

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 (2015 Basic Edition, No Supplements)
- Title 19, Code of Federal Regulations (Revised as of April 1, 2015)
 - Customs and Trade Automated Interface Requirements (CATAIR)
 - Appendix B – Valid Codes
 - Appendix D – Metric Conversion
 - Appendix E – Valid Entry Numbers
 - Appendix G – Common Errors
 - Glossary of Terms
 - Instructions for Preparation of CBP Form 7501 (July 24, 2012)
 - Right to Make Entry Directive 3530-002A

This examination lasts four and a half (4.5) hours. When you finish, please give your answer sheet to the test administrator. **You may take this booklet with you.**

In addition to the 80 exam questions, U.S. Customs and Border Protection (CBP) will be administering six **voluntary** process evaluation questions. The first three questions, located in Section 1, will take place before you begin the test. The last three survey questions, located in Section 3, will take place after you complete the test, but within the test timeframe. Each set of questions is expected to take no longer than 2 minutes each. The purpose of this survey is only to inform future testing processes. These survey questions are completely **voluntary** and will have **NO** impact on your scores.

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Section 1: Pre-Examination Process Evaluation Survey

This survey is being administered to collect information about the examination process for the Customs Broker Exam. The survey is completely **voluntary** and your responses will have no impact on your scores for this exam.

1) What is your background with regard to Customs laws and regulations?

- A) Former CBP employee
- B) Works or has worked for a broker
- C) Works or has worked for an importer on trade issues
- D) No experience with Customs laws and regulations

2) How did you prepare for the Customs Broker Examination?

- A) Took an in-person course through an educational institution
- B) Took an online course through an educational institution
- C) Self-prepared
- D) Did not spend time preparing for examination

3) How many hours did you spend preparing for the examination?

- A) 1-10
- B) 11-25
- C) 26-100
- D) More than 100
- E) Did not spend time preparing for examination

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Section 2: Customs Broker License Examination

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Category I: Practical Exercises

Please use the table below to answer questions 1-3.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection ENTRY SUMMARY				Form Approved OMB No. 1651-0022 Exp. 10-31-2017					
8. Importing Carrier OOCL CANADA		9. Mode of Transport 11		1. Filer Code/Entry No. BMB-1007201-5		2. Entry Type 03 ABI/P	3. Summary Date 06/17/2015		
12. B/L or AWB No. OOLU 2534567390		13. Manufacturer ID TWCHACHU301TAI		4. Surety No. 201	5. Bond Type 8	6. Port Code 5301	7. Entry Date 08/17/2015		
16. I.T. No. V1622934183		17. I.T. Date	18. Missing Docs	10. Country of Origin TW		11. Import Date 08/10/2015			
21. Location of Goods/G.O. No. S639 BNSF HOUSTON		22. Consignee No. 99-887766500		14. Exporting Country TW		15. Export Date 05/28/2015			
25. Ultimate Consignee Name and Address				19. Foreign Port of Lading 52809		20. U.S. Port of Unloading 2709			
26. Importer of Record Name and Address PLASTIC CORPORATION OF NOWHERE 7804 MARKET ST City OCEANBREEZE State FL Zip 45678				23. Importer No. 99-887766500		24. Reference No. 23-456789100			
27.		28. Description of Merchandise		32.		33.		34.	
Line No.	29. A. HTSUS No. B. ADA/CVD No.	30. A. Grossweight B. Manifest City.	31. Net Quantity in HTSUS Units	A. Entered Value B. CHGS C. Relationship	A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No.	Duty and I.R. Tax Dollars Cents			
001 TW	2000 PCS POLY(VINYL ALCOHOLS) 3905.30.0000 TSCA:P A-583-841-001 MERCHANDISE PROCESSING FEE I.V. 88760.00 -NDC 5783.85 E.V. 92976.15	41600	40000 KG	92976 C5784 499 322.07 501 116.22	3.2% 0.0308 0.3464%	2975.23	2863.66	322.07	
Other Fee Summary for Block 39 2863.66 ANTIDUMPING DUTY				35. Total Entered Value \$ 92976.00		CBP USE ONLY		TOTALS	
Total Other Fees \$ 3301.95				A. LIQ CODE		B. Ascertained Duty		37. Duty 2975.23	
38. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT I declare that I am the <input type="checkbox"/> importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above. OR <input type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts.				REASON CODE		C. Ascertained Tax		38. Tax	
						D. Ascertained Other		39. Other 3301.95	
						E. Ascertained Total		40. Total 6277.18	
41. DECLARANT NAME				TITLE		SIGNATURE		DATE	
42. Broker/Filer Information (Name, address, phone number)				43. Broker/Importer File No.					

