20.0010
- B. 6309.00.0010
- C. 6301.40.0020
- D. 6301.40.0010
- E. 6309.00.0020

26. The article is a small battery-operated plastic LED flashlight with a bottom split ring onto which is attached two metal key rings, both connected by a cylindrical plastic attachment: by pressing down on the lamp's midsection, a beam of light is activated. What is the **CLASSIFICATION** for the LED Light keychain?

- A. 3924.90.5610
- B. 8513.10.2000
- C. 7326.20.0071
- D. 8513.90.4000
- E. 9013.80.9000

Category V – Drawback

27. Company A is the importer of record for widgets in the United States. Company A sold 100 widgets on 1/1/2012 to Company B in United States. Company B sold the widgets to a foreign company and filed drawback for the widgets under unused direct identification 19 USC 1313(j)(1) on 5/1/2012. Which of the following document shows the transfer of the merchandise from Company A to Company B?

- A. A waiver of drawback right
- B. A certificate of delivery and manufacture
- C. A certificate of delivery
- D. A notice of intent to export
- E. An application of waiver of prior notice of intent to export

28. Which of the following is required when filing drawback for items laden on vessels/aircrafts as supplies?

- A. CBP Form 6043
- B. CBP Form 7512
- C. CBP Form 7514
- D. CBP Form 7552
- E. CBP Form 7553

29. Which Service Port contains a Drawback unit/office?

- A. Boston, MA
- B. Detroit, MI
- C. Houston, TX
- D. Honolulu, HI
- E. Miami, FL

30. A Notice of Intent to export merchandise which may be the subject of an unused merchandise drawback claim, must be filed at the port of intended exportation on CBP Form 7553 at least _____ working day(s) prior to the date of intended exportation.

- A. 1
- B. 2
- C. 15
- D. 30
- E. 45

Category VI – Entry

31. Which of the following is an example of bulk cargo?
- A. 250 40-foot containers of household goods
 - B. 500 tons of grain stowed loose in the hold of a cargo vessel
 - C. 1000 cases of wine, each holding 24 bottles
 - D. 2500 barrels of olive oil
 - E. 5000 sacks of coffee beans
32. What additional information must be provided on invoices for plastic sheets classified in heading 3920, HTSUS?
- A. Statement as to whether the plastic is cellular or non-cellular; the thickness in micrometers; indication of whether or not flexible and whether combined with textile or other material.
 - B. Statement as to whether the plastic is cellular or non-cellular; stretch factor, in machine direction and in cross direction; indication of whether or not flexible and whether combined with textile or other material.
 - C. Statement as to whether combined with textile or other material; statement whether the rubber is cellular or non-cellular, unvulcanized or vulcanized, and if vulcanized, whether hard rubber or other than hard rubber.
 - D. Statement as to whether the plastic is cellular or non-cellular; specification of the type of plastic; indication of whether or not flexible and whether combined with textile or other material.
 - E. Statement as to whether the plastic is cellular or non-cellular; chemical abstracts service number of the active ingredient; indication of whether or not flexible and whether combined with textile or other material.
33. Which piece of information is **NOT** a requirement on a commercial invoice?
- A. All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise.
 - B. The port of entry to which the merchandise is destined.
 - C. The kind of currency, whether gold, silver or paper.
 - D. An itemized list by name and amount of packing, cases, containers, and inland freight to the port of exportation, if included in the invoice price, and so identified.
 - E. The name of a responsible employee of the exporter, who has knowledge, or who can readily obtain knowledge, of the transaction.

34. A person claiming an exemption from entry for undeliverable articles under General Note 3(e), HTSUS, must submit a certification. The certification must contain all the following conditions **EXCEPT**:

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

35. Which of the following classes of merchandise are **NOT** exempt from the requirement of entry?

- A. Telecommunications transmissions.
- B. Vessels classified in headings 8903 and 8907 and subheadings 8905.90.10 and 8906.00.10 or in Chapter 98, HTSUS, such as under subheadings 9804.00.35 or 9813.00.35
- C. Corpses, together with their coffins and accompanying flowers.
- D. Railway locomotives classified in heading 8601 or 8602, HTSUS, and freight cars classified in heading 8606, HTSUS, on which no duty is owed.
- E. Records, diagrams and other data with regard to any business, engineering or exploration operation whether on paper, cards, photographs, blueprints, tapes or other media

