

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 (2012 version, NO Supplements)
- Title 19, Code of Federal Regulations (revised as of April 1, 2012 Parts 0 to End)

- Customs and Trade Automated Interface Requirements (CATAIR)
 - Appendix B – Valid Codes
 - Appendix D – Metric Conversion
 - Appendix E – Valid Entry Numbers
 - Appendix G – Common Errors
 - Glossary of Terms

- Instructions for Preparation of CBP Form 7501 (July 24, 2012)

- Directives
 - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
 - 3550-079A, Ultimate Consignee at time of Entry or Release
 - 3530-002A, Right to Make Entry
 - 3510-04, Monetary Guidelines for Setting Bond Amounts

This examination lasts four (4) hours. When you finish, please give your answer sheet to the test administrator. **You may take this booklet with you.**

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Customs Broker License Examination

Section I – Classification	Questions 1 – 26
Section II – Free Trade Agreements/Preferential Trade	Questions 27 - 31
Section III – Miscellaneous	Questions 32 – 45
Section IV – Entry	Questions 46 - 61
Section V – Intellectual Property Rights	Questions 62 – 63
Section VI – Broker Compliance	Questions 64 - 80

Section I: Classification

1. What is the classification of sweetened banana chips composed of approximately 65% bananas, 25% coconut oil, and 10% sugar? The sweetened banana chips are produced by slicing bananas, frying them in coconut oil, sweetening them with sugar, and drying them.
 - A. 0803.90.0045
 - B. 1905.90.9030
 - C. 2005.99.9700
 - D. 2007.99.7500
 - E. 2008.99.1500

2. Certain women's bowling shoes, while imported as a pair, have separate identities. Both shoes have uppers of 100% rubber/plastics. The left shoe has an outer sole of rubber/plastics. The right shoe has an outer sole consisting of rubber/plastics and a large textile sliding pad. The textile pad comprises the majority of the surface area facing the ground. The shoes are below-the-ankle, do not have a foxing or foxing-like band, are not protective, and are secured to the foot with laces. What is the classification of this pair of bowling shoes?
 - A. 6402.19.1541
 - B. 6402.91.0500
 - C. 6402.99.3165
 - D. 6404.19.3960
 - E. 6405.90.9000

3. What is the classification for a basket made of interwoven strips of non-coniferous wood ("chipwood")?
 - A. 4404.20.0090
 - B. 4420.90.8000
 - C. 4421.90.9780
 - D. 4602.19.1800
 - E. 4602.90.0000

4. An engineered flooring panel (7 layers, plywood construction) has an unfinished oak face ply, measuring 5 millimeters in thickness, a poplar back ply measuring 1mm in thickness, and all other plies measuring 2 millimeters in thickness. The panel is tongued and grooved on edges and ends. What is the classification for the engineered flooring panel?
 - A. 4409.29.2560
 - B. 4412.31.5125
 - C. 4412.32.3125
 - D. 4412.94.3105
 - E. 4418.72.9500

5. What is the classification of an unfinished, solid maple (non-coniferous wood) flooring plank that is tongued and grooved on its edges and ends?
- A. 4409.10.0500
 - B. 4409.10.2000
 - C. 4409.29.0555
 - D. 4409.29.2530
 - E. 4412.32.3125
6. What is the classification of the following items, which are imported and packaged for retail sale: two steel steak knives with plastic handles, two steel forks with plastic handles, and two steel tablespoons with plastic handles?
- A. 8211.10.0000
 - B. 8211.91.5030
 - C. 8215.20.0000
 - D. 8215.99.4030
 - E. 8215.99.2000
7. An over-the-counter acne treatment cream contains salicylic acid (1% by weight) as the active ingredient mixed with other inactive ingredients. The product is put in a 1 ounce plastic tube for retail sale and it is indicated for the prevention and treatment of acne pimples. What is the classification of the acne treatment cream?
- A. 2918.21.5000
 - B. 3003.90.0000
 - C. 3004.90.9145
 - D. 3304.99.5000
 - E. 3824.90.9290
8. Retail packages of 'Smokers Finest Alternative' Tiramisu-Flavored Cigarettes consist of dried, shredded lettuce (mixed with artificial coffee-and-chocolate flavoring) encased in paper tubes incorporating filter tips. The import value per pack of 20 cigarettes is \$5.00. What is the classification for the retail packages of 'Smokers Finest Alternative' Tiramisu-Flavored Cigarettes?
- A. 1404.90.9090
 - B. 2402.10.8050
 - C. 2402.20.8000
 - D. 2402.90.0000
 - E. 2403.99.2090

9. A men's pocket T-shirt is all white and is cut and sewn from 100% cotton, light weight jersey knit fabric. The garment has a rib knit crew neckline, short hemmed sleeves, a small patch pocket on the left chest, and a hemmed bottom. What is the classification of the men's pocket T-shirt?
- A. 6109.10.0004
 - B. 6109.10.0012
 - C. 6109.10.0040
 - D. 6109.90.1007
 - E. 6110.20.2067
10. A men's pullover garment is knit to shape from 40% cashmere, 24% wool, 20% acrylic, and 16% nylon jersey knit fabric, which measures 14 stitches per 2 centimeters in the direction in which the stitches were formed. The garment has a rib knit round neckline, long sleeves, and a rib knit bottom. What is the classification of a men's pullover garment?
- A. 6110.11.0070
 - B. 6110.12.1010
 - C. 6110.12.2010
 - D. 6110.12.2070
 - E. 6110.30.1550
11. What is the classification of a textile net specifically designed and cut to fit the exact dimensions of a regulation soccer goal?
- A. 5608.90.3000
 - B. 6307.90.9089
 - C. 9503.00.0090
 - D. 9506.99.2000
 - E. 9506.99.6040
12. What is the classification of an apparel set consisting of a cotton knit pullover and cotton denim pants for babies having a body height of 80 centimeters?
- A. 6110.20.2069 and 6203.42.4036
 - B. 6111.20.3000 and 6209.20.3000
 - C. 6111.20.6020 and 6209.20.5035
 - D. 6111.20.6030 and 6209.20.5045
 - E. 6209.20.5035 and 6209.20.5035