- 1) In Block 2, "Entry Type", what does ABI/P represent?
 - a) ABI statement paid by check or cash
 - b) ABI statement paid via Automated Clearinghouse (ACH)
 - c) ABI statement paid on a periodic monthly basis
 - d) ABI summary not paid on statement
 - e) ABI statement paid via ACH for a "live" entry/entry summary

- 2) In "Other Fee Summary for Block 39", what is the collection code for Antidumping Duties?
 - a) 012
 - b) 013
 - c) 044
 - d) 055
 - e) 103

- 3) If refunds, bills, or notices of extension or suspension of liquidation are sent to an individual or firm other than the importer of record, which block would be used to record the IRS, EIN, SSN, or CBP assigned number?
 - a) Block 13
 - b) Block 15
 - c) Block 22
 - d) Block 23
 - e) Block 24

Category II: Powers of Attorney

- 4) What form is used for giving power of attorney to transact Customs business?
- a) CBP Form 5291
 - b) CBP Form 3347
 - c) CBP Form 4647
 - d) CBP Form 368
 - e) CBP Form 7501
- 5) Where a limited partnership is the Grantor of a power of attorney, _____ must accompany the power of attorney.
- a) a copy of the partnership agreement
 - b) CBP Form 7501
 - c) a nonnegotiable check for duties due to U.S. Customs and Border Protection
 - d) a copy of the articles of incorporation
 - e) fingerprint cards and proof of citizenship of the partners
- 6) A Customs Power of Attorney issued by a partnership shall be limited to _____ year(s).
- a) 1
 - b) 5
 - c) 2
 - d) 10
 - e) unlimited

Category III: Entry

- 7) Absolute quota merchandise imported in excess of the admissible quantity may **NOT** be _____.
- a) held in a Foreign Trade Zone (FTZ) for the opening of the next quota period
 - b) held in a warehouse for the opening of the next quota period
 - c) exported
 - d) destroyed under CBP supervision
 - e) entered at a higher rate of duty
- 8) A work of fine art arrived at the Port of Miami and was admitted temporarily into the United States under chapter 98, subchapter XIII of the Harmonized Tariff Schedule of the United States. Eleven months later, the importer wants the work of art to remain in the United States under Chapter 98, Subchapter XIII for eight additional months and to be exported from the Port of Boston. What course of action should the importer take?
- a) File a consumption entry
 - b) File a written application for extension on CBPF 3173 to the Commissioner of CBP
 - c) File a written application for extension on CBPF 3173 to the Port Director of Miami before the initial twelve months has lapsed
 - d) File a written application for extension on CBPF 3173 after the twelve months has lapsed to the Director of Field Operations for the Port of Miami
 - e) File a written application for extension on CBPF 3173 to the Port Director of Boston
- 9) For merchandise entered under any temporary monthly entry program established by CBP before July 1, 1989, for the purpose of testing entry processing improvements, provided that those importations involve the same importer and exporter, the fee for processing merchandise for each day's importations at an individual port will be the lesser of the 0.3464 percent ad valorem merchandise processing fee and:
- a) \$25.00
 - b) \$400.00
 - c) \$425.00
 - d) \$485.00
 - e) \$500.00
- 10) Bills resulting from dishonored checks or dishonored Automated Clearinghouse (ACH) transactions are due _____.
- a) within 2 days of the date of issuance of the bill
 - b) within 10 days of the date of issuance of the bill
 - c) within 15 days of the date of issuance of the bill
 - d) within 20 days of the date of issuance of the bill
 - e) within 30 days of the date of issuance of the bill

