

# Importing Guide



**CARGO  
SERVICES INC.**



# Importing 101

Are you new to importing? This document is your essential guide, offering a clear overview of the key factors you need to know to start confidently. Explore the following links and resources to gain a comprehensive understanding of the various aspects of importing freight from overseas.

This resource guide is especially useful for shipping from countries outside of North America, though many of the resources can also be applied to managing USMCA shipments.

Head to page 14 for our FAQ section to review many questions and answers from our import clients.

As always, our team is available to assist. Feel free to contact us via:

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# Important Items to Know

- International Shipping is typically governed by predefined commercial terms set by the ICC (International Chamber of Commerce) known as Incoterms. Incoterms are typically updated every ten years. The most recent update occurred in 2020. Click here to download a copy of the latest Incoterms:
  - [INCOTERMS](#)
- US Customs and Border Protection (CBP) was created in 2003 as an agency of the Department of Homeland Security (DHS). They are responsible for “controlling, regulating and facilitating the movement of carriers, people and commodities between the United States and other nations.” Here are some important resources from the CBP.gov website:
  - [CBP GUIDE FOR COMMERCIAL IMPORTERS](#)
  - [CBP BASIC TIPS FOR IMPORTING AND EXPORTING](#)
- The United States International Trade Commission publishes the Harmonized Tariff Schedule (HTS) which details the tariff rates and statistical categories for all merchandise imported into the United States. The database is linked below; see page 7 for additional information about duties and taxes.
  - [HARMONIZED TARIFF SCHEDULE](#)

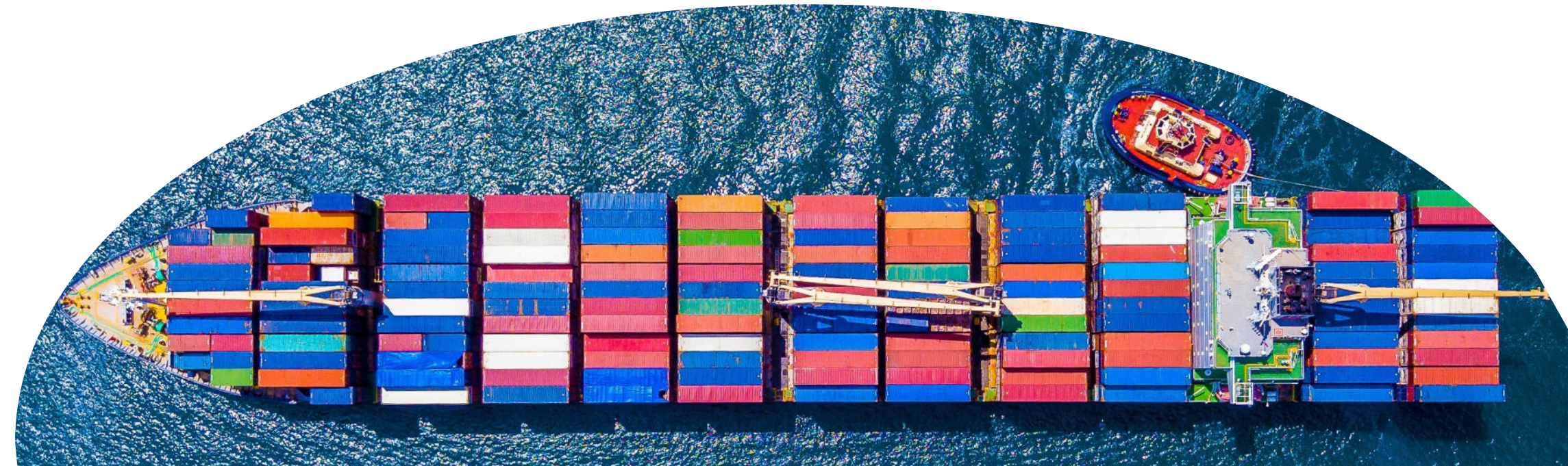




# Documentation

In order to facilitate customs clearance, the importer will typically be required to provide the following information and documents:

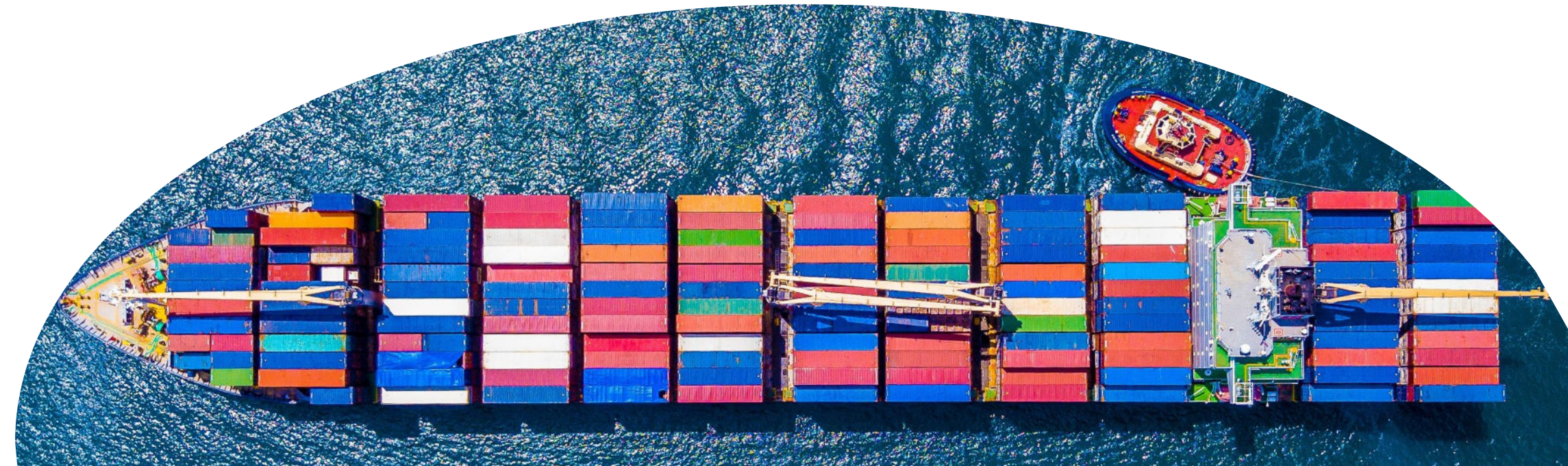
- Commercial Invoice
  - A commercial invoice should give the CBP Office sufficient information to decide whether the items you are importing are admissible. The document is a crucial element of importing and must be in English and contain as much detailed and precise information as possible including:
    - Complete description of goods
    - Quantity of items
    - Country of Origin
    - Value (in U.S. Dollars and foreign currency)
    - Place of purchase
    - Name, location, and address of person or company selling the merchandise
    - U.S. address to where the goods are being shipped
- Packing List
  - The shipper or supplier provides the Packing List document. This document should list the contents of the shipment including the items, quantities and packaging units. It is an essential document in international trade to ensure shipment is complete and accurate. The list must match the information in your commercial invoice and might be examined by CBP to confirm the shipment.
- ISF 10+2 Filing (See Page 6 for specifics)





# Documentation (cont.)

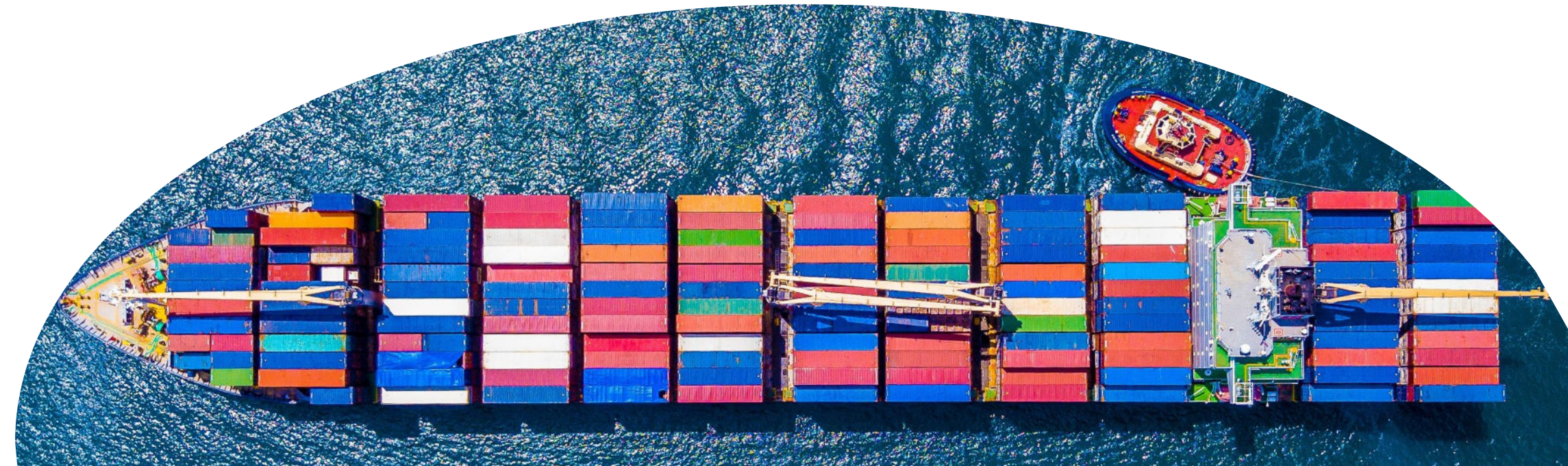
- Certificate of Origin (COO or CO)
  - A CO is not always required but must be presented to CBP upon request.
  - The CO document declares the country where the goods or commodity was manufactured. It contains product information, destination, and the country of export.
- Bill Of Lading (BOL, B/L) Ocean Shipments
  - The BOL is a critical and legally binding document issued by the carrier detailing the type, quantity, origin and destination of the items being carried. It must accompany the shipped products regardless of the form of transportation and must be signed by an official representative from the shipper, carrier, and recipient.
  - It has four primary functions:
    - In most cases, it is a document of title to the goods described in the BOL.
    - It serves as a receipt for the shipped goods upon delivery at the prearranged destination.
    - It represents the agreed terms and conditions for the transportation of the goods.
    - It ensures that payment is exchanged for the goods.
- Air Waybill (AWB)
  - An AWB is a Bill of Lading (BOL) that accompanies goods shipped by air. It is legally binding and serves as a receipt of goods by the airline and a carriage contract between shipper and carrier. The AWB is issued in a standard form provided by the International Air Transport Association (IATA).