36. A warehouse entry is entry type _____.

- A. 11
- B. 21
- C. 23
- D. 61
- E. 05

37. Cite the regulation that defines what the date of importation means?

- A. 19 CFR 101.1
- B. 19 CFR 24.1
- C. 19 CFR 111.28
- D. 19 CFR 159.1
- E. None of the above

38. Which of the following cannot be entered on a carnet?

- A. Mail importations
- B. Merchandise transported by road vehicles
- C. Commercial samples
- D. Certain advertising films
- E. Jewelry shown to solicit orders

39. What type of entry is required for goods brought into the customs territory of the United States by the National Aeronautics and Space Administration from space or from a foreign country as part of an international program of the National Aeronautics and Space Administration?

- A. 01 - Formal Entry
- B. 11 - Informal Entry
- C. 51 - Defense Contract Management Command - International (DCMC-I) (formerly DCASR) is the importer of record and filer of the entry
- D. 52 - Any U.S. Federal Government agency (other than DCMAO) is the importer of record
- E. Entry is not required.

40. Merchandise for which entry is required will be entered within _____ after landing from a vessel, aircraft or vehicle, or after arrival at the port of destination in the case of merchandise transported in bond.

- A. 5 calendar days
- B. 10 calendar days
- C. 15 calendar days
- D. 20 calendar days
- E. 25 calendar days

41. 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 VII – Fines and Penalties

42. Protest content shall contain all of the following information **EXCEPT**:

- A. The name and address of the protestant, *i.e.*, the importer of record or consignee, and the name and address of his agent or attorney if signed by one of these.
- B. The importer number of the protestant. If the protestant is represented by an agent having power of attorney, the importer number of the agent should also be shown.
- C. The number and date of the entry
- D. A copy of the bill of lading
- E. The nature of, and justification for, the objection set forth distinctly and specifically with respect to each category, payment, claim, decision, or refusal.

43. Upon receipt of service of a summons in an action initiated in the Court of International Trade, all of the following items shall be immediately transmitted to the Court of International Trade as part of the official record by the Customs officer concerned, **EXCEPT**:

- A. Consumption or other entry
- B. Commercial Invoice
- C. Special Customs Invoice
- D. Official samples
- E. Copy of a bill from CBP for duties owed

44. In accordance with 19 C.F.R. 162.74, an oral prior-disclosure must be confirmed by a written record of the information conveyed to CBP, to the concerned Fines, Penalties, and Forfeitures Officer, within _____.

- A. Within 10 days of the date of the oral disclosure
- B. Within 30 days of the date of the oral disclosure
- C. Within 10 days of the date of identifying a potential violation
- D. Within 30 days of the date of identifying a potential violation (or such longer period as CBP may provide)
- E. Within 30 days of the date of receiving notice that CBP has commenced a formal investigation

45. Which of the following circumstances do **NOT** need to be disclosed when a party makes a valid prior disclosure of a violation of 19 USC 1592?

- A. The importation identified by entry number, drawback claim number or by port of entry, and the approximate date of entry.
- B. The class or kind of merchandise involved in the violation.
- C. The material false statements, omissions or acts.
- D. The name and contact information of the person responsible for the violation.
- E. The true and accurate information or data that should have been provided.

46. A penalty or claim for liquidated damages is assessed and fewer than 180 days remain from the date of penalty or liquidated damages notice. Before the statute of limitations may be asserted as a defense, the Fines, Penalties, and Forfeitures Officer may specify in the notice a reasonable period of time, but not less than _____, for the filing of a petition for relief.