- 11) A prospective participant interested in transmitting data electronically through the Automated Broker Interface (ABI) must submit which of the following documents to CBP?
- a) Power of attorney
 - b) Letter of intent
 - c) Custom's bond
 - d) Hold harmless agreement
 - e) Broker's license number
- 12) Any person, whose protest has been denied, in whole or in part, may contest the denial by _____.
- a) filing a request for accelerated disposition with U.S. Customs and Border Protection
 - b) filing a request for further review of the protest
 - c) submitting an amended protest with the Port Director of New York within 180 days of the protest denial
 - d) filing a civil action in the United States Court of International Trade
 - e) filing a protest with U.S. Customs and Border Protection after 180 days of the protest denial
- 13) What is the timeframe to submit the adjusted summary along with payment of duties, taxes and fees once the quota has gone on hold and Headquarters has authorized release of merchandise?
- a) within 5 working days after presentation
 - b) within 10 working days after presentation
 - c) within 5 working days after authorized release
 - d) within 10 working days after authorized release
 - e) any time after the authorization from Headquarters
- 14) Which of the following circumstances requires a separate entry for any portion of a split shipment?
- a) The importer pre-filed an entry with U.S. Customs and Border Protection
 - b) The portion of the shipment that arrived six 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 merchandise that arrives twelve calendar days after the first portion
 - e) The portion arriving after the importer of record filed and was granted a special permit for immediate delivery when the first portion arrived

15) Dutiable merchandise imported and afterwards exported, even though duty thereon may have been paid on the first importation, is liable to duty on every subsequent importation into the Customs territory of the United States, EXCEPT:

- a) Personal and household effects taken abroad by a resident of the United States and brought back on his or her return to this country
- b) Automobiles and other vehicles taken abroad for noncommercial use
- c) Articles exported for exhibition under certain conditions
- d) Domestic animals taken abroad for temporary pasturage purposes and returned within 11 months
- e) Articles exported under lease to a foreign manufacturer

16) What is the Shipping/Packaging Unit Code for Bulk Liquid?

- a) BL
- b) BJ
- c) BU
- d) LG
- e) VL

Category IV: Foreign Trade Zones

- 17) What is the correct entry type code to be entered on an entry summary filed for Foreign Trade Zone (FTZ) consumption merchandise?
- a) 03
 - b) 06
 - c) 21
 - d) 23
 - e) 61
- 18) Prior to any action within a Foreign Trade Zone (FTZ), the operator shall file with the port director an application for permission to manipulate, manufacture, exhibit, or destroy merchandise. Which Customs Form is used for that purpose?
- a) Customs Form 214
 - b) Customs Form 216
 - c) Customs Form 300
 - d) Customs Form 4607
 - e) Customs Form 7512
- 19) XYZ Corp. operates a manufacturing facility within a Foreign Trade Zone (FTZ). XYZ Corp. manufactures bottles using raw materials imported from Asia and admitted into the FTZ as non-privileged foreign merchandise on a Form 214. The finished bottles are then sold and delivered daily to U.S. beverage companies. Which of the following is true?
- a) XYZ Corp. does not need to file entry, as the bottles are considered products of the United States.
 - b) XYZ Corp. may enter all of its merchandise on their reconciliation report.
 - c) XYZ Corp. is not allowed to file *pro forma* invoices for this merchandise.
 - d) XYZ Corp. may file weekly entries.
 - e) XYZ Corp. does not need to file entry, as the entry was made when the raw materials were admitted into the FTZ.
- 20) On November 15, 2015, a shipment of t-shirts enters an FTZ, and does not undergo any manipulation or manufacturing while in the FTZ. On April 20, 2016, the owner of the t-shirts decides to enter 5,000 of them for sale at the local swap meet. Which form is required to enter the t-shirts?
- a) Form 3495
 - b) Form 214
 - c) Form 301
 - d) Form 7523
 - e) Form 7501