# ISF Filing

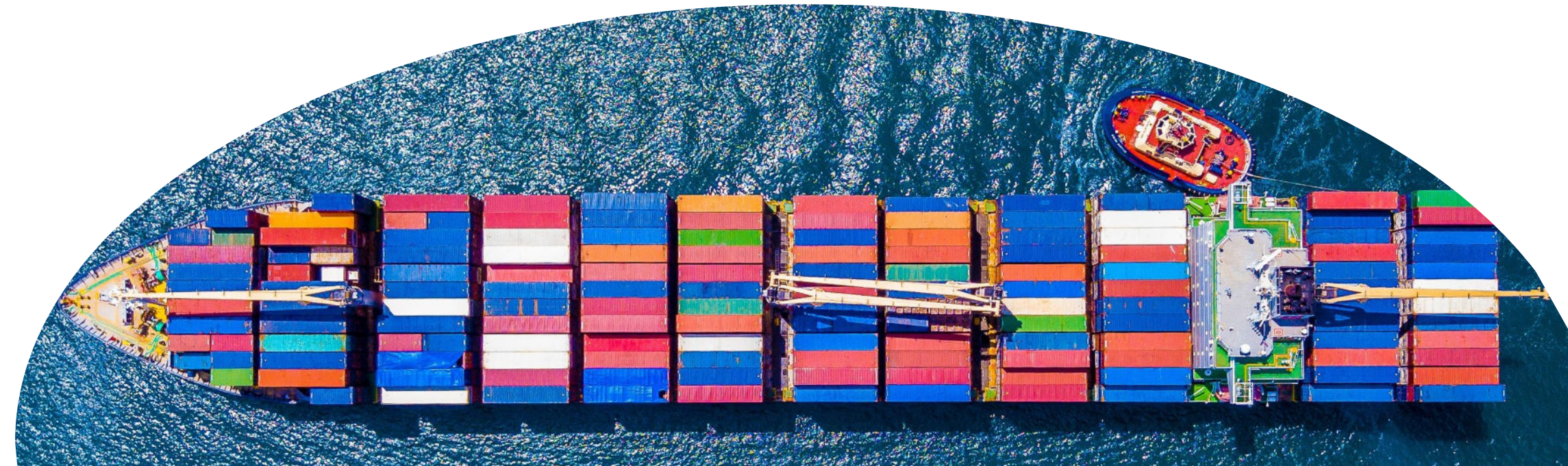
- ISF 10+2 Form
  - An Importer Security Filing (ISF) is required for imports arriving at or passing through the United States via seaports. It informs U.S. Customs and Border Protection (CBP) that your goods will be passing through their ports and provides them with information about your shipment.
  - The ISF is commonly known as the “10+2” filing. It requires importers to submit 10 data elements to CBP at least 24 hours before the goods are loaded onto a ship destined for the United States, plus two more elements once the cargo is loaded. This requirement applies only to sea freight shipments, not air freight shipments or shipments coming across land borders. Failing to file the Importer Security Filing or provide the required information could lead to the delay of your cargo, in addition to fines and monetary penalties.
  - The importer is required to ensure the ISF is filed within the timeframe required by USCBP (24 hours before the goods are loaded onto a ship destined for the United States.)