13. What is the classification of apple juice at single strength (13 Brix) fortified with Vitamin C, and Vitamin D?
- A. 0813.30.0000
 - B. 2009.71.0000
 - C. 2106.90.5200
 - D. 2202.90.3600
 - E. 2202.90.3700
14. An anthraquinone dispersion is composed of the following ingredients: 2% sodium naphthalene sulphonate, .08% xanthan gum, 50% anthraquinone, and 47.92% water. The product is formulated for specific use in the pulp and paper industry as a coating and stiffening agent. Anthraquinone is an aromatic substance. Sodium naphthalene sulphonate is a dispersing agent and xanthan gum is a thickening agent. What is classification for the anthraquinone dispersion?
- A. 2914.70.4000
 - B. 2921.10.0000
 - C. 3707.90.3290
 - D. 3809.92.1000
 - E. 3824.90.9280
15. Chuck Funk, LLC, imports Goblin Green Statement Earcandy, a new addition to their current Funky Earcandy line of earrings. Each earring set imported consists of a pair of earrings, which are together valued at \$30. Each earring is comprised of one round bevel that holds ten grouped 1 millimeter faceted round glass stones. At the center of this bevel is one 5 by 5 millimeter tiger's eye stone. Attached directly below this bevel is one dangling 30 by 30 millimeter indicolite colored plastic emerald. Note that Chuck Funk, LLC, imports all of its items exclusively from China, and there are no concerns other than that of item classification. What is the most appropriate duty rate?
- A. None
 - B. 3.3%
 - C. 11.0%
 - D. 11.7%
 - E. 110.0%

16. Your client is importing a 55-inch color television with LED (light-emitting diode) backlighting from China. The television contains a liquid crystal display (LCD) screen, but does not incorporate any video recording or reproducing apparatus. What is the classification of this LED-backlit LCD television?
- A. 8528.59.3100
 - B. 8528.69.5000
 - C. 8528.72.4400
 - D. 8528.72.6400
 - E. 8528.72.7250
17. A machine tool slices wafers from a boule of monocrystalline silicon semiconductor material (i.e., a wafer slicing saw)? Documentation has been supplied establishing that this particular model is of a kind used solely or principally for the manufacture of semiconductor wafers. What is the classification of the wafer slicing saw?
- A. 8456.20.5000
 - B. 8464.10.0100
 - C. 8477.10.4000
 - D. 8479.89.9899
 - E. 8486.10.0000
18. In their imported condition, eight wine glasses from China are packed together in a retail box. The box of eight glasses is being sold by the foreign shipper to the American importer for the price of \$4.80 shipped, Free-on-Board (FOB). The value of each wine glass within the box is \$0.60. The glasses are not cut or engraved. The products are not lead crystal glassware and do not consist of pressed and toughened (specially tempered) glass. Each glass is colored prior to solidification and characterized by random distribution of numerous bubbles throughout the mass of the glass. What is the classification for this merchandise?
- A. 7013.28.2000
 - B. 7013.28.5000
 - C. 7013.37.2000
 - D. 7013.37.5000
 - E. 7013.99.1000
19. What is the classification for a cold-rolled, non-alloy steel, flat-rolled product in coils, with a width of 700 millimeters, electrolytically plated with zinc, and with a thickness of 4 millimeters and a minimum yield point of 355 Mega Pascals (MPa)?
- A. 7209.15.0000
 - B. 7210.30.0030
 - C. 7210.30.0060
 - D. 7210.49.0030
 - E. 7210.49.0091

20. What is the classification for 10 paper labels for apple juice that are printed by a lithographic process?
- A. 2009.71.0000
 - B. 3919.90.5060
 - C. 3926.90.9980
 - D. 4821.10.2000
 - E. 4911.99.6000
21. What is the classification for a fish product described as cooked “Australian Herring” (species *Arripis georgianus*) fillets packed in water and spices in airtight cans?
- A. 1604.12.2000
 - B. 1604.12.6090
 - C. 1604.19.2100
 - D. 1604.19.8100
 - E. 1605.59.0500
22. What is the classification for live pigeons imported into the United States for processing and subsequent sale in the fresh or frozen poultry sections of supermarkets and butcher shops?
- A. 0105.99.0000
 - B. 0106.39.0100
 - C. 0106.90.0180
 - D. 0207.60.4000
 - E. 0208.90.9100
23. Your client is importing ceramic honeycomb substrates. After importation, the bare ceramic substrates will be coated with a catalyst and incorporated into a catalytic converter for the exhaust system of an automobile. The data sheet for the ceramic substrates indicates that they are made of a ceramic that is not porcelain or china, and have a Mohs hardness equivalent of 10.2. What is the classification for the ceramic substrates?
- A. 6909.11.2000
 - B. 6909.12.0000
 - C. 8421.39.4000
 - D. 8421.99.0080
 - E. 8708.92.7500

