

Series 860
October 25, 2017

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**). 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 (2017 Basic Edition, No Supplements)
- Title 19, Code of Federal Regulations (2016 Revised as of April 1, 2016 or 2017)
- 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.

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.

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

Section 1: Pre-Examination Process Evaluation Survey

This survey is administered to collect information about the examination process. The survey is **voluntary** and your responses will have no impact on your score.

1) What is your background with regarding 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
- E) Works or has worked for both broker and importer

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

Section 2: Customs Broker License Examination

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Category I – Antidumping/Countervailing Duties

1. Which of the following would **NOT** be referred to as an “interested party” in proceedings relating to allegations by the public for an investigation regarding the evasion of antidumping and countervailing duty AD/(CVD) orders and procedures by which CBP investigates such claims consistent with the Trade Facilitation and Trade Enforcement Act of 2015 (“TFTEA”)?

- A. Foreign manufacturer of covered merchandise
- B. Manufacturer or producer of a domestic like product in the United States
- C. Trade association a majority of the members of which produce a domestic like product in the United States
- D. Certified union that is representative of an industry engaged in the wholesale of a domestic like product in the United States
- E. Coalition that is representative of processors of non-agricultural products

2. All of the following information must be included in Federal agency requests for investigations in proceedings relating to allegations by the public for an investigation regarding the evasion of antidumping and countervailing duty (AD/CVD) orders and the procedures by which CBP investigates such claims consistent with the Trade Facilitation and Trade Enforcement Act of 2015 (“TFTEA”), **EXCEPT**:

- A. Name of importer against whom the allegation is brought
- B. Description of the covered merchandise
- C. Applicable AD/CVD orders
- D. Harmonized Tariff Numbers
- E. Identification of a point of contact at the agency

3. Big Mouth Bearing Company imported eight 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 \$7,134.00. The applicable antidumping duty case deposit rate is 69.88%. What is the total amount of fees and estimated duties that should be reported on CBP Form 7501?

- A. \$171.22
- B. \$5,181.17
- C. \$5,181.46
- D. \$5,009.95
- E. \$4,985.24

Category II – Bonds

4. A continuous bond, and any associated application required by 19 CFR 113.11, or rider, may be filed up to _____ days prior to the effective date requested for the continuous bond or rider.
- A. 30
 - B. 45
 - C. 60
 - D. 120
 - E. 365
5. What is the minimum amount of any CBP bond?
- A. Not less than \$100, except when the law or regulation expressly provides that a lesser amount may be taken
 - B. Not less than \$100, without exception
 - C. Not less than \$1000, without exception
 - D. The CBP bond must be equal to the value of the merchandise.
 - E. A minimum of 50 percent of duties, taxes and fees
6. When a resident of France temporarily imports articles under subheading 9813.00.50, HTSUS, and formal entry is made, the importer of record shall be required to file a bond in what amount?
- A. 110 percent of estimated duties and fees
 - B. 110 percent of estimated duties
 - C. 3 times the entered value
 - D. 200 percent of estimated duties and fees, if payable
 - E. An amount equal to the entered value plus duties, taxes and fees

Category III – Broker Compliance

7. After a new employee has been employed by the broker for 30 consecutive days, the Broker has 10 calendar days to provide CBP with all of the following information, **EXCEPT**:

- A. Social Security number
- B. Passport number
- C. Previous employment if employed by the broker for less than 3 years
- D. Current and prior home address
- E. Place and date of birth

8. Which of the following individuals will be granted an exception to the requirements of maintaining records?

- A. An agent of a consignee who imports goods under a Temporary Importation Bond (Type 23 entry)
- B. A traveler who made a baggage or oral declaration of non-commercial merchandise upon arrival
- C. An importer who files a drawback claim for previously imported merchandise
- D. An exporter who has exported goods to Canada or Mexico for which a certificate of origin was completed and signed pursuant to NAFTA agreement
- E. A customs broker making entry on behalf of an importer

9. Who can apply for a National Permit?

- A. An attorney
- B. An importer
- C. A freight forwarder
- D. A customs licensed broker
- E. A foreign Importer

10. How often should brokers advise their active clients of their rights to pay duties, taxes, and fees directly to CBP, in writing?

- A. At least once upon first importation
- B. Annually
- C. At least once within each 12-month period
- D. Every five years
- E. Upon each update of Power of Attorney

11. What chapter of the Federal Regulations (CFR) sites the basic requirements for a Customs Broker License?

- A. 19 CFR 111.11
- B. 19 CFR 111.18
- C. 19 CFR 111. 15
- D. 19 USC 1641
- E. 19 USC 1592

12. An importer sends a check, payable to a licensed broker, for payment of duties and fees applicable to an entry after the due date of the duties and fees. When is the broker required to submit payment for the duties and fees owed to CBP?