Category V: Classification

- 21) Which of the following products is NOT covered in Chapter 26: Ores, Slag & Ash?
- a) Iron ores and concentrates, including roasted iron pyrites
 - b) Copper Ores and Concentrates
 - c) Slag wool, rock wool or similar mineral wools
 - d) Nickel Ores and Concentrates
 - e) Cobalt ores and concentrates
- 22) Which of the following rules does NOT apply if merchandise is entered duty free into the U.S. under Harmonized Tariff Schedule of the United States (HTSUS) number 9802.00.5010 or 9802.00.8040?
- a) The country of origin must be the U.S. or a CBI country.
 - b) The country of export must be a CBI country.
 - c) The additional tariff number must be reported with the 9802 number and the number cannot begin with 2709 or 2710.
 - d) The additional HTS number cannot be associated with a textile category number unless the number is from chapter 62.
 - e) None of the above
- 23) Textile or apparel product is any good classifiable in Chapters 50 through 63 of the Harmonized Tariff Schedule of the United States (HTSUS), and any good classifiable under which one of the following HTSUS headings or subheadings?
- a) 9113.90.40
 - b) 1213.00
 - c) 2833
 - d) 4407.10
 - e) None of the above
- 24) What is the classification for the 10th copy of a bronze statue cast from an original mold created twenty (20) years after the original artist has died?
- a) 7419.91.0050
 - b) 7419.99.5050
 - c) 8306.21.0000
 - d) 9703.00.0000
 - e) None of the above

25) The Miami Sound Machine music store is importing cellos from a manufacturer in Spain for a client in Orlando, FL. Included in the shipment are forty of each of the following: cellos, black and red cello cases, and bows. The store will sell each cello, case, and bow as a unit to the Florida client. Which of the following statements describes how these items will be classified?

- a) The cellos, cases, and bows all must be separately classified.
- b) The cases and bows shall be classified with the cellos.
- c) The bows shall be classified with the cellos, but the cases must be separately classified.
- d) The bows shall be classified with the cases, but the cellos must be separately classified.
- e) The cases shall be classified with the cellos, but the bows must be separately classified.

26) A clothing set for a child measures 85 centimeters, consists of a 100 percent cotton woven dress, and coordinates 100 percent cotton knit diaper cover. The items are imported together, presented as a set, and intended to be worn together by the same person. What is (are) the classification(s) for this clothing set?

- a) 6111.20.6030/6209.20.1000
- b) 6111.20.6070/6209.20.1000
- c) 6111.20.6030/6209.20.5045
- d) 6111.20.6020
- e) 6209.20.5035

27) For the purposes of subheading 2601.11.0060, the term “coarse” refers to iron ores with a majority of individual particles having a diameter _____.

- a) less than 3.50 mm
- b) between 1 to 2 mm
- c) exceeding 4.75mm
- d) between 2 to 3 mm
- e) less than 4.50 mm

28) Bitrex, also known as Denatonium Benzoate, is an aromatic, cyclic amide indicated for use as a denaturant and bittering agent. It is imported from Singapore and classified in HTS 2924.29.7100. The importer has provided the Chemical Abstract Service (CAS) number, 3734-33-6, and certified that it is not listed in the Chemical Appendix to the Tariff Schedule. What is the rate of duty for Bitrex?

- a) 0%
- b) 3.7%
- c) 5.9%
- d) 6.5%
- e) 15.4%/kg + 58%

29) What is the classification for 48 hair combs, worn in the hair, made of silver (a precious metal), valued at \$22 per dozen pieces?

- a) 9615.19.2000
- b) 7113.11.2080
- c) 9615.11.1000
- d) 7113.11.5080
- e) 9615.19.4000

30) What is the classification of a woman's 70% rayon (artificial) / 30% wool knit suit comprised of a divided skirt and a suit coat? The skirt and suit coat are of the same fabric construction, color, composition, style and size.