- A. 5 working days
- B. 7 working days
- C. 10 working days
- D. 30 working days
- E. 60 workings days

47. Which statement regarding Protest is **FALSE**?

- A. A protest shall not be filed against the decision of the port director on reliquidation upon any question not involved in the reliquidation.
- B. If the protest relates to an administrative action involving exclusion of merchandise from entry or delivery under any provision of the Customs laws, the port director shall review and act on a protest filed in accordance with section 514(a)(4), Tariff Act of 1930, as amended (19 U.S.C. 1514(a)(4)), within 30 days from the date the protest was filed.
- C. If the port director fails to allow or deny a protest which is the subject of a request for accelerated disposition within 30 days from the date of the mailing of such request, the protest shall be deemed to have been denied at the close of the 30th day following such date of mailing.
- D. A written protest against a decision of CBP must be filed in quadruplicate on CBP Form 19 or a form of the same size clearly labeled "Protest" and setting forth the same content in its entirety, in the same order, addressed to CBP.
- E. Within 60 calendar days after issuing a protest review decision, CBP will publish the decision in the Customs Bulletin or otherwise make it available for public inspection. Disclosure is governed by 6 CFR part 5 and 19 CFR part 103.

Category VIII – Free Trade Agreements

48. Which of the following has a Merchandise Processing Fee (MPF) requirement?
- A. Israel FTA
 - B. Oman FTA
 - C. Peru TPA
 - D. Jordan FTA
 - E. Insular Possessions
49. The _____ that completes and signs the NAFTA Certificate of Origin has _____ calendar days after the date of discovery of incorrect information in the Certificate to notify in writing all persons to whom the Certificate was originally given of the error.
- A. CBP Officer; 10
 - B. Freight Forwarder; 15
 - C. Importer of Record; 15
 - D. Exporter or producer; 30
 - E. Ship's captain; 5
50. Which of the following statements regarding the North American Free Trade Agreement (NAFTA) Certificate of Origin is **NOT** true?
- A. The Certificate of Origin may be applicable to a single or multiple importation(s) into the United States.
 - B. A Certificate of Origin is not required for non-commercial importations.
 - C. The Certificate of Origin shall be signed by the importer.
 - D. If the Certificate of Origin is illegible or defective, the importer shall be given a period of not less than 5 working days to submit a corrected Certificate.
 - E. The Certificate of Origin shall be completed in the English language or in the language of the country from which the good is exported.
51. An importer makes an entry of Phenobarbital Sodium originating from Mauritius that qualifies for a free rate of duty under the special tariff treatment programs. They use special preference indicator "K" on the CBP Form 7501. Pursuant to which General Note of the Harmonized Tariff Schedule are they making their claim under?
- A. General Note 29
 - B. General Note 34
 - C. General Note 4
 - D. General Note 13
 - E. General Note 8

52. What regulation would you find the verification authority for the US-Korea Free Trade Agreement (UKFTA)?

- A. 19CFR 10.616
- B. 19CFR10.784
- C. 19CFR 10.926
- D. 19CFR10.1026
- E. 19CFR 10.2026

53. An importer fails to produce a NAFTA Certificate of Origin for an entry claiming duty free treatment after CBP issued a Request for Information asking the importer to provide a valid NAFTA Certificate of Origin. Which of the following is true concerning a possible recordkeeping penalty action by CBP?

- A. The importer is not subject to a recordkeeping penalty because only the exporter is required to retain the NAFTA Certificate of Origin.
- B. The importer is not subject to a recordkeeping penalty because the NAFTA Certificate of Origin is not on the “(a)(1)(A) list”.
- C. If CBP liquidates the entry without NAFTA duty preference, CBP cannot also issue a recordkeeping penalty.
- D. The importer may be subject to a recordkeeping penalty for failure to comply with the lawful demand.
- E. CBP may issue a recordkeeping penalty only after serving a Customs summons in addition to the Request for Information.

Category IX – Foreign Trade Zones

54. A _____ bonded warehouse is known as a general order warehouse, established for the storage and disposition exclusively of general order merchandise.

- A. Class 3
- B. Class 5
- C. Class 8
- D. Class 9
- E. Class 11

55. _____ is the procedure for delivery of merchandise to a zone without prior application and approval on Customs Form 214.