- A. The same day the payment is received from the importer
- B. Within five calendar days from receipt of the payment by the broker
- C. Within ten calendar days from receipt of the payment by the broker
- D. Within five working days from receipt of the payment by the broker
- E. The estimated duties shall be immediately deposited with CBP.

13. A separate entry for any portion of a split shipment is required for which of the following:

- A. A pre-filed entry notifying Customs that a single entry will be filed for shipments released incrementally
- B. The portion of the shipment that arrived ten calendar days after the first portion
- C. The portion of the shipment that arrived at a different port and was transported in-bond to the port of destination where entry was made for the other portions of the shipment
- D. The portion of the shipment which results in the application of different duty rates for merchandise classifiable under the same subheading of the Harmonized Tariff Schedule of the United States (HTSUS)
- E. The portion arriving after the importer of record filed and was granted a special permit for immediate delivery when the first portion arrived

14. Certain documents required for the entry of merchandise must be maintained by brokers for 5 years and produced to CBP upon reasonable demand. The following documents are subject to this requirement, **EXCEPT**:

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

Category IV – Classification

15. What is the **CLASSIFICATION** of check valves that regulate the flow of hydraulic fluid? The check valves are made of iron and are used in the oil well industry.

- A. 8431.43.4000
- B. 8481.20.0040
- C. 8481.30.2010
- D. 8481.30.9000
- E. 8431.43.8060

16. Roma Sports Company intends to import backpacks into the United States. The backpacks are constructed with a cotton textile base. The textile is coated on one side with polyvinyl chloride (PVC) plastic sheeting. The coating makes up the outermost surface of the backpack. The PVC is embossed to simulate leather. What is the **CLASSIFICATION** of the backpacks?

- A. 4202.92.1500
- B. 4202.92.3305
- C. 4202.91.9030
- D. 4202.92.4500
- E. 4202.22.1500

17. What is the **CLASSIFICATION** of a stainless steel bolt imported together with a corresponding stainless steel nut? The bolt has a round head and a threaded shank that measures 5.6 mm in diameter and 27 mm in length. It is used exclusively in central heating radiators.

- A. 7318.15.2051
- B. 7318.29.0000
- C. 7318.15.2010
- D. 7318.16.0060
- E. 7318.19.0000

18. What is required for men's 100% polyester (synthetic) trousers to be classified as water resistant?

- A. The trousers must be completely water proof with no penetration of water when tested for water resistance under AATCC Test Method 35.
- B. The trousers must have critically sealed seams, be visibly coated with plastic, and when sprayed with water using a head pressure of 600 millimeters, not have more than 1.0 gram of water penetrate after two minutes when tested in accordance with AATCC Test Method 35.
- C. Men's trousers cannot be classified as water resistant.
- D. The trousers must have a water resistance such that, under a head pressure of 600 millimeters, not more than 1.0 gram of water penetrates after two minutes when tested in accordance with AATCC Test Method 35 and the water resistance must be as a result of an application of rubber or plastics on the outer shell, lining, or inner lining.
- E. The trousers must have a water resistance such that, under a head pressure of 600 millimeters, not more than 1.0 gram of water penetrates after two minutes when tested in accordance with AATCC Test Method 35.

19. What is the **CLASSIFICATION** of a machine that produces glass fibers? This machine is a highly specialized piece of equipment that operates at elevated temperatures to produce glass fibers using molten glass. Due to the size of the complete machine, it cannot be shipped on a single conveyance. It will enter the United States disassembled and in multiple shipments within 6 days to the Port of Newark. After the components are imported, they will be delivered directly to the customer and will be assembled then.

- A. 8475.29.0000
- B. 8444.00.0090
- C. 8479.89.9499
- D. 8464.90.0110
- E. 8475.90.9000

20. What is the **CLASSIFICATION** of an unfolded, uncoated, rectangular sheet of gift-type tissue paper containing 30 percent of fibers obtained by a chemi-mechanical process, weighing 27 g/m², measuring 50cm by 80cm, that is colored throughout the mass, and that has been printed with a flower design?

- A. 4804.39.4041
- B. 4811.90.9010
- C. 4803.00.4000
- D. 4811.90.6010
- E. 4802.69.3000

21. What is the **CLASSIFICATION** of an unadorned basket constructed of woven 6 mm wide plastic strips? The basket measures 10” square by 4” deep and includes an arched handle.