- a) 6204.19.2000
- b) 6104.13.1000
- c) 6104.19.1000
- d) 6204.39.3010
- e) 6104.19.1500

31) What is the classification for leather golf bags?

- a) 4202.92.4500
- b) 6305.90.0000
- c) 9506.39.0080
- d) 4202.91.0010
- e) 9506.99.6080

32) A pneumatic handheld impact riveter is imported by a civil aircraft manufacturer in Philadelphia. The riveter is specially designed and is used for attaching metal sheeting on aircraft. What is the classification of the riveter?

- a) 8705.10.0010
- b) 8803.20.0030
- c) 8467.21.0010
- d) 8467.19.1000
- e) 8203.30.0000

Category VI: Valuation

- 33) ABC Steel purchased carbon steel bars from a manufacturer in Ontario, Canada. ABC Steel paid \$19,000, ex-factory, in Canadian dollars. The steel bars arrived at the Detroit Port of Entry via semi-tractor trailer on 5/6/2015, and the shipment was released the same day. The applicable currency exchange rate is .793021. The invoice price does not include duty at 2.9%, merchandising processing fee at .3464%, or freight charges of \$1,628. What is the entered value of this shipment?
- a) \$17,372
 - b) \$19,000
 - c) \$15,067
 - d) \$13,017
 - e) \$18,403
- 34) What is the amount of duties and fees for goods entered in the U.S. for a shipment with the following characteristics?
- Contains seven (7) 31mm ball bearings with integral shafts
 - Is manufactured by XYZ Company from Germany with a value of \$7,598.00.
 - Has an applicable anti-dumping duty deposit rate is 68.89%, HTS 8482.10.1080 @2.4% duty rate and MPF.3464%
- a) \$5260.57
 - b) \$5234.26
 - c) \$5416.61
 - d) \$5442.92
 - e) \$208.66
- 35) Which of the following individuals is NOT considered when determining a related party transaction, as defined in the Tariff Act of 1930?
- a) Employer and Employee
 - b) Members of the same family, including brothers and sisters (whether by whole or halfblood), spouse, ancestors, and lineal descendants
 - c) Any officer or director of an organization and such organization
 - d) Any person, directly or indirectly, owning, controlling or holding with power to vote, less-than four percent of the outstanding voting stock or shares of any organization and such organization.
 - e) An officer or director of an organization and an officer or director of another organization, who is also an officer or director in the other organization.

- 36) Which of the following is an exclusion from transaction value?
- a) The packing costs incurred by the buyer with respect to the imported merchandise
 - b) The transportation cost of the merchandise after its importation, when identified separately from the price actually paid or payable
 - c) A mold used in the production of the imported goods, supplied free of charge by the buyer to the manufacturer
 - d) The price actually paid or payable for the imported merchandise
 - e) A selling commission incurred by the buyer with respect to the imported merchandise
- 37) The foreign commercial invoice before you shows a value of \$7200 with an addition of \$800 for “distributor fee”, or a total invoice value of \$8000. The nature of the fee charged by the seller was to compensate the exclusive U. S. distributor who, by agreement with the foreign seller, receives 10% of all sales in the U. S. as a commission. They receive this regardless of whether or not they actually make the sale. What is the \$800?
- a) Not part of Transaction Value
 - b) A buying commission to be added to the price actually paid or payable
 - c) A buying commission; part of the price actually paid or payable
 - d) A selling commission to be added to the price actually paid or payable
 - e) A selling commission; part of the price actually paid or payable
- 38) A U.S. television manufacturer contracts with a manufacturer in China to produce 500 bare printed circuit boards at a cost of \$50 per board. The U.S. television manufacturer also contracts with a design company in New York to prepare the schematics for use in the production of the bare printed circuit boards at a cost of \$20,000. Upon completion, the bare printed circuit boards are exported from China to Malaysia for further processing into printed circuit board assemblies for televisions at a cost of \$200 per assembly. The completed printed circuit board assemblies are shipped to the U.S. television manufacturer and an invoice from the Malaysia manufacturer in the amount of \$100,000 is included in the shipment at the time of importation. What is the transaction value of this shipment?
- a) \$20,000
 - b) \$100,000
 - c) \$120,000
 - d) \$125,000
 - e) \$145,000