# Duties and Taxes

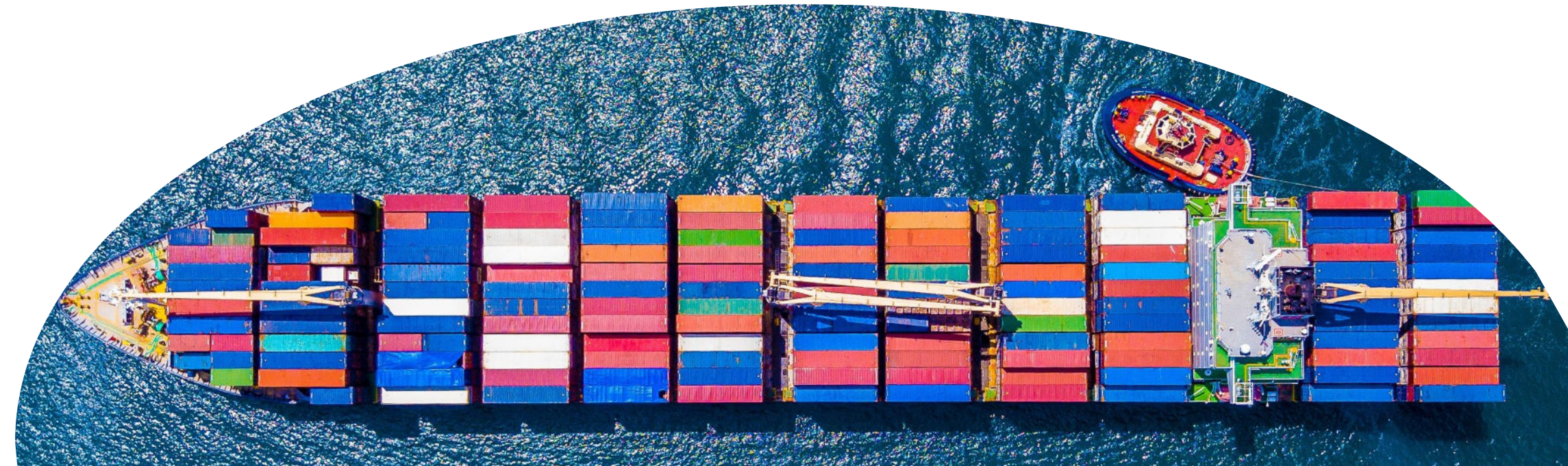
- Duty and Tax Overview
  - Import duty and taxes are owed when importing goods into the United States, whether by a private individual or a commercial entity. Duties and taxes payable are calculated exclusively on the value of the imported goods. Additionally, imports may be subject to a Merchandise Processing Fee, Harbor Maintenance Fee and in some cases to sales tax, and Federal Excise Tax.
- Duty Rates
  - Duty rates are based by commodity assessed by the US International Trade Commission (USITC) and can be found [HERE](#).
  - Some additional duties are assessed based on the cargo origin under special duty regulations. (Example: Section 301 China Duty)
- Duty Payment Timeline
  - CBP requires that duties be “deposited at the port of entry within 10 working days of the goods’ entry.” See page 9 for information about Bonds.
- Preferential duty rates
  - The United States has signed Free Trade Agreements (FTAs) with many countries. To be entitled to this preferential tariff treatment, goods must meet the originating criteria as set out on the Rules of Origin of individual FTAs. A Certificate of Origin (CO) is required upon importation for preferential duty rates to apply.
- Merchandise Processing Fee (MPF) is charged on formal and informal entries:
  - MPF on formal entries (for imports of goods valued over \$2,500) is set at 0.3464 percent of the value of the goods with a minimum charge (as of Oct 1, 2024) of \$32.71 and a maximum of \$634.62.
- Harbor Maintenance Fee (HMF) is charged on entries for goods that transit through US Ports. Air Freight and Border cleared shipments are not subject to HMF.
  - HMF is calculated at 0.125% of the value of the goods with no minimum or maximum.