- A. 4202.29.1000
- B. 3926.90.1000
- C. 4602.90.0000
- D. 3923.90.0080
- E. 4602.11.0900

22. What is the **CLASSIFICATION** of a machine that forms pre-scored paperboard into boxes which are used for packing pharmaceuticals? The machine consists of a conveyer-type feeding section, folding and gluing sections, and a controller.

- A. 8441.30.0000
- B. 8479.89.9499
- C. 8422.30.9191
- D. 8439.20.0010
- E. 8441.80.0000

23. What is the correct **CLASSIFICATION** for this Light-emitting diode (LED) lamp (bulb)? The lamp or light bulb is described as a shape CA lamp (bulb) that will be used in a chandelier or a ceiling light fixture. It consists of an aluminum screw-in base and has a decorative bent-tip transparent plastic housing (envelope).

- A. 9405.10.4010
- B. 8539.50.0010
- C. 8543.70.7100
- D. 8539.31.0060
- E. 8539.50.0020

24. What is the **CLASSIFICATION** of an automatic baseball pitching machine that releases five time-delayed balls in succession? The pitching machine is constructed of bright colored plastic and operates using four D batteries, which power the launcher and audible sound that signals when the next ball is coming. The product also includes a hollow yellow plastic bat and five white hollow plastic balls. Additionally, beginners can convert the product into a miniature T-ball set. It is recommended for children aged 3 years and older.

- A. 9504.90.9080
- B. 9506.69.2040
- C. 9503.00.0073
- D. 9503.00.0071
- E. 9506.99.1500

25. What is the **CLASSIFICATION** of a dinnerware plate that is made of earthenware, measures 27.9 cm in maximum diameter, is valued at 70 cents per plate, and is offered for sale in the same pattern as a soup bowl? No other articles are offered for sale in that same pattern and the soup bowl is not imported in the same shipment as the plate.

- A. 6911.10.3710
- B. 6911.10.5200
- C. 6912.00.3510
- D. 6912.00.4500
- E. 6912.00.481

26. What is the **CLASSIFICATION** of a women's jacket constructed from 80% polyester, 15% cotton, and 5% spandex knitted fabric coated with plastic, which is visible to the naked eye on the inner surface of the shell fabric, and lined with 100% woven polyester fabric?

- A. 6102.30.2010
- B. 6113.00.9030
- C. 6113.00.9020
- D. 6102.20.0010
- E. 6202.93.5511

27. What is the **CLASSIFICATION** of agglomerated slate facing tiles which measure approximately 15.25 centimeters long by 15.25 centimeters wide by 1.25 cm thick?

- A. 2514.00.0000
- B. 6802.10.0000
- C. 6802.99.0060
- D. 6803.00.5000
- E. 6810.19.1400

28. What is the **CLASSIFICATION** of women's trousers constructed from 60% polyester and 40% nylon woven fabric? The pull-on trousers feature a functional drawstring threaded throughout the waistband, on-seam front pockets, and long hemmed leg openings with zipper closures at the ankles.

- A. 6204.69.4510
- B. 6204.63.9030
- C. 6204.63.9010
- D. 6204.69.2810
- E. 6204.69.8010

29. What is the **CLASSIFICATION** of a hot-rolled, stainless steel sheet imported in coils? The stainless steel sheet measures 750 mm in width and 4 mm in thickness. It is not coated, painted, clad, annealed or pickled.

- A. 7219.23.0060
- B. 7220.12.1000
- C. 7225.30.7000
- D. 7219.13.0002
- E. 7219.32.0060

Category V – Drawback

30. A Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback on CBP Form 7553 for merchandise that is going to be destroyed, shall be filed by the claimant with the CBP port where the destruction is to take place at least _____ working day(s) prior to the date of intended destruction.

- A. 1
- B. 2
- C. 7
- D. 10
- E. 14

31. Under the provisions for Direct Identification Unused Merchandise Drawback, which party is eligible to claim drawback or issue a waiver of this right to another entity?

- A. The manufacturer of the goods
- B. The foreign purchaser of the unused imported goods
- C. The exporter (or destroyer) of the unused imported goods
- D. The party who paid the duties submitted on the associated consumption entry
- E. The buyer as identified on the commercial invoice used to make entry

32. When can a claimant amend an unliquidated drawback claim?

- A. Claims may be amended at any time provided the claim is unliquidated.
- B. Within 90 days of the date the claim was received by CBP
- C. Within 180 days of the date the claim was received by CBP
- D. Within 3 years after the date of exportation or destruction of the claimed merchandise
- E. Within 5 years after the date of exportation or destruction of the claimed merchandise

33. To comply with manufacturing drawback (direct identification and substitution), the use of domestic merchandise taken in exchange for imported merchandise of the same kind and quality shall be treated as use of the imported merchandise if no certificate of delivery is issued covering the transfer of the imported merchandise. This provision is known as a/an:

- A. Interchange
- B. Fungibility
- C. Trade good
- D. Exchange merchandise.
- E. Tradeoff

Category VI – Entry

34. An entry of merchandise is made on January 23, 2017. If the entry is not liquidated within _____, it will be deemed liquidated by operation of law at the rate of duty, value, quantity, and amount of duties asserted by the importer of record.