- A. Constructive Transfer
- B. Activation
- C. Transfer
- D. Admit
- E. Direct Delivery

56. Warehouse withdrawals under blanket permit must be filed on which Form?

- A. CBP Form 7512
- B. CBP Form 7501
- C. Customs Form 301
- D. CBP Form 19
- E. Customs Form 28

57. What CBP Form is used for permission to manipulate, manufacture, exhibit, or destroy merchandise in a FTZ?

- A. CBP Form 7501
- B. CBP Form 216
- C. CBP Form 214
- D. CBP Form 3461
- E. CBP Form 6043

Category X – Intellectual Property Rights

58. Brown Bag, Inc. is looking to register their trademarks. They presently have 4 different classes of goods. How much will they be charged to register all their trademarks?

- A. \$.00. This is a free service.
- B. \$190.00
- C. \$380.00
- D. \$570.00
- E. \$760.00

59. Bob's Big Bargains Unlimited imported a shipment of designer branded t-shirts that were determined to bear counterfeit trademarks and seized by CBP. The relevant trademarks were recorded with CBP. The shipment contained 500 shirts with an invoice value of \$5.00 each, a bargain compared to the manufacturer's suggested retail price of \$50.00 for the genuine designer branded t-shirt. This was the second intellectual property rights seizure since the importer started his business a few months ago. The importer's previous seizure involved piratical plush toys that infringed numerous copyrights recorded with CBP. The civil penalty that CBP may assess for the importer's second seizure can be no more than:

- A. \$2,500
- B. \$25,000
- C. \$5,000
- D. \$50,000
- E. None of the above.

60. A mail shipment of one counterfeit handbag valued at \$500, bearing a spurious mark identical with, or substantially indistinguishable from, a mark registered on the Principal Register of the U.S. Patent and Trademark Office and recorded with CBP, is exempt from prohibition under section 526, Tariff Act of 1930, as amended (19 U.S.C. § 1526), if:

- A. The item is intended for personal use, and the exemption for the same type of article has not been taken within the 30-day period.
- B. The item is intended for personal use, and the quantity does not exceed the exemption of one article of the type bearing the protected trademark.
- C. The circumstances allowing exemption from trademark or trade name restriction(s) set forth in §133.22(c) or §133.23(d) are established.
- D. The addressee appears in person at the appropriate Customs office and, at that time, removes or obliterates the marks in a manner acceptable to the Customs officer.
- E. None of the above.

61. Which statement is **FALSE**?

- A. Merchandise bearing a trademark that has been accorded Lever-rule protection under 19 C.F.R. part 133, may be imported into the United States if it bears a conspicuous and legible label designed to remain on the merchandise or its packaging stating that “the product is not a product authorized by the United States trademark owner for importation and is physically and materially different from the authorized product.
- B. Protection for a recorded trade name shall remain in force as long as the trade name is used.
- C. If there is a change in the name of the owner of a recorded trademark, but no change in ownership, written notice thereof shall be given to the IPR & Restricted Merchandise Branch, CBP Headquarters, accompanied by a fee of \$190.00.
- D. A “copying or simulating” trademark or trade name is one which may so resemble a recorded mark or name as to be likely to cause the public to associate the copying or simulating mark or name with the recorded mark or name.
- E. The importation of infringing copies or phonorecords of works copyrighted in the U.S. is prohibited by Customs. The importation of lawfully made copies is not a Customs violation.

Category XI – Marking

62. Which section of 19 CFR references the appropriate size for country of origin marking if a country other than the country of origin appears in close proximity?
- A. 19 CFR 134.46
 - B. 19 CFR 134.21
 - C. 19 CFR 134.4
 - D. 19 CFR 134.45
 - E. 19 CFR 134.12
63. Which of the following is NOT an exception to marking requirements?
- A. Steel Bands
 - B. Playing Cards
 - C. Cut Flowers
 - D. Barbed Wire
 - E. Sawed Lumber
64. Which statement is **FALSE** with regards to Marking?
- A. Any intentional removal, defacement, destruction, or alteration of a marking of the country of origin required by section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304), and this part in order to conceal this information may result in criminal penalties of up to \$5,000 and/or imprisonment for 1 year, as provided in 19 U.S.C. 1304(h).
 - B. If within 30 days from the date of the notice of redelivery, or such additional period as the port director may allow for good cause shown, the importer does not properly mark or redeliver all merchandise previously released to him, the port director shall demand payment of liquidated damages incurred under the bond in an amount equal to the entered value of the articles not properly marked or redelivered.
 - C. The adjectival form of the name of a country shall be accepted as a proper indication of the name of the country of origin of imported merchandise provided the adjectival form of the name does not appear with other words so as to refer to a kind or species of product. For example, such terms as “English walnuts” or “Brazil nuts” are unacceptable.
 - D. Articles of foreign origin imported into any possession of the United States outside its Customs territory and reshipped to the United States are not subject to all marking requirements applicable to like articles of foreign origin imported directly from a foreign country to the United States.
 - E. An article which is to be processed in the United States by the importer or for his account shall not be considered to be within the specifications of section 304(a)(3)(G), of the Tariff Act of 1930, as amended (19 U.S.C. 1304(a)(3)(G)), if there is a reasonable method of marking which will not be obliterated, destroyed, or permanently concealed by such processing.