# Duties and Taxes (cont.)

- Sales Tax
  - Sales tax is not automatically charged on imported goods. However, CBP declarations are made available to state tax representatives that may occasionally claim state taxes from the importer.
- Other taxes and custom fees
  - CBP collects federal taxes and fees on behalf of other federal agencies, such as the Internal Revenue Service, depending on the commodity being imported. User fees depend on the type of entry and mode of transportation.
  - Federal Excise tax is imposed on imports of alcoholic beverages and tobacco.
- Typically duties can be paid in 2 methods.
  - A customs broker can pay duties on behalf of an importer with the understanding that the importer is responsible for reimbursing the broker.
  - Importers can pay duties directly to CBP. Visit the site here for more information:
    - [CBP PAYMENT METHODS](#)





# Import Bonds

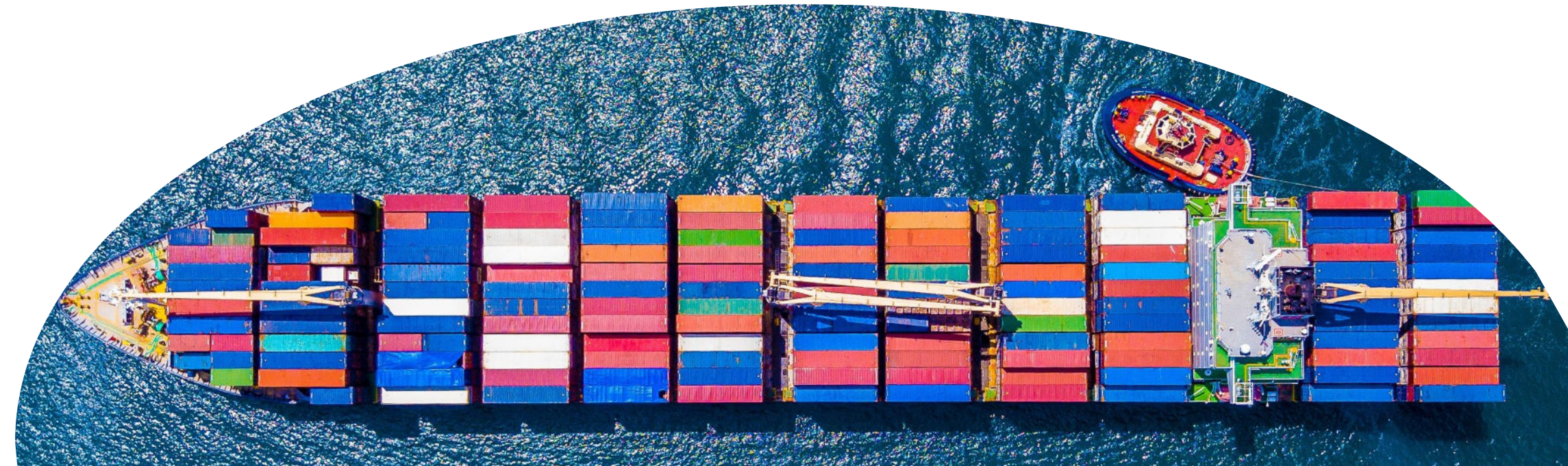
- Import Bond Overview
  - CBP requires that duties for imports be “deposited at the port of entry within 10 working days of the goods’ entry.”
  - In order to ensure that importers follow the regulations set forth for importers and pay their duties in time, importers are required to purchase a surety (bond) and present it at time of entry.
  - The bond purchased must be sufficient to cover the estimated amount of duty that an importer is responsible for.
  - Import bonds can be written and purchased as single transaction or continuous bonds.
    - Single transaction bonds can only be used for one customs transaction.
    - Continuous bonds cover customs transactions for a period of time through any port of entry.
  - Bond Amounts are determined by CBP. [Click here to read how CBP sets bond amounts](#)
    - [CBP BOND AMOUNTS](#)
  - Our partners at Roanoke Trade Group have a well written web page and YouTube video with a great overview of Bonds.
    - [ROANOKE TRADE BONDS](#)





# Important Resources

- The USTR (Office of the United States Trade Representative) is responsible for developing and coordinating US Trade policy. Visit their website here:
  - [US GOVERNMENT TRADE AGENCIES](#)
  - [FOREIGN COUNTRY PROFILES](#)
- The NCBFAA (National Customs Brokers and Forwarders Association of America) provides extensive information for potential exporters and answers to questions.
  - [NCBFAA](#)
- It is important to be aware of country specific regulations when importing. To find county specific information, begin your search here with the Commercial Guides for Countries:
  - [COMMERCIAL GUIDES](#)
- Always be aware of potential sanctions placed on foreign countries for commodities and procedures:
  - [SANCTIONS LIST SERVICES](#)
  - [SANCTIONS PROGRAMS AND COUNTRIES](#)