- A. 90 days
- B. 4 years
- C. 15 months
- D. 1 year
- E. 180 days

35. The A.T.A. carnet is an international Customs document issued in conformity of the Customs Convention on the A.T.A. carnet for the Temporary Admission of Goods. An A.T.A. carnet may be used to temporarily import certain goods, duty-free. How long are A.T.A carnets valid?

- A. One year from date of importation
- B. One year from date of issue
- C. Two years from date of importation
- D. Two years from date of issue
- E. Three years from date of issue

36. Which of the following U.S. Government Agencies administer the regulations regarding economic and trade sanctions?

- A. Justice Department's Office of International Affairs
- B. Commerce Department's Office of Economics and Statistics Administration
- C. Treasury Department's Office of Foreign Assets Control
- D. State Department's U.S. Foreign Service
- E. None of the above

37. Which of the following parties does **NOT** have the right to make entry?

- A. A licensed customs broker designated by a selling agent, to enter merchandise for the agent's client
- B. A firm importing merchandise on consignment
- C. A freight forwarder who is identified as the purchaser of an entry of equipment for their new warehouse
- D. A licensed customs broker who presents a carnet on behalf of an owner of the merchandise
- E. A freight forwarder who presents a carnet, without a financial interest in the merchandise, on behalf of its client

- 38.** 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
- 39.** Which of the following is **NOT** a method of control for the unloading and measurement of petroleum and petroleum products imported in bulk by vessel, truck, railroad car, pipeline, or other carrier?
- A. Manufacturer affidavit
 - B. Shore tank gauging
 - C. Weighing for trucks and railroad cars
 - D. Customs-approved metering
 - E. Sampling installations provided by the importer
- 40.** Importations of switchblade knives is permissible by 15 U.S.C 1244 if:
- A. The importation is pursuant to a contract with a branch of the State Militia.
 - B. The importation is destined for a specific member or employee in a branch of the Armed Forces of the United States specifically for personal pleasure off-duty use.
 - C. The importation of the switchblade knives have a blade not exceeding 6 inches in length.
 - D. The entry will contain, among other documents, a declaration in duplicate stating that the switchblade knife has a blade not exceeding 3 inches in length and is possessed by and is being transported on the person of an individual who has only one arm.
 - E. The entry will contain, among other documents, a declaration in duplicate stating that the switchblade knife has a blade not exceeding 6 inches in length.
- 41.** Are corpses subject to the provisions of the Harmonized Tariff Schedule of the United States (HTSUS) and therefore required to be entered?
- A. Yes, corpses are goods subject to the provisions of the HTSUS and are entered under subheading 7326.90.8677 as steel or iron burial caskets with a duty rate of 2.9 percent.
 - B. No, corpses are not goods subject to the provisions of the HTSUS, but are required to be entered.
 - C. No, corpses are not goods subject to the provisions of the HTSUS and are not required to be entered.
 - D. Yes, corpses are goods subject to the provisions of the HTSUS, but are not required to be entered.
 - E. Yes, corpses are goods subject to the provisions of the HTSUS and are entered under subheading 4421.91.9730 as wooden burial caskets with a duty rate of 3.3 percent.

42. A carrier has custody of in-bond merchandise coming from Mexico or Canada, for which entry has not been made. Within how many calendar days is the carrier required to notify Customs of merchandise for which entry has not been made?

- A. 5
- B. 10
- C. 20
- D. 30
- E. 45

43. ABC Corp entered Japanese-manufactured construction equipment into the U.S. in March 2011. At the time, all applicable duties, taxes and fees were paid. In 2014, ABC Corp won a contract to construct a U.S. military facility overseas. ABC Corp sent the equipment overseas in January 2015. It is now being returned to the U.S. Which of the following is **TRUE**?

- A. The equipment is not eligible for duty-free entry under Chapter 98 because it is not of U.S. origin.
- B. The equipment is not eligible for duty-free entry under Chapter 98 because it was not exported within 3 years of importation.
- C. The equipment is not eligible for duty-free entry because it is not returning temporarily for repair, alteration or processing.
- D. The equipment is eligible for duty-free entry because it is being returned to the U.S. within 3 years of exportation.
- E. The equipment is eligible for duty-free entry because A-Z Corp is a U.S. Government contractor.