24. Which article constitutes a composite machine?
- A. A paint-mixing machine that is imported unassembled containing all its components, including a motor, casing, blades, dispenser and electric cord.
 - B. An outboard motor that is comprised of an electric motor, shaft, propeller, and a rudder in its imported condition.
 - C. A cellular phone battery and charging cable that has USB connectors at either end. They are imported together in a blister pack ready for retail sale.
 - D. A portable, paper fax machine that is imported and functions as a fax machine, telephone, and answering machine.
 - E. A plastic cell phone cover that is imported for a cellular phone. It also functions as an external battery pack that recharges the battery within the cell phone.
25. Johanna Billings travelled in Europe and purchased some individual natural pearls. The pearls were appraised as being over 100 years old with an AAA grading. However, for the convenience of transport, Johanna had the natural pearls temporarily strung prior to returning to the United States. What is the classification for the string of natural pearls?
- A. 7101.10.3000
 - B. 7101.10.6000
 - C. 7116.10.1000
 - D. 7116.20.3000
 - E. 9706.00.0060
26. A titanium hex head cap screw is used to attach a jet engine to an airplane. It is a non-standard size (11.2 millimeter diameter), which is only used in the aircraft industry. What is the classification of a titanium hex head cap screw?
- A. 7318.15.80
 - B. 7318.90.00
 - C. 8108.90.30
 - D. 8411.91.90
 - E. 8803.30.00

Section II: Free Trade Agreements/Preferential Trade

27. European grown and processed tobacco enters the United States under subheading 2401.30.03, is manufactured into goods of subheading 2403.91.20, and shipped to Mexico. The goods are further processed in Mexico and finally returned to the United States under subheading 2403.91.20. Do the goods imported into the United States from Mexico qualify to receive preferential tariff treatment under North America Free Trade Agreement (NAFTA)?
- A. This can only be determined by the U.S.-Mexico NAFTA Technical Committee at its transaction review, which will automatically be conducted using confidential criteria shortly after importation.
 - B. No, the goods do not qualify.
 - C. Yes, the goods qualify without condition.
 - D. Only if the goods are satisfactorily labeled with required health warnings.
 - E. Provisionally, pending verification of compliance with U.S. Department of Agriculture (USDA) product quality standards.
28. A plastics milling plant located in New York City imports French polypropylene pellets (classified in 3902.10.0000) for grinding into polypropylene powder (classified in 3902.10.0000). The powder is made solely from the foreign material. The company claims the good has been substantially transformed, making the country of origin the United States. Which of the following statements is correct?
- A. The term “country of origin” always means the foreign country from which any article is exported and enters the United States.
 - B. Any further work added to an article in another country is enough to render the other country the “country of origin.”
 - C. The “NAFTA Marking Rules” are never used to determine the country of origin for a NAFTA country.
 - D. The “NAFTA Marking Rules” never require that each foreign material incorporated in that good undergoes an applicable change in tariff classification.
 - E. The “NAFTA Marking Rules” require a change to heading 3901 through 3915 from any other heading, including another heading within that group. The required tariff heading change does not occur, therefore, the country of origin of the product remains France.

29. U.S. yarn is woven into cotton fabric and exported to South Africa where it is cut and assembled into trousers. The thread used for sewing is from Korea and the waistbands are formed in Korea. The trousers are washed, packed and shipped from Kenya to the United States. Which of the following statements is true based on the requirements for the African Growth Opportunity Act (AGOA)?
- A. These trousers qualify for AGOA.
 - B. The Korean waistband disqualifies these garments for AGOA.
 - C. The Korean sewing thread disqualifies these garments for AGOA.
 - D. These trousers would be classified in Chapter 61 of the Harmonized Tariff Schedule of the United States (HTSUS).
 - E. These trousers do not qualify for AGOA because they were not shipped directly from South Africa to the U.S.
30. Fabric is cut and sewn into lined women's trousers in Mexico. The wool yarn was formed in Canada; elastomeric yarn is formed in Korea. The composition of the fabric is 96% wool and 4% spandex fabric that was woven in the U.S. The visible lining fabric was woven in Korea and classified under subheading 5512.19. The trousers are imported to the U.S. from Mexico. Which of the following statements is true based on the requirements of NAFTA?
- A. The elastomeric yarn from Korea disqualifies these trousers from NAFTA.
 - B. The Korean visible lining fabric does not disqualify these trousers from NAFTA.
 - C. The Korean visible lining fabric disqualifies these trousers from NAFTA.
 - D. The component that determines the classification of these trousers is classified in subheading 5512.19.
 - E. These trousers do not qualify for NAFTA because they do not make the necessary tariff shift.
31. Cotton fabric is knitted in the U.S. from U.S. yarn and is sent to Guatemala where it is cut. The cut components are sewn into a dress in Jamaica using U.S. sewing thread. The dresses are returned to Guatemala where they are embroidered using Guatemalan embroidery thread that comprises 26% of the value of the garment. The dresses are imported into the U.S. from Guatemala. Would this dress qualify for Caribbean Basin Trade and Partnership (CBTPA)?
- A. Yes, this dress qualifies for CBTPA.
 - B. No, this dress does not qualify for CBTPA because the fabric is cut in Guatemala.
 - C. No, this dress does not qualify for CBTPA because the embroidery thread exceeds the permissible de minimis value for foreign findings or trimmings.
 - D. No, this dress does not qualify for CBTPA because it does not meet the direct shipment requirement.
 - E. No, this dress would be classified in heading 6204 of the HTSUS.