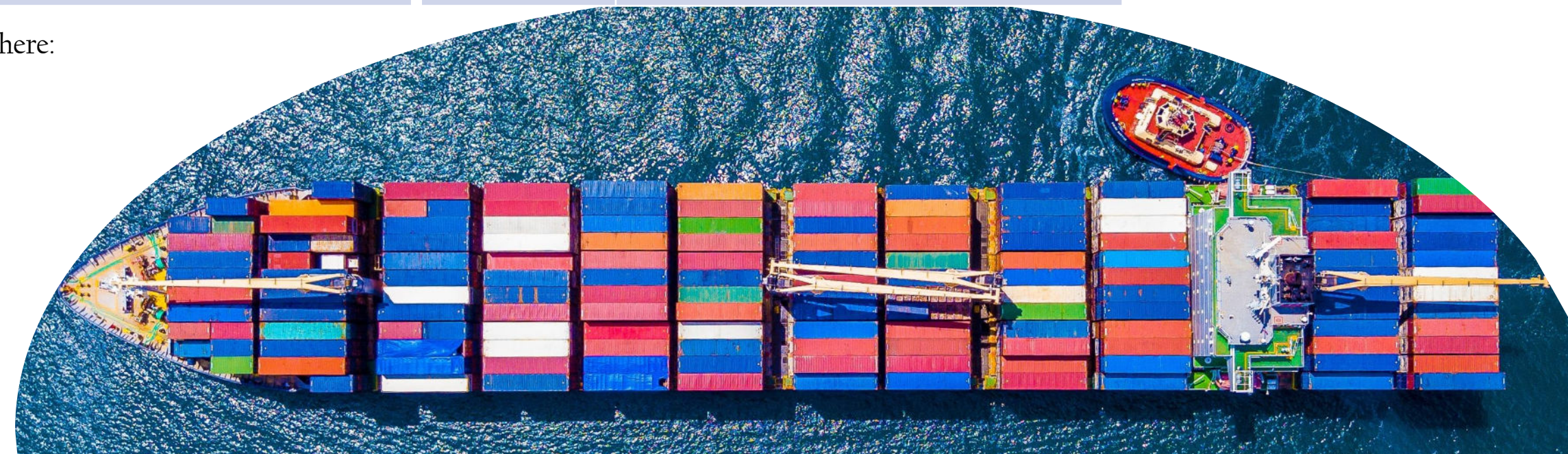


# Common Acronyms

ACRONYM	MEANING	ACRONYM	MEANING	ACRONYM	MEANING
AMS	Automated Manifest System	FDA	US Food and Drug Administration	LCL	Less than Container Load
ATD/ATA	Actual time of Departure/Arrival	FEU	Forty Foot Equivalent Unit	LFD	Last Free Day
AWB	Air Waybill	FMC	Federal Maritime Commission	MAWB	Master Air Waybill
BOL or B/L	Bill of Lading	FTA	Free Trade Agreement	MPF	Merchandise Processing Fee
CI or C/I	Commercial or Customs Invoice	HAWB	House Air Waybill	NVOCC	Non-Vessel Owning Common Carrier
C/O or COO	Certificate of Origin	HAZ	Hazardous Material	OBL	Ocean Bill of Lading
CBP	US Customs and Border Protection	HS or HTS	Harmonized Tariff Schedule	PPD	Prepaid
CFS	Container Freight Station	HMF	Harbor Maintenance Fee	SWB	Sea Way Bill
DHS	Department of Homeland Security	IATA	International Air Transport Association	TEU	Twenty Foot Equivalent Unit
DO or D/O	Delivery Order	ISF	Importer Security Filing (10+2)	USITC	US International Trade Commission
ETD/ETA	Estimated Time of Departure/Arrival	IMO	International Maritime Organization	WTO	World Trade Organization
FAA	Federal Aviation Administration	JOC	Journal of Commerce		
FCL	Full Container Load	L/C or LOC	Letter of Credit		