Category VII – Fines and Penalties

44. Which section of the CFR determines when a petition for relief for liquidated damages and penalties should be filed with CBP, Fines, Penalties and Forfeitures Office?
- A. 19 C.F.R. § 152.13
 - B. 19 C.F.R. § 172.3
 - C. 19 C.F.R. § 143.21
 - D. 19 C.F.R. § 152.2
 - E. 19 C.F.R. § 181.12
45. Which of the following information is required in every protest?
- A. The name and address of the attorney
 - B. The number and date of the entry
 - C. A declaration as to whether or not the entry is subject to anti-dumping
 - D. CBP Form 301
 - E. A status report fee
46. According to _____, CBP issues a notice for liquidated damages when there is a failure to meet the condition of any bond posted with CBP or for a penalty violation which is secured by a CBP bond.
- A. 19 CFR § 19.39
 - B. 19 CFR § 142.26
 - C. 19 CFR § 24.1
 - D. 19 CFR § 163.2
 - E. 19 CFR § 172.1

47. In accordance with 19 C.F.R. 162.74 (prior disclosure), a complete “disclosure of the circumstances of a violation” includes which of the following sets of factual elements?

A. 1) The complete Harmonized Tariff Schedule (HTS) classification for all involved merchandise, 2) the specific entry/drawback claims by number (including identification of the licensed broker who filed the paperwork, where applicable), and 3) the true and accurate information that should have been provided.

B. 1) The class or kind of merchandise, 2) the specific import/drawback claims by number (or by the CBP ports of entry and approximate dates of entry/drawback), 3) the material false statements/omissions along with an explanation of how the errors occurred, and 4) the true and accurate information that should have been provided.

C. 1) A complete explanation of the underlying cause(s) of the violation, 2) a summary of the involved merchandise, 3) the approximate dates the violation occurred, 4) calculation of any applicable loss of revenue to the government, and 5) tender of any unpaid amount.

D. 1) The class or kind of merchandise, 2) a complete list of the CBP ports of entry along with approximate dates of entry/drawback, 3) a statement of the material error, and 4) the corrective actions that have been or will be implemented for future transactions.

E. 1) The complete Harmonized Tariff Schedule (HTS) classification for all involved merchandise, 2) the specific import/drawback claims by number (including identification of the licensed broker who filed the paperwork, where applicable), 3) a summary of the error and underlying causes, and 4) documentation to verify that all licensed broker(s) for the affected imports/drawback have been advised of the circumstances.

48. Which statement is **NOT** correct regarding an offer in compromise submitted pursuant to 19 U.S.C. 1617?

A. The amount of the offer must be deposited with CBP in accordance with the provisions of 19 CFR 161.5.

B. An offer in compromise will be considered accepted only when the offeror is notified in writing.

C. An offer in compromise submitted pursuant to 19 U.S.C. 1617 must expressly state that it is being submitted in accordance with the provisions of that section.

D. The offer shall be limited to the criminal and civil liability of the proponent in the matter which is the subject of the Government's claim.

E. As a condition to accepting an offer in compromise, the offeror may be required to enter into any collateral agreement or to post any security which is deemed necessary for the protection of the interest of the United States.

Category VIII – Free Trade Agreements

49. The following trade preference programs provide the merchandise processing fee (MPF) exemption, upon importation into the United States, to products of a beneficiary country even without a claim for preferential treatment. Choose the best answer applicable.

- A. Chile Free Trade Agreement
- B. Caribbean Basin Economic Recovery Act
- C. The Israel Free Trade Area Agreement
- D. Both “B” and “C”
- E. None of the above, as the goods have to “originate” under the program and trade preference must be claimed

50. In our free trade agreements, the following list of materials is an example of:

- Fuel and energy
- Tools, dies and molds
- Spare parts and materials used in the maintenance of equipment or buildings
- Lubricants, greases and compounding materials
- Gloves, footwear, safety equipment and supplies
- Testing or inspection equipment, catalysts, etc.

- A. Indirect materials
- B. Accessories, spare parts or tools
- C. Intermediate material
- D. De minimis materials
- E. Assists

51. Which free trade agreements take the NAFTA Marking Rules?

- A. NAFTA and no others
- B. NAFTA and CAFTA-DR
- C. NAFTA, Bahrain FTA and Morocco FTA
- D. NAFTA, AUFTA, COTPA and KORUS
- E. None of the above

52. Under what free trade agreement can certain third-country goods originate, and thus be eligible for preferential tariff treatment upon importation into the United States (U.S.) merely for having been entered into the commerce of an FTA Party and then been subsequently imported into the U.S.?