VII: Free Trade Agreements

- 39) Which of the following elements determine whether a particular good qualifies under the Generalized System of Preferences (GSP) value content requirement?
- a) Cost or value of originating materials
 - b) Direct cost of processing
 - c) Cost or value of originating materials plus direct costs of processing that are greater than or equal to 35% of the appraised value of the good
 - d) Cost or value of originating materials plus direct costs of processing that are less than 35% of the appraised value of the goods.
 - e) Cost or value of originating materials plus direct costs of processing that are greater than or equal to 45% of the appraised value of the good.
- 40) A Merchandise Processing Fee (MPF) is exempt for originating goods from which Free Trade Agreement listed below?
- a) Jordan JOFTA
 - b) Australia AUFTA
 - c) Morocco MAFTA
 - d) China CHFTA
 - e) Egypt QIZ
- 41) Where no claim for preferential treatment under the North American Free Trade Agreement was made at the time of importation, an importer may file a claim for preferential treatment under NAFTA within _____.
- a) 1 year from the date of exportation of the goods
 - b) 1 year from the date of the importation of the goods
 - c) 1 year from the date of liquidation of the entry
 - d) 80 days from the date of liquidation of the entry
 - e) 314 days from the date of exportation of the goods
- 42) The NAFTA Certificate of Origin must be retained in the _____.
- a) U.S. by the importer until notification of liquidation is received from CBP
 - b) NAFTA country of origin by the producer for one year after liquidation
 - c) NAFTA country of origin by the producer for five years after liquidation
 - d) U.S. for five years after entry of the good with all relevant documentation
 - e) NAFTA country of origin for five years after date of liquidation

43) When an importer is making a claim of preferential tariff treatment under the United States-Australia Free Trade Agreement, the importer indicates their claim on the CBP Form 7501. Which of the following special program indicator should be used?

- a) A+
- b) MX
- c) AU
- d) CL
- e) K

44) Which of the following is NOT a direct cost of processing operations performed in the beneficiary developing country?

- a) All actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job-training, and the cost of engineering, supervisory, quality control, and similar personnel
- b) General expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salaries, commissions, or expenses
- c) Dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise
- d) Costs of inspecting and testing the specific merchandise
- e) Research, development, design, engineering, and blueprint costs insofar as they are allocable to the specific merchandise

VIII: Drawback

- 45) Which form must be presented to CBP to request exportation of merchandise that is intended for a rejected merchandise drawback claim?
- a) CBP Form 7512
 - b) CBP Form 7551
 - c) CBP Form 7553
 - d) CBP Form 7523
 - e) CBP Form 7533
- 46) A person may be certified in the drawback compliance program after meeting the core requirements established under this program. In order to be certified as a participant in the drawback compliance program or negotiated alternative drawback compliance program, the party must be able to demonstrate all of the following EXCEPT:
- a) Understanding of the legal requirements for filing claims, including the nature of the records that are required to be maintained and produced and the time period involved
 - b) Having established procedures explain the Customs requirements to those employees involved in the preparation of claims, and the maintenance and production of required records.
 - c) Having a dependable individual(s) who will be responsible for compliance under the program, and maintenance and production of required records.
 - d) Having an established a record maintenance program approved by Customs regarding original records or, if approved by Customs, alternative records or recordkeeping formats for other than the original records.
 - e) Having procedures for notifying the importer of variances in, or violations of, the drawback compliance or other alternative negotiated drawback compliance program, and for taking corrective action when notified by the importer of violations and problems regarding such program.
- 47) The method by which fungible merchandise or articles are identified on the basis of calculation by recordkeeping of the amount of drawback that may be attributed to each unit of merchandise or articles in the inventory. Which of the following approved accounting method is utilized by Customs and Border Protection?
- a) Average
 - b) Inventory turn-over for limited purposes
 - c) Low-to-High
 - d) Last-in, first out
 - e) First-in, first out

48) Upon review of a drawback claim, if the claim is determined to be incomplete, the claim will be rejected and Customs will notify the filer in writing. The filer shall then have the opportunity to complete the claim subject to the requirement for filing a complete claim within _____.