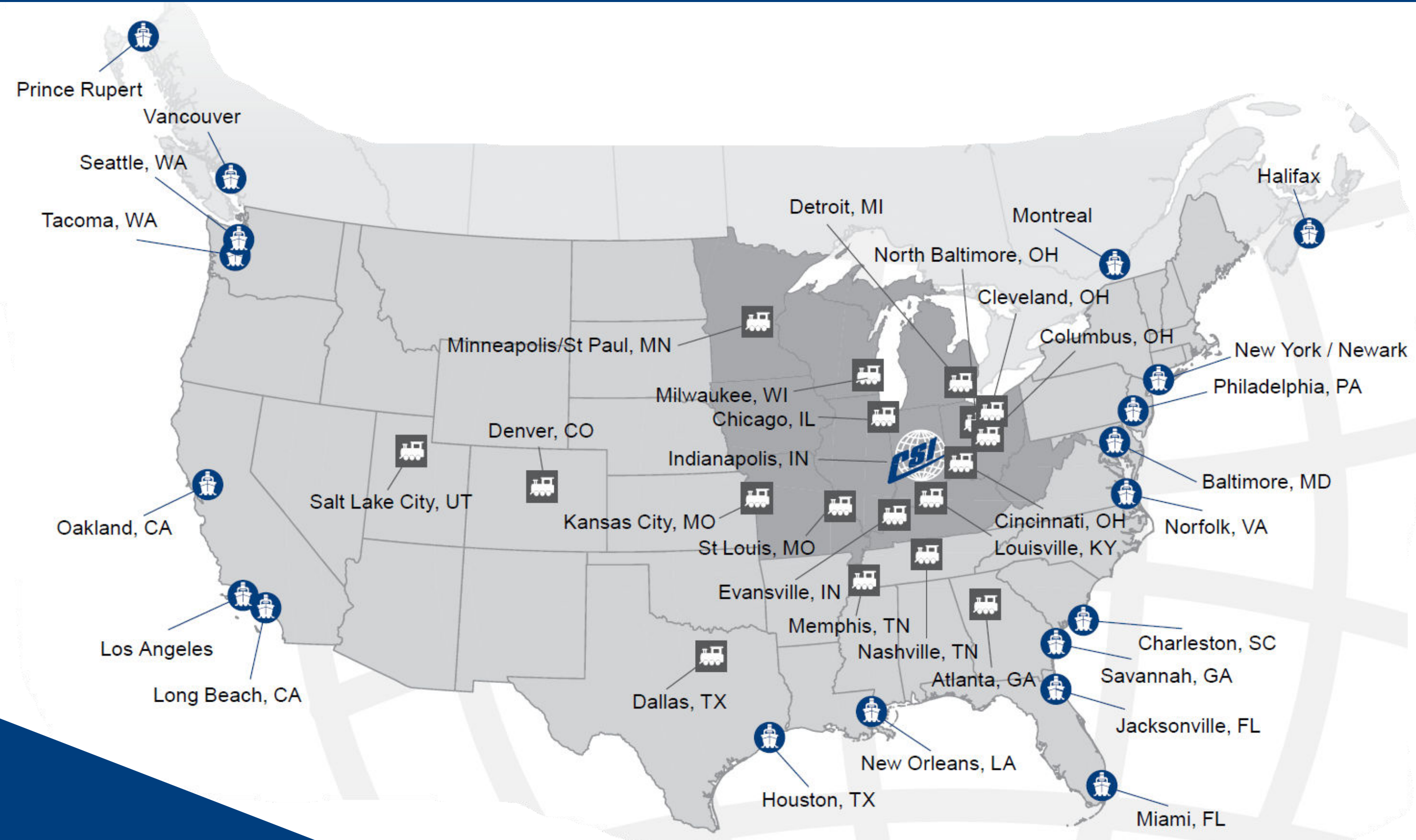
Additional Lists of common industry acronyms can be found here:

- [USTR](#)
- [DESCARTES](#)