Category XII – Power of Attorney

65. Powers of attorney issued by a partnership shall be limited to a period not to exceed ____ years from the date of execution. All other powers of attorney may be granted for an unlimited period.

- A. 2
- B. 5
- C. 6
- D. 8
- E. 10

66. Which of the below is **FALSE** concerning a Power of Attorney?

- A. A power of Attorney to a minor shall not be accepted.
- B. Powers of attorney issued by a partnership shall be limited to a period not to exceed 2 years from the date of execution.
- C. A power of attorney executed by a nonresident principal shall not be accepted if the agent designated thereby is a resident and is authorized to accept service of process against such nonresident.
- D. A trustee may execute a power of attorney for the transaction of Customs business incident to the trusteeship.
- E. Customs Form 5291 may be used for giving power of attorney to transact Customs business.

67. A corporate surety power of attorney is executed on which CBP Form?

- A. CBP FORM 3299
- B. CBP FORM 3173
- C. CBP FORM 5106
- D. CBP FORM 5291
- E. CBP FORM 5297

Category XIII – Practical Exercise

Practical Exercise 1: Please use the following CBP Form 7501 to answer questions 68 and 69.

Form Approved OMB No. 1651-0022
EXP. 10-31-2017

| DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection | | | | 1. Filer Code/Entry No. EMB-0404201-5 | | | 2. Entry Type | | 3. Summary Date 10/22/2015 | | | | |
|--|--|--|--|--|--|---|---------------|--|-------------------------------|--|--|--------------------|--|
| ENTRY SUMMARY | | | | 4. Surety No. 421 | | 5. Bond Type 8 | | 6. Port Code 0708 | | 7. Entry Date 10/30/2015 | | | |
| 8. Importing Carrier GREEN BOY EXPRESS | | | | 9. Mode of Transport 30 | | 10. Country of Origin US | | | | 11. Import Date 10/30/2015 | | | |
| 12. B/L or AWB No. GBE125138 | | | | 13. Manufacturer ID USCARNEW3467AL | | 14. Exporting Country CA | | | | 15. Export Date 10/30/2015 | | | |
| 16. I.T. No. | | 17. I.T. Date | | 18. Missing Docs | | 19. Foreign Port of Lading | | | | 20. U.S. Port of Unlading | | | |
| 21. Location of Goods/G.O. No. | | | | 22. Consignee No. 22-357954000 | | 23. Importer No. 22-357954000 | | | | 24. Reference No. | | | |
| 25. Ultimate Consignee Name and Address | | | | | | 26. Importer of Record Name and Address CAROLINA NEWBURG INC | | | | | | | |
| City | | | | | | State SC Zip 29488 | | | | | | | |
| City ALBANY | | | | | | State SC Zip 29488 | | | | | | | |
| 27. | | 28. Description of Merchandise | | | | 32. | | 33. | | 34. | | | |
| Line No. | | 29. A. HTSUS No. B. ADA/CVD No. | | 30. A. Grossweight B. Manifest Qty. | | 31. Net Quantity in HTSUS Units | | A. Entered Value B. CHGS C. Relationship | | A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No. | | | |
| | | Dollars | | Cents | | | | | | | | | |
| 001 | | 10/30/2015 INVOICE NUMBER 98017218 U.S GOODS RETURNED, WITHOUT HAVING BEEN ADVANCED IN VALUE IN COND. BY ANY PROCESS OR MANF. OR OTHER MEANS WHILE ABROAD, OTHR. 9801.00.1012 1425 1621 GWT MERCHANDISE PROCESSING FEE INV. VAL 9832.00 USF ENT. VAL 9832.00 USF | | | | NOT RELATED 9832. C200 | | FREE | | FREE | | | |
| Other Fee Summary for Block 39 | | | | 35. Total Entered Value | | CBP USE ONLY | | | | TOTALS | | | |
| 499 MPF | | | | \$ 9,832.00 | | A. LIQ CODE | | B. Ascertained Duty | | 37. Duty | | | |
| Total Other Fees | | | | \$ | | REASON CODE | | C. Ascertained Tax | | 38. Tax | | | |
| | | | | | | | | D. Ascertained Other | | 39. Other | | | |
| | | | | | | | | E. Ascertained Total | | 40. Total | | | |
| 36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT I declare that I am the <input type="checkbox"/> Importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above, OR <input type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts. | | | | | | | | | | | | | |
| 41. DECLARANT NAME BMB MANAGEMENT BROKERS, | | | | TITLE ATTORNEY IN FACT | | | | SIGNATURE | | | | DATE 10/22/2015 | |
| 42. Broker/Filer Information (Name, address, phone number) BMB MANAGEMENT BROKERS, NOWHERE, SC 29488 | | | | | | 43. Broker/Importer File No. 0708-98017218 | | | | | | | |
| Paperwork Reduction Act Notice CBP Form 7501 (06/09) | | | | | | | | | | | | | |