Section III: Miscellaneous

32. When merchandise is imported into the U.S. Virgin Islands, which laws govern the importation?
- A. National Office of the Caribbean Netherlands
 - B. U.S. Customs and Border Protection
 - C. U.S. Department of Commerce
 - D. Secretariat of the Caribbean Community (CARICOM)
 - E. Virgin Island Law
33. Fish are caught by a Norwegian flagged vessel in international waters on the coast of Portugal, where the fish are kept either whole or filleted on board. The fillets are sent to England, where they are seasoned, battered, and pre-fried. What is the country of origin of the battered fillets?
- A. Portugal
 - B. England
 - C. Norway
 - D. European Union
 - E. Spain
34. Articles subject to different rates of duty are sometimes packed together tightly or commingled in such a way that Customs and Border Protection (CBP) officers cannot readily determine the quantity, value, or classification of the merchandise without physically separating the shipment or the contents of any package. In these instances, the combined merchandise will be subject to the highest rate of duty or duty rates applicable to any kind merchandise that is included in the commingling with exception. Which of the following statements is not a condition to obtain a reduction in the higher rate of duty?
- A. The importer files a protest at the time of discovery to dispute the increase in duty prior to the submission of the entry summary.
 - B. The quantity and value of each of the articles included can be readily ascertained by the usual method of CBP examination.
 - C. The importer performs the segregation under CBP Supervision.
 - D. The importer files with the port director documentary proof, which satisfies the port director that the merchandise is entitled to the lower rate.
 - E. The importer satisfies the conditions specified in General Note 3(f), HTSUS.

35. Which of the following identification numbers cannot be used on the current CBP Form 5106 (Importer Identification Input Record)?
- A. Internal Revenue Service Employer Identification Number
 - B. Passport Number
 - C. CBP – Assigned Number
 - D. Social Security Number
 - E. Internal Revenue Service Number with a two digit suffix code
36. The port director may waive the requirement for an importer to produce an invoice. The waiver may occur for one of two reasons. One reason would be when the port director is satisfied that the importer cannot, by reason of conditions beyond his control, furnish a complete and accurate invoice. Which of the following is the other reason the port director may waive the requirement for an importer to produce an invoice?
- A. The goods will be consumed during the manufacturing process.
 - B. The shipment was determined to be less than \$2,500.
 - C. The examination of merchandise, final determination of duties, and collection of statistics can be effected properly without the production of the required invoice.
 - D. The appraisalment of the merchandise was conducted by a third party and under CBP supervision.
 - E. The shipment was seized.
37. Generally, anti-dumping or countervailing duties are imposed on entries of merchandise made on or after the date on which the Secretary first imposes provisional measures. However, duties may be imposed retroactively on merchandise entered up to 90 days before the imposition of provisional measures. Which of the following terms best describes this situation?
- A. Antidumping circumvention
 - B. Avoidance structuring
 - C. Critical circumstances
 - D. Inventory manipulation
 - E. Willful evasion
38. Which group of HTSUS Headings is prohibited or conditioned as described in the Tom Lantos Block Burmese Junta's Anti-Democratic Efforts (JADE) Act of 2008 (Public Law 110-286)?
- A. 7101, 7102, 7103
 - B. 7103, 7113, 7116
 - C. 7113, 7114, 7115
 - D. 7103, 7104, 7105
 - E. 7115, 7116, 7117

39. Based on the information below, what is the manufacturer's identification number?

Hilton and Holton, Ltd.
One thousand eighty-one Trust Street
Suite 1
Saskatchewan, Canada

- A. CAHILHOL1SAS
- B. HILHOL1181SAS
- C. XSHILAND1CA
- D. XSHILHOL1SAS
- E. XSHILHOL1181SAS

40. Based on the information below, what is the manufacturer's identification number?

The Embassy of Nunavit
Five Thousand Chateau Place
Suite 501
Nunavit, Canada

- A. CAEMBNUN500NUN
- B. CATHEEMB501NUN
- C. XNEMBNUN500NUN
- D. XNEMBNUN501NUN
- E. XNTHEEMB500NUN

41. Which of the following statements is not a requirement that must be met in order to obtain the benefits of prior disclosure?

- A. Specify the material false statements, omissions or acts that occurred.
- B. Set forth, to the best of the disclosing party's knowledge, the true and accurate information that should have been provided.
- C. Furnish a list of all entry numbers, or advise the ports of the entries and approximate dates of entry.
- D. Remit the loss of duties, taxes and fees within 30 days after CBP's notification of the actual loss of revenue.
- E. Provide an action plan to CBP that denotes the steps that will be taken to ensure future compliance.