- A. The Australia Free Trade Agreement
- B. The Morocco Free Trade Agreement
- C. The North American Free Trade Agreement
- D. The Singapore Free Trade Agreement
- E. None of the above

53. Which of the following free trade agreements have a remanufacturing provision enabling certain non-originating third-country goods to be disassembled, cleaned, inspected and processed to bring into sound working condition as “recovered goods” and that such “recovered goods” are then considered originating materials when processed into a “remanufactured good”.

- A. AUFTA, CAFTA-DR, CLFTA & COTPA
- B. Israel FTA, Jordan FTA & NAFTA
- C. BHFTA, Jordan FTA & OMFTA
- D. All of the above
- E. None of the above

Category IX – Foreign Trade Zones/Warehouses

54. CBP Form _____ must be presented to CBP timely to request a manipulation of freight to remove a prohibited item. Subsequently, in order to get the prohibited item exported, CBP Form _____ must be presented to CBP.

- A. 3461 and 7512
- B. 3499 and 7501
- C. 3499 and 7512
- D. 3499 and 1302
- E. 4455 and 7512

55. 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

56. A Class 11 warehouse is a(n):

- A. Duty Free warehouse
- B. Public bonded warehouse
- C. General Order warehouse
- D. Bonded yard
- E. Importers' private bonded warehouse

57. Which statement is **TRUE**?

- A. The importer must be notified in writing within 5 business days of the date of discovery.
- B. The importer must pay duties on the affected merchandise within 20 days of the date of discovery.
- C. The port director must be notified in writing within 20 business days of the date of discovery.
- D. The proprietor must file a warehouse entry for the affected merchandise within 5 business days of the date of discovery.
- E. The port director must be notified immediately upon discovery, and must receive written confirmation of the discovery within 5 days of the date the port director received initial notice.

58. An article is produced in a beneficiary developing country and shipped to the United States through a free trade zone in a beneficiary developing country. Which of the operations below may be performed in the free trade zone if a claim for duty exemption under the Generalized System of Preferences is to be made upon entry into the United States?

- A. Sewing, weaving, and knitting
- B. Removal of burs by grinding
- C. Sorting, grading, or testing
- D. Assembly of parts totaling less than 35% of value of the article entering the zone
- E. Annealing or heat treating of metals

Category X – Intellectual Property Rights

59. Which importation data element is CBP **NOT** permitted to disclose to the owner of a mark during the examination of articles suspected of bearing counterfeit marks?
- A. The date of importation
 - B. The port of entry
 - C. A description of the merchandise
 - D. The quantity of the merchandise
 - E. The importer of the merchandise
60. When merchandise is seized, CBP will disclose to the owner of the mark the following comprehensive importation information, if available, within 30 business days from the date of the notice of the seizure, **EXCEPT**:
- A. The date of importation
 - B. The port of entry
 - C. The description of the merchandise from the notice of seizure
 - D. The quantity as set forth in the notice of seizure
 - E. The value of the merchandise
61. In regard to “prohibited or restricted importations” relative to “articles involved in unfair competition,” after the U.S. International Trade Commission issues an exclusion order pursuant to 19 U.S.C. § 1337, an importer of record has the following option(s) with respect to the entry of merchandise subject to that exclusion order:
- A. The importer may enter merchandise subject to an exclusion order if the importer’s basic importation bond contains a provision authorizing such action.
 - B. The importer may enter merchandise subject to an exclusion order for thirty days after the exclusion order issues, at which point the Commission’s exclusion order becomes final and entry is no longer permitted.
 - C. Until the time the Commission’s exclusion order becomes final, the importer may enter merchandise subject to the exclusion order by filing a single entry bond with CBP in an amount determined by the U.S International Trade Commission to be sufficient to protect the complainant from any injury.
 - D. Until the time the Commission’s exclusion order becomes final, the importer may enter merchandise subject to the exclusion order by filing a single entry bond with CBP in an amount set by the port director to ensure compliance with the customs and related laws.
 - E. None of the above because an exclusion order is effective on the date it is issued and merchandise subject to that exclusion order cannot be entered lawfully after this point.

62. What statement is **FALSE**?

- A. An application to record a trademark must include the places of manufacture of goods bearing the recorded trademark.
- B. The fee to accompany an application of trademark is \$190.00 for each class
- C. The recordation of a trademark shall remain in force for 20 years
- D. A counterfeit mark may be detained for a period up to 60 days from the date on which the merchandise is presented.
- E. Protection for a recorded trade name shall remain in force as long as the trade name is used. The recordation shall be canceled upon request of the recordant or upon evidence of disuse.