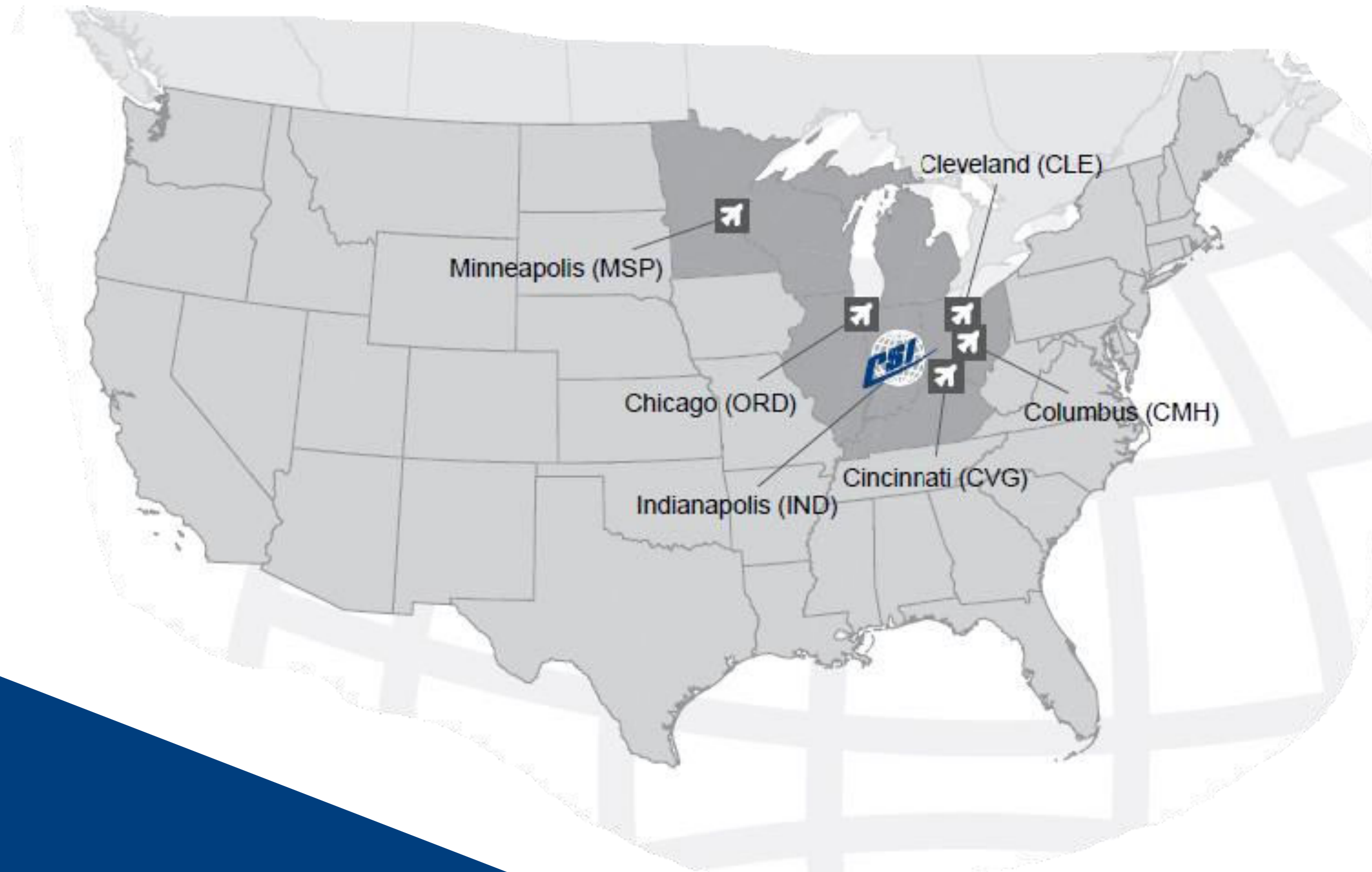


# CONTAINER PORTS AND RAIL YARDS





# MIDWEST AIR FREIGHT HUBS





# Import FAQ's

## Why am I required to complete a Power of Attorney (POA)?

- A Power of Attorney (POA) is required for customs brokers to transact business on behalf of an importer. It gives the broker legal authority to handle and sign off all aspects of the customs clearance process. CBP requires a broker to execute a power of attorney directly with an importer of record.

## As an importer, am I required to keep records of import documentation?

- Yes, as an importer of record (IOR), you're required to keep records of your import documentation. CBP mandates that importers retain documents like invoices, packing lists, and customs declarations for at least five years from the date of entry. Keeping these records ensures compliance and helps you verify information if an audit or review arises.

## Wouldn't it be easier to allow my supplier to handle the shipment?

- Letting your supplier handle the shipment can be simpler, but it has some trade-offs. When the supplier arranges shipping, they typically control the logistics, costs, and even the customs process, which can reduce your control over the shipment details and expenses. You may also have less visibility into transit times and added fees. While it might save time initially, handling shipments yourself or working closely with a customs broker can give you more control, transparency, and potentially cost savings in the long run.





# Import FAQ's

**My supplier is including samples or items that are free of charge, am I required to pay duties and taxes on these goods?**

- Yes, even if your supplier includes free samples or items at no charge, you're still required to declare them to U.S. Customs and pay any applicable duties and taxes. Customs assesses duties based on the fair market value of the goods, not on whether they were paid for, so you'll need to report the actual value of the samples to ensure accurate compliance.

**I'm importing goods from Canada; however, the country of origin of these goods is China, am I still subject to Section 301 tariffs?**

- Yes, if you import goods originating from China, the Section 301 tariffs will typically apply regardless of the country they're shipped from. U.S. Customs determines tariffs based on the goods' "country of origin," which means the place where the product was manufactured or substantially transformed.
- Here's an example:
  - If Chinese-made goods are shipped from a third country like Canada, Mexico, or even the EU, the origin remains China, and Section 301 tariffs still apply. The tariffs would only be avoided if the goods undergo a significant transformation in another country, changing their origin per CBP's rules. Minor modifications, simple repackaging, or relabeling in another country generally don't alter the country of origin, so the tariffs would remain in effect.





Thank You!



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