42. You have a Cost Insurance and Freight (C.I.F.) shipment that has an invoice value of \$5,000, and a weight of 12,000 kilograms. The duty rate is 10% plus 2 cents per kilogram. Included in the invoice price are: brokerage fees of \$50, ocean freight costs of \$600, and duty. The minimum merchandise processing fee of \$25 applies, and there are no other applicable fees. The merchandise was imported January 31, 2012. However, the buyer and seller agreed to a price reduction of \$500 on February 4, 2012 (before the entry summary) to reflect a 'new customer' discount. What should the entered value of the shipment be?
- A. \$3,214
 - B. \$3,259
 - C. \$3,652
 - D. \$3,714
 - E. \$4,327
43. When the quantity of tariff-rate quota merchandise exceeds the quota quantity, which of the following is the correct action to take?
- A. Destroy the merchandise and provide proof to CBP.
 - B. Export the merchandise.
 - C. Ship the merchandise in-bond for immediate entry to another port.
 - D. Store the merchandise at the carrier's facility.
 - E. Warehouse the merchandise at a container station.
44. Which of the following is required for the importation of raw cane sugar from the Dominican Republic?
- A. Special Indicator "E"
 - B. Special Indicator "J"
 - C. Certificate of Quota Eligibility
 - D. Certificate of Origin
 - E. Centrifugal Form
45. The U.S. Department of Defense (DoD) hires a broker for the importation of injection mold equipment to be used in an unmanned aerial vehicle. The DoD instructs the broker that a power of attorney is not required due to the nature and sensitivity of the importation and the fact that the equipment is for DoD. Based on this information, which of the following statements is true?
- A. A power of attorney is not required where the DoD is to act as the importer of record.
 - B. The broker may not act as the importer of record.
 - C. Military platforms and components thereof are exempt from examination by U.S. Customs and Border Protection.
 - D. Injection mold equipment is identified in Chapter 4 of the Harmonized Tariff Schedule of the United States.
 - E. Importations made for the account of a U.S. government agency are subject to the usual Customs entry requirements.

Section IV: Entry

46. Bowles Japan is importing certain stainless steel pipes and tubes of heat-resisting steel under 7304.59.2030. This merchandise is subject to antidumping duties. Ryan's Limited Brokerage services Bowles Japan and has permits in the Districts of Anchorage and Philadelphia. The merchandise is being shipped to its selling agent, Junior Queen (located in Baltimore, Maryland), who has no financial interest in this transaction. At the nominal consignee's request, the shipment is diverted to New York for entry. Ryan's Limited Brokerage is in possession of a valid power of attorney (POA) from the Grantor, authorizing other Customs brokers to make entry. Ryan's Limited Brokerage creates a sub agency POA with Jackson Brokerage, who is only permitted in the District of New York. Who should file the entry?
- A. Ryan's Limited Brokerage
 - B. Jackson Brokerage
 - C. The nominal consignee
 - D. Junior Queen
 - E. None of the parties
47. If not associated with an outstanding transaction, what is the timeframe that an Importer Identification Number shall remain on file, from the date on which it was last used on Customs Form 7501 (Entry Summary) or a request for services?
- A. 90 Days
 - B. 1 year
 - C. 3 Years
 - D. 5 Years
 - E. Indefinitely
48. A shipment of pesticides or devices shall be detained at the importer's expense, pending an examination by the Environmental Protection Agency (EPA) Administrator to determine if the shipment complies with the requirements of the Federal Insecticide, Fungicide, and Rodenticide Act. However, a shipment detained for examination may be released to the consignee prior to a determination by the EPA Administrator, provided a bond is furnished for the return of the merchandise to Customs custody. Who would determine the bond amount?
- A. An Import Specialist
 - B. A customs officer/inspector
 - C. A broker
 - D. A port director
 - E. A representative from the EPA

49. Whose bond is liable when merchandise is delivered directly to a container station from an importing carrier?
- A. Bonded Warehouse
 - B. Broker
 - C. Container Station
 - D. Importer
 - E. Importing Carrier
50. Michael & Sons Brokerage has permits in the Districts of Atlanta, New Orleans, and Los Angeles. Michael & Sons Brokerage service a German bearing manufacturer that ships merchandise subject to antidumping duties to its affiliated U.S. incorporated selling agent that is located at the Port of Long Beach, California. The selling agent has no financial interest in the commercial transaction. At the nominal consignee's request, the shipment of bearings is diverted to Norfolk, Virginia for entry. Michael & Sons Brokerage is in possession of a valid power of attorney (POA) from the Grantor, authorizing other Customs brokers to make entry. Michael & Sons Brokerage creates a sub agency POA with Bill Johnson Brokerage, who is only permitted in the District of New Orleans. Who should file the entry?
- A. Michael & Sons Brokerage
 - B. Bill Johnson Brokerage
 - C. The nominal consignee
 - D. U.S. selling agent
 - E. None of the parties
51. How many days following the date of release from CBP custody are textile and textile products deemed conditional?
- A. 30
 - B. 60
 - C. 90
 - D. 150
 - E. 180
52. What is the appropriate entry type for the relocation of unreleased merchandise from the Port of Seattle to the Port of Pembina?
- A. Entry type 01
 - B. Entry type 06
 - C. Entry type 52
 - D. Entry type 61
 - E. Entry type 63