63. Goods determined to be “restricted gray market”:

- A. Are subject to immediate seizure
- B. Are considered to be counterfeit
- C. Are subject to detention
- D. Will be excluded from entry but not seized
- E. All of the above

Category XI – Marking

64. CBP Form _____ from the port director shall notify the importer of articles or containers that are found upon examination not to be legally marked.

- A. 4647
- B. 301
- C. 7512
- D. 434
- E. 7501

65. When an Importer submits a Repacking Statement (Certificate of Marking by Importer-Repacked Articles Subject to Marking) to CBP, they are certifying that the imported article _____:

- A. Will be sold or transferred to a subsequent purchaser.
- B. Does not have to be marked with the country of origin.
- C. Was repacked not to conceal or obscure the country of origin marking, or the container, unless excepted, was marked legibly and indelibly in a conspicuous place.
- D. Will remain in the Importer's possession.
- E. Will obscure origin and conceal the country of origin.

66. Every article of foreign origin imported into the US shall be marked according to the following conditions, **EXCEPT**:

- A. The article must be marked in a conspicuous place.
- B. The marking must be as legible, indelible, and permanent as the nature of the article will permit.
- C. The marking must indicate the English name of the country of origin of the article at the time of importation.
- D. The marking must indicate the year it was produced.
- E. The marking should be on each article or its container.

67. A-Z Corp imported a shipment of tote bags from China. These bags will be sold in A-Z Corp's stores throughout the U.S. The entry was covered by a continuous bond for basic importation and entry. CBP discovered that half of the shipment was not properly marked with the country of origin and released it conditionally. What will happen if after Customs Form 4647 is issued, A-Z Corp fails to properly mark or to return to CBP custody for marking, exportation, or destruction?

- A. A-Z Corp will be charged additional duties in the amount of 10% of the entire shipment.
- B. A-Z Corp will be assessed liquidated damages equal to the lesser of the entered value of the improperly marked merchandise or the amount of the bond.
- C. A-Z Corp will be assessed liquidated damages in the amount of three times the value of the merchandise or the amount of the bond, whichever is less.
- D. A-Z Corp will be required to re-export or destroy the improperly marked merchandise.
- E. A-Z Corp will be considered to be the "ultimate purchaser" of the merchandise.

Category XII – Power of Attorney

68. Which of the following principal types of power of attorney are limited to a period not to exceed 2 years from the date of execution?

- A. Corporation
- B. Partnership
- C. Individual
- D. Corporation and Partnership
- E. Partnership and Individual

69. When may a power of attorney be revoked?

- A. Prior to last transaction
- B. Within 30 days from execution
- C. Upon written approval by the Port Director
- D. At any time by written notice given to and received by the Port Director
- E. It may not be revoked

70. CBP Form _____ may be used for giving power of attorney to transact Customs business.

- A. 3461
- B. 3495
- C. 5291
- D. 7501
- E. 4811

Category XIII – Practical Exercise

Using the information provided below, please answer Questions 71 through 75

Below are two Powers of Attorney (POA). The first was received by James Brown, General Manager, South Coast Freight Forwarder & Logistics, Inc. (a freight forwarder), from Hillcrest Merchants Corp., on December 31, 2014 (POA1). The second was issued by South Coast Freight Forwarder & Logistics, Inc., to Barbara Sun, a customs broker doing business as Sunshine Brokers, on January 2, 2015 (POA 2). The importing history between the customs broker on behalf of the importer of record demonstrates that entries were made on February 1, 2015; March 1, 2015 and May 22, 2015.

POA 1: South Coast Freight Forwarder & Logistics, Inc. from Hillcrest Merchants Corp.

CUSTOMS POWER OF ATTORNEY

I hereby authorize South Coast Freight Forwarders & Logistics, Inc. to act as Hillcrest Merchants Corp. agent and customs broker and to file entry/entry summary for all commercial shipments from January 1, 2015 onwards.
Hillcrest Merchants Corp. authorizes other duly licensed customs brokers to act as Grantor's agent.

(Capacity): BUYER Date: DECEMBER 31, 2014 (Signature) _____ (Signed) _____

POA 2: South Coast Freight Forwarder & Logistics, Inc. to Barbara Sun dba: Sunshine Brokers

CUSTOMS POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That **HILLCREST MERCHANTS CORP** doing business as a corporation under the laws of the State of **North Carolina** residing or having a place of business at **6231 Waterville Road, Raleigh, North Carolina** hereby constitutes and appoints **Barbara Sun dba SUNSHINE BROKERS**, which may act through any of its licensed officers or employees duly authorized to sign documents by power of attorney as a true and lawful agent and attorney of the grantor named above for and in the name, place, and stead of said grantor from this date and in **ALL Customs Ports** and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal, declaration, certificate, bill of lading, carnet, or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor; to perform any act or condition which may be required by law or regulation in connection with such merchandise; to receive any merchandise deliverable to said grantor.