68. For the above entry summary, what would the proper entry type code be for Block 2?

- A. 25
- B. 03
- C. 11
- D. 06
- E. None of the above

69. What is the payable amount of Merchandise Processing Fees (MPF) on the above entry?

- A) \$2.00
- B) \$6.00
- C) \$25.00
- D) \$485.00
- E) EXEMPT

Practical Exercise 2: Please use the following CBP Form 7501 to answer questions 70-75.

Form Approved OMB No. 1651-0022
EXP. 10-31-2017

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

ENTRY SUMMARY

| | | | | | |
|--|--|--|---|--|--|
| 1. Filer Code/Entry No. | | 2. Entry Type | | 3. Summary Date | |
| 4. Surety No. | | 5. Bond Type | | 6. Port Code | |
| 7. Entry Date | | 8. Importing Carrier | | 9. Mode of Transport | |
| 10. Country of Origin | | 11. Import Date | | 12. B/L or AWB No. | |
| 13. Manufacturer ID | | 14. Exporting Country | | 15. Export Date | |
| 16. I.T. No. | | 17. I.T. Date | | 18. Missing Docs | |
| 19. Foreign Port of Lading | | 20. U.S. Port of Unlading | | 21. Location of Goods/G.O. No. | |
| 22. Consignee No. | | 23. Importer No. | | 24. Reference No. | |
| 25. Ultimate Consignee Name and Address | | | 26. Importer of Record Name and Address | | |
| City State Zip | | | City State Zip | | |
| 27. Line No. | | 28. Description of Merchandise | | 32. A. Entered Value B. CHGS C. Relationship | |
| 29. A. HTSUS No. B. ADA/CVD No. | | 30. A. Grossweight B. Manifest Qty. | | 31. Net Quantity in HTSUS Units | |
| | | | | 33. A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No. | |
| | | | | 34. Duty and I.R. Tax Dollars Cents | |
| Other Fee Summary for Block 39 | | 35. Total Entered Value | | CBP USE ONLY | |
| | | \$ | | A. LIQ CODE | |
| | | Total Other Fees | | B. Ascertained Duty | |
| | | \$ | | REASON CODE | |
| 36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT | | I declare that I am the <input type="checkbox"/> Importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above, OR <input type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts. | | C. Ascertained Tax | |
| | | | | D. Ascertained Other | |
| | | | | E. Ascertained Total | |
| 41. DECLARANT NAME | | TITLE | | SIGNATURE | |
| | | | | DATE | |
| 42. Broker/Filer Information (Name, address, phone number) | | | 43. Broker/Importer File No. | | |
| | | | | | |
| Paperwork Reduction Act Notice CBP Form 7501 (06/09) | | | | | |

70. The shipment of quota merchandise is subject to antidumping. What entry type code would you use in Block 2 of the CBP Form 7501?