53. When importing commodities that are regulated under the Toxic Substances Control Act, a certifying statement must be presented prior to release, unless the importer has a blanket certification on file with CBP. Which citation outlines the reporting requirements for a blanket certification?
- A. 19 CFR 12.110
 - B. 19 CFR 12.112
 - C. 19 CFR 12.121(a)
 - D. 19 CFR 12.121(a)(2)(ii)(A)
 - E. 19 CFR 12.123(a)
54. Entries subject to payment of Anti-dumping/Counter-vailing duties (AD/CVD) and various fees must indicate the applicable fees and collection codes on the CBP Form 7501. What are the collection codes for the following fees: Pecan, Potato, Blueberry, and Avocado?
- A. 499, 496, 311, and 500
 - B. 501, 500, 496, and 311
 - C. 107, 106, 090, and 057
 - D. 108, 106, 103, and 090
 - E. 104, 079, 057, and 056
55. When the U.S. International Trade Commission finds that a bond that is used in conjunction with the entry of merchandise involves unfair practices or methods of competition, the bond limit shall be fixed in what amount?
- A. Three times the total entered value of the merchandise.
 - B. Ten percent of the total entered value of the merchandise.
 - C. Fixed at an amount to cover the accelerated payment of duty, taxes, and fees.
 - D. At the whim of the Commission.
 - E. Two hundred percent of the total entered value of the merchandise.
56. Jack Sprat Imports, a nominal consignee, desires to generate an entry for a shipment. Which of the following is the appropriate entry processing procedure?
- A. Jack Sprat Imports can file an entry as a nominal consignee.
 - B. Jack Sprat Imports can file an entry as a nominal consignee for the importer of record.
 - C. Jack Sprat Imports can have a broker file an entry for them, listing Jack Sprat Imports as importer of record.
 - D. Jack Sprat Imports can file an entry as the importer of record.
 - E. Jack Sprat Imports can have a broker file an entry for them if the broker is listed as the importer of record.

57. Who is the ultimate consignee for merchandise that is released but not sold or consigned?
- A. The overseas shipper
 - B. The storage facility administrator
 - C. The carrier
 - D. The broker
 - E. The importer
58. What is the bond limit for imported flammable fabrics?
- A. Three times the total of the duty, taxes, and fees.
 - B. Three times the value of the merchandise.
 - C. Three times the value of the merchandise plus the total of the duty taxes, and fees.
 - D. The entered value of the merchandise plus the total of the duty, taxes, and fees.
 - E. The bond limit shall be fixed in an amount the port director may deem necessary.
59. Which of the following surety codes is utilized in the preparation of an entry when government securities are used?
- A. 000
 - B. 001
 - C. 888
 - D. 998
 - E. 999
60. An in-bond transaction consists of three mandatory air-in-bond initiation/deletion (QX) records. The in-bond records that make up the transaction must be transmitted to CBP in ascending order, with certain segments repeated as often as necessary. Which of the following conditions must be met before an in-bond will be accepted?
- A. The carrier must have transmitted the bill prior to the transmission of QX data.
 - B. The QX filer must be set to operational for entry summary.
 - C. Brokers may participate if they establish the required communication link.
 - D. Freight forwarders may participate if they procure suitable software.
 - E. Non-brokers may participate if they are able to extract QX records.
61. A Courtesy Notice is issued when what occurs?
- A. A protest is resolved.
 - B. Insufficient funds are received for an entry summary.
 - C. A rejected entry/entry summary is received in proper form.
 - D. Liquidation of an entry.
 - E. Closure of a temporary importation under bond (TIB) entry.

Section V: Intellectual Property Rights

62. Under what authority will CBP seize a shipment of imported merchandise bearing a counterfeit trademark?
- A. 19 CFR 127.12
 - B. 19 CFR 133.21
 - C. 19 CFR 133.22
 - D. 19 CFR 133.42
 - E. 19 USC 1527
63. Before recording with CBP, the applicant must first have the mark registered with which office?
- A. Office of the United States Trade Representative
 - B. Department of State
 - C. U.S. Patent and Trademark Office
 - D. Library of Congress
 - E. International Trade Commission

Section VI: Broker Compliance

64. Ms. Bardin, of Gatwick, England, is visiting her aunt and imported her motorcycle for transportation while in the U.S. What is the classification for her motorcycle?
- A. 9804.00.35
 - B. 9804.00.60
 - C. 9804.00.72
 - D. 9804.00.85
 - E. 9805.00.50
65. Ms. Bardin, of Gatwick, England, also designs women's motorcycle helmets and is importing 13 models of her designs to generate interest for her website. What is the classification for helmets?
- A. 9813.00.05
 - B. 9813.00.10
 - C. 9813.00.20
 - D. 9813.00.35
 - E. 9813.00.55
66. A broker's license is required for which of the following transactions?
- A. A person transacting business in connection with entry or clearance of vessels or other regulation of vessels under the navigation laws.
 - B. A carrier bringing merchandise to the port of arrival and making a transportation bond entry for that merchandise.
 - C. An individual entering a consumption entry for merchandise imported for himself.
 - D. An individual entering commercial merchandise for an acquaintance.
 - E. A foreign trade zone operator transferring merchandise from a zone designated section to an export review section within the zone.
67. Who must the appeal come from for the request to extend the time for liquidation to be honored?
- A. The carrier
 - B. The Director of Field Operations
 - C. The broker
 - D. The cartage company
 - E. The importer

68. What is the maximum amount of extension time that can be granted for liquidation?
- A. 3 years
 - B. 5 years
 - C. 6 years
 - D. 8 years
 - E. 10 years
69. What happens to a permit if a permitted broker fails to have an individual employed within that district or region for seven months?
- A. Deferment
 - B. Suspension
 - C. Cancellation
 - D. Reissued
 - E. Appealed
70. What happens to the individual license when a licensed broker files the status report and related fee for their corporate license, but fails to file and pay for their individual license?
- A. The license remains in current status.
 - B. The license is in good standing because the corporate status report was filed.
 - C. The license will be suspended indefinitely.
 - D. The license is subject to revocation by operation of law.
 - E. The license does not have an expiration period.
71. In which of the following scenarios may a broker may compensate a freight forwarder for referring brokerage business in which of the following scenarios?
- A. The freight forwarder transmits the brokerage charges and fees directly to the importer.
 - B. The freight forwarder notifies the importer in advance with the name of the broker selected.
 - C. The freight forwarder collects the brokerage fees and charges of the forwarder are transmitted to the importer.
 - D. The freight forwarder is the exclusive conduit for all communication between the broker and importer.
 - E. The freight forwarder transmits and collects all brokerage/forwarding charges and fees from the importer.
72. Can a broker import the same merchandise as their customer?
- A. Yes, if the customer receives a discount from the broker.
 - B. Yes, if the broker's employee is the importer of record.
 - C. Yes, if the broker is the importer of record.
 - D. Yes, if the broker fully discloses the facts to the customer.
 - E. Yes, if the broker is identified as the consignee and importer of record.