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

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

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

(Signature) _____ (Signed) _____ (Print Name) JAMES BROWN _____

(Capacity) ATTORNEY IN FACT _____ Date: JANUARY 2, 2015 _____

Witness: (if required) _____ (Signature) _____

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

71. Which person or entity may act as the intended importer of record?
- A. Hillcrest Merchants Corp.
 - B. South Coast Logistics, Inc.
 - C. The nominal consignee
 - D. Sunshine Brokers
 - E. James Brown A.I.F.
72. Based on the information provided for POA 1, which statement is **TRUE**?
- A. POA 1 allows the forwarder to create an agency relationship (i.e., assign the POA to a broker).
 - B. POA 1 allows the South Coast Logistics, Inc. to classify and value the imported merchandise, and report the outcome to U.S. Customs and Border Protection.
 - C. The Vice President of an incorporated business entity must sign the POA 1.
 - D. POA 1 is invalid since it does not allow for the service of process.
 - E. POA 1 must be on CBP Form 5291 "Power of Attorney".
73. Based on the information provided for POA 2, which statement is **FALSE**?
- A. POA 2 identifies a resident principal.
 - B. POA 2 omits the "notice to client of method of payment".
 - C. Failure of the broker to retain a valid POA may result in a monetary penalty in an amount not to exceed an aggregate of \$30,000.00 for one or more violations.
 - D. POA 2 may be granted for an unlimited period of time.
 - E. POA 2 authorizes the broker to sign documents in Puerto Rico.
74. Upon review of both POAs, which statement is **FALSE**?
- A. The customs broker may prepare and present the entry summary to CBP.
 - B. South Coast Freight Forwarder & Logistics, Inc. may authorize the customs broker to forward a completed CBP Form 3461.
 - C. The customs broker shall exercise responsible supervision and control when transacting customs business.
 - D. The POA may be completed and signed after the merchandise has been released from CBP custody.
 - E. Hillcrest Merchants Corp. is a resident corporate principal.
75. The Customs broker shall retain POA 2 for a period of 5 years starting on _____.
- A. December 31, 2014
 - B. January 2, 2015
 - C. February 1, 2015
 - D. March 1, 2015
 - E. May 22, 2015

Category XIV – Value

76. If the port director believes that the entered rate or value of any merchandise is too low, or if he finds that the quantity imported exceeds the entered quantity, and the estimated aggregate of the increase in duties on that entry exceeds \$15, he shall promptly notify the importer on Customs Form 29, or its electronic equivalent, specifying the nature of the difference on the notice. Liquidation shall be made promptly and shall not be withheld for a period of more than _____ days from the date of mailing such notice unless in the judgment of the port director there are compelling reasons that would warrant such action.

- A. 5
- B. 10
- C. 15
- D. 20
- E. 30

77. A used mold was provided free of charge to a Korean manufacturer by the U.S. importer. The used mold cost the importer \$85,000 prior to sending it to Korea. 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. \$85,000
- B. \$86,000
- C. \$87,500
- D. \$88,500
- E. \$89,000

78. ABC Inc. purchases 10,000 glass vases from Overseas Trading Company. The wholesale price charged by Overseas Trading Company is \$3.00 per vase with the following volume discounts:

1 – 1,000 vases	full price
1,001 – 5,000 vases	5% discount
5,001 – 15,000 vases	10% discount
15,001 – 25,000 vases	15% discount

ABC Inc. receives the shipment and finds that 100 of the vases are broken. They contact Overseas Trading Company, who agrees not to charge ABC Inc. for the broken vases. What is the transaction value for the vases?

- A. \$30,000
- B. \$29,700
- C. \$27,000
- D. \$26,730
- E. \$26,700

79. Merchandise imported into the United States may be appraised according to:

- A. The selling price in the United States of merchandise produced in the United States
- B. The price of the merchandise in the domestic market of the country of importation
- C. The price of merchandise for export to a country other than the United States
- D. Minimum values for appraisement
- E. Arbitrary or fictitious values

80. Which statement is **TRUE**?

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

STOP THIS IS THE END OF THE TEST.

You may use the remaining time to go back and check your answers.

If you have finished double checking your information and would you 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 administered to collect information about the examination process. The survey is **voluntary** and your responses will have no impact on your score.

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
- 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