- A. 01
- B. 02
- C. 03
- D. 06
- E. 07

71. In Block 2 on the Entry summary, what does ABI/N/L mean?

- A. Statement paid by check or cash
- B. Statement paid on a periodic monthly basis
- C. Summary not paid on statement
- D. "Live" entry/entry summary not paid on statement
- E. Statement paid via ACH for a "live" entry/entry summary

72. What would the mode of transportation be in Block 9 for Pedestrian?

- A. 11
- B. 20
- C. 32
- D. 33
- E. 50

73. When an entry summary covers merchandise from more than one country of origin, MULTI must be recorded in which block?

- A. 2
- B. 5
- C. 8
- D. 10
- E. 14

74. The ISO country code "CA" for Canada for goods of Canadian Origin is no longer reported as a country of origin. As of May 15, 1997, the Canadian Province codes replaced the code "CA". The CA code, in addition to the province code, is acceptable in each case below EXCEPT?

- A. Withdrawals of goods from warehouses for consumption.
- B. Entries of goods from Foreign Trade Zones into the Commerce of the U.S.
- C. Informal entries.
- D. Imports of Canadian origin arriving from countries other than Canada.
- E. Cargo selectivity entries certified from entry summary, i.e. full cargo selectivity entries provided with entry data only or border cargo selectivity entries.

75. On a warehouse withdrawal, the original warehouse entry number should be recorded at the bottom of block_____.

- A. 2
- B. 25
- C. 26
- D. 29
- E. 32

Category XIV – Value

76. Ace Auto Imports in Albany, NY purchases 3 Rolls Royce cars from Everything British Auto Dealers in London, England. The invoice, prepared for the sale and shipment of these goods, lists the total price paid or payable as 300,000 British Pounds. The cars were shipped by vessel from Liverpool, England on May 3, 2016 and arrived in Newark, New Jersey on May 10, 2016. The certified rate for the pound on May 3, 2016 was US\$ 1.35. The certified rate for the pound on May 10, 2016 was US\$ 1.40.

The value to be declared for entry purposes would be:

- A \$300,000
- B. \$222,222
- C. \$420,000
- D. \$405,000
- E. \$214,285

77. All of the below are true, EXCEPT:

- A. “Selling commission” means any commission paid to the seller’s agent, who is related to or controlled by, or works for or on the behalf of, the manufacturer or seller.
- B. “Packing costs” means the cost of all containers (exclusive of instruments of international traffic) 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. “Price actually paid or payable” means the 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 buyer.
- D. “Related persons” means any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization, and that organization.
- E. “Identical merchandise” means merchandise identical in all respects to, and produced in the same country and by the same person as, the merchandise being appraised.

78. Generally accepted accounting principles refer to any generally recognized consensus or substantial authoritative support regarding any of the below **EXCEPT**:

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

79. Which statement is **FALSE**?

- A. Fair market value is the price actually paid or payable for all imported merchandise.
- B. If the production of an engineering or development assist occurred in the United States and one or more foreign countries, the value of the assist is the value added outside the United States.
- C. Imported merchandise may be appraised on the basis of arbitrary or fictitious values.
- D. Materials, components, parts, and similar items incorporated in the imported merchandise, would be considered an assist.
- E. "Related persons" are members of the same family, including brothers and sisters (whether by whole or half-blood), spouse, ancestors, and lineal descendants.

80. A used mold was provided free of charge to a Korean manufacturer by the U.S. importer. The used mold cost the importer \$75,000. Because of its poor condition, the importer had it repaired for \$2,500 before shipping the mold to Korea. The importer paid freight cost of \$1,000 and the Korean manufacturer paid \$500 import duty for the mold. What is the total value of the assist?

- A. \$75,000
- B. \$76,000
- C. \$77,500
- D. \$78,500
- E. \$79,000

**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