73. Within how many business days must a broker remit to CBP past due duties, taxes, and fees received from a customer?
- A. 5
 - B. 10
 - C. 14
 - D. 30
 - E. 45
74. Upon importation through a formal declaration, U.S. importer filed a claim for preferential treatment of goods under NAFTA. How many days does the U.S. importer have to revise the declaration, if based on erroneous information?
- A. 30 calendar days
 - B. 30 business days
 - C. 45 business days
 - D. 45 calendar days
 - E. 60 business days
75. CBP assessed a monetary penalty against Peter, who is a licensed Customs broker, for failing to conduct responsible supervision and control over the business which he conducted. After CBP issued the penalty notice, Peter filed a petition for relief. CBP mitigated the penalty and Peter paid the mitigated amount. What action can Peter initiate immediately after the fact?
- A. Request a face to face meeting.
 - B. File a supplemental petition of relief.
 - C. File a protest.
 - D. File a suit against CBP in the Court of International Trade (CIT).
 - E. File entries using another broker's filer code.
76. What must a broker do if he/she knows that a client has not complied with the law, or has made an error in or omission from any document, affidavit, or other paper that required the client to execute?
- A. Continue to adhere to the contractual agreement between broker and his/her client.
 - B. Immediately discontinue his/her relationship with the client.
 - C. Contact CBP for guidance.
 - D. Advise the client promptly of the noncompliance.
 - E. Prepare a prior disclosure.

77. Phil Isler, an employee of BP Brokerage, was recently convicted of a felony. He spent a year in jail, paid a monetary fine, and is now on 3-year probation. Upon his release, he contacted BP Brokerage and was re-hired because of his extensive knowledge and skill with the preparation of entry documents. He also has family ties with the owner and license qualifier of BP Brokerage. Since his re-hire, BP Brokerage business has increased significantly. Mr. Isler's rehire occurred subsequent to the 2012 triennial reporting period. From the list below, what is the first course of action BP Brokerage should take?
- A. Not inform CBP of Mr. Isler's employment, because he does not sign CBP-related documents.
 - B. Prepare a written request to the Assistant Commissioner for approval to employ Mr. Isler.
 - C. Contact the local port and ask them to add Mr. Isler's name to BP Brokerage's employee list.
 - D. Submit an updated employee list that includes Mr. Isler's name to the port.
 - E. Wait to include Mr. Isler on the 2015 triennial report.
78. A broker does not have any settlement options for disciplinary proceedings which have been instituted against it. What settlement options does a broker have after disciplinary proceedings have been instituted against it?
- A. The broker's next option is to file the case in court.
 - B. The broker's next option is to file a case with the U.S. Federal Mediation and Conciliation Service.
 - C. The broker's next option is to file an offer in compromise.
 - D. The broker has an option to decline the disciplinary proceedings.
 - E. The broker has an option to suspend the disciplinary proceedings for future reassessment.
79. Which of the following is true?
- A. A broker may allow a freight forwarder to promote combined service by using both their names in advertisements.
 - B. A broker, cartman, and freight forwarder may offer their services in conjunction through the cartman's website.
 - C. A broker, Foreign Trade Zone operator, cartman, and freight forwarder can endorse collective complete one stop service via any media outlet.
 - D. A broker can continue to allow a freight forwarder to solicit brokerage referrals while their permit is suspended for expedited resolution.
 - E. A broker can authorize employees to distribute flyers highlighting the operation of the brokerage.

80. Miguel Servet took the Customs broker license exam in April 2010 at the port of Miami, and subsequently obtained his license through the port of Chicago in October 2011. One month later, Miguel was hired by Zwingli Customs Brokers (“Zwingli”), a national company employing 79 brokers. Zwingli possesses a corporate broker license. In August 2012, while perusing old Federal Register notices, Miguel realizes that Zwingli did not file Miguel’s triennially-due status report nor pay the associated fee (“triennial”). Miguel is determined to continue his career as a licensed broker. Which of the following courses of action should Miguel take?
- A. Request that Zwingli submit a post-triennial filing with CBP, as Zwingli was the responsible party for filing purposes.
 - B. Contact the port of Chicago directly, not through Zwingli, to submit a post-triennial filing.
 - C. Submit a well-formed appeal to CBP headquarters in Washington, D.C., within the appeal timeframe, citing third party liability. Then submit a copy of the appeal to the licensing port.
 - D. Upon opening of registration, register to take the next given Customs broker license exam.
 - E. Do nothing and continue to transact Customs business as normal. Since the Zwingli corporate license triennial covers all licensed employees performing Customs work within the normal course of business, no separate individual triennial must be filed.

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. Incorrectly bubbling of your address will delay notification of the results of the exam. If your address does not fit into the appropriate boxes, provide the Test Administrator with your full address AFTER the exam.

April 2013 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citations(s)</u>
1	E	HTSUS 2008.99.1500; Chapter 8, Note (3); Chapter 20, Note 5
2	E	HTSUS 6402.99.3165; 6405.90.9000
3	D	HTSUS Chapter 44, Note 1(f); Chapter 46, Note 1
4	E	HTSUS Chapter 44, Additional US Note 4(b)
5	C	HTSUS subheading 4409.29.0555
6	C	HTSUS subheading 8215.20.0000; Chapter 82, Note 3
7	C	HTSUS 3004.90.9145; HTS Chapter 29 Note 1a
8	D	HTSUS GRI 3(a); Headings 2402, 2403 and 1404
9	B	HTSUS 6109.10.0004; 6110.20.2067; Chapter 61, Statistical Note 6
10	D	Chapter 51, Note 1(a) & 1(b); Chapter 61, Statistical Note 3
11	D	Section Note XI, Note 1(t)
12	D	HTSUS Chapters 61 and 62; Section XI, Note 14
13	D	HTSUS Chapter 22; Additional Note 1 concerning HTS 2106
14	D	HTSUS Chapters 29, 37, and 38
15	B	HTSUS 7116.20.0500/3.3%
16	E	HTSUS Subheading 8528.72.7250
17	E	HTSUS 8486.10.0000; Chapter 84, Note 2 and Note 9(D); Section XVI, Statistical Note 1(a)(ii)(B)
18	A	HTSUS Subheading 7013.28
19	B	HTSUS Chapter 72, Additional U.S. Note 1
20	D	HTSUS 4821.10.2000, Note 12
21	C	HTSUS 1604.19.2100
22	B	HTSUS 0105, 0106, 0207 and 0208
23	B	HTSUS Chapter 84, Note 1(b); Section XVII Note 2(e); 6909.12.0000
24	D	HTSUS Section XVI, Notes 3 & 5; GRI 2(a); GRI 3(b)
25	A	Chapter 97
26	C	HTSUS Section XV, Note 2
27	B	General Note 12 (a), (b) and (t)
28	E	19 CFR 102.20 (g) requires a change to heading 3901 through 3915
29	C	HTSUS Chapter 98, Subchapter XIX
30	B	HTSUS General Note 12
31	A	HTSUS Chapter 98, Subchapter XX, General Note 17(e)(i)
32	E	19 CFR 7.2(c)
33	A	19 CFR 134.1(b)
34	A	19 CFR 152.13
35	B	19 CFR 24.5
36	C	19CFR 141.92(a)

<u>Question</u>	<u>Answer</u>	<u>Citations(s)</u>
37	C	19 CFR 351.206(a)
38	B	HTSUS Chapter 71, Additional U.S. Notes 4(a)
39	D	CF 7501 Instructions, Appendix 2 Rules to construct MID
40	D	CF7501 Instructions, Appendix 2 Rules to construct MID
41	E	19 CFR 162.74
42	D	19 CFR 152.103(a); 19 CFR 152.103(4)
43	B	19 CFR 132.5
44	C	HTSUS Chapter 17, Additional U.S. Note 5(b)(iv)
45	E	19 CFR 10.100
46	B	19 CFR 111.2(b)(1)
47	B	19 CFR § 24.5(e)
48	D	19 CFR 12.115
49	E	19 CFR 19.44(a)
50	E	Scenario: Michael & Sons Brokerage has local permits only (not a National Permit)
51	E	19 CFR 141.113(b)
52	D	CF 7501 Instructions, Page 2
53	D	19 CFR 12.121(a)(2)(ii)(A)
54	C	CF 7501 Instructions, Page 20
55	D	CD 3510-004:
56	E	CD 3530-002A, 5.1.3
57	B	CD 3550-079A, 6.3
58	B	CD 3510-004, Page 4, item f
59	D	7501 Instructions, Block 4 (Surety No.)
60	A	CATAIR, Air In-Bond Initiation/Deletion All received credit
61	D	CATAIR Courtesy Notice
62	B	19 CFR 133.21
63	C	19 CFR 133.1
64	A	HTSUS Chapter 9804.00.35
65	C	HTSUS Chapter 9813.00.20
66	D	19 CFR 111.2
67	E	19 CFR 159.12(a)(ii)
68	A	19 CFR 159.12(e)
69	C	19 CFR 111.45(b), Permit
70	D	19 CFR 111.30(d)(1) and 19 CFR 111.30(4)
71	B	19 CFR 111.36(c)
72	D	19 CFR 111.31(c)
73	A	19 CFR 111.29(a)
74	A	19 CFR 181.21

<u>Question</u>	<u>Answer</u>	<u>Citations(s)</u>
75	B	19 CFR 171.23
76	D	19 CFR 111.39(b)
77	B	19 CFR 111.53(e)
78	C	19 CFR 111.81
79	E	19 CFR 111.37
80	D	19 CFR 111.30(d)(4)

Reference Materials:

-HTSUS (2012 Version, No Supplements)

-Title 19, Code of Federal Regulations (revised as of April 1, 2012, Parts 0 to End)

-Customs and Trade Automated Interface Requirements (CATAIR):

- Appendix B – Valid Codes
- Appendix D - Metric Conversion
- Appendix E – Valid Entry Numbers
- Appendix G – Common Errors
- Glossary of Terms

-Instructions for Preparation of CBP Form 7501 (July 24, 2012)

-Directives:

- 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
- 3550-079A, Ultimate Consignee at Time of Entry or Release
- 3530-002A, Right to Make Entry
- 3510-004, Monetary Guidelines for Setting Bond Amounts