- a) 2 days
- b) 30 days
- c) 1 years
- d) 2 years
- e) 3 years

49) Which of the following parties does NOT have authority to sign drawback documents?

- a) Owner of a sole proprietorship
- b) An individual acting on his/her behalf
- c) Licensed Customs broker without a power of attorney
- d) A full partner of a partnership
- e) President, Vice President, Secretary, Treasurer, or any employee legally authorized to bind the corporation

IX: Antidumping and Countervailing Duties

50) Qualifying expenditures which may be offset by a distribution of assessed antidumping and countervailing duties must fall within the categories described below with the exception of?

“These expenditures must be incurred after the issuance, and prior to the termination, of the antidumping duty order or finding or countervailing duty order under which the distribution is sought. Further, these expenditures must be related to the production of the same product that is the subject of the related order or finding, with the exception of expenses incurred by associations which must relate to a specific case.”

- a) Manufacturing facilities
- b) Housing
- c) Personnel training
- d) Health Care Benefits for employees paid for by the employer
- e) Equipment

51) Which entry types(s) may be used for merchandise subject to antidumping/countervailing duties (AD/CVD)?

- a) 03
- b) 07
- c) 34
- d) 38
- e) All of the above

52) _____ is required prior to liquidation of an entry subject to an antidumping/countervailing duty order or those duties will be doubled upon liquidation.

- a) A Certificate of manufacturing
- b) A sales receipt
- c) A reimbursement certificate
- d) Meeting with Import Specialists
- e) An Invoice

Category X: Marking

- 53) Which of the following parties CANNOT request a country-of-origin advisory ruling or final determination?
- a) A foreign Manufacturer, producer, or exporter, or a United States importer of the merchandise
 - b) A manufacturer, producer, or wholesaler in the United States of a like product
 - c) United States members of a labor organization or other association of workers whose members are employed in the manufacture, production, or wholesale in the United States of a like product
 - d) A trade or business association a majority of whose members manufacture, produce, or wholesale a like product in the United States
 - e) The Port Director to where the merchandise has arrived
- 54) How many days does CBP have before it is required to notify the importer that it is detaining goods to determine admissibility relative to possible counterfeit trademarks?
- a) 5 business days
 - b) 5 calendar days
 - c) 7 calendar days
 - d) 10 business days
 - e) 10 calendar days
- 55) What is the fee for recording a trademark with CBP for a United States Patent and Trademark Office (USPTO) registration that includes four classes of goods?
- a) \$190
 - b) \$0
 - c) \$300
 - d) \$760
 - e) \$380
- 56) Which article is NOT exempt from country of origin marking requirements when imported into the United States?
- a) A unicycle that was manufactured in 1953
 - b) A clothes dryer machine made in Wisconsin
 - c) An original oil painting produced in France
 - d) A printed poster produced in Italy
 - e) A set of glasses to be used by the importer

57) Additional duties will be assessed at _____ for failure to mark the article (or container) to indicate the English name of the country of origin of the article or to include words or symbols required to prevent deception or mistake.

- a) 5%
- b) 10%
- c) 15%
- d) 20%
- e) 100%

Category XI: Broker Compliance

- 58) The license of a broker that is a corporation or association can be revoked by operation of law if it fails for _____ continuous days to have at least one officer of the corporation or association who holds a valid individual broker license.
- a) 30
 - b) 60
 - c) 120
 - d) 160
 - e) 180
- 59) The negligent failure to produce entry documents required by law or regulation for the entry of merchandise after a lawful demand by CBP, will subject the person who is required to maintain the documents to a penalty, per release of merchandise. What is the maximum penalty?
- a) \$100,000 or an amount equal to 75% of the appraised value of the merchandise, whichever is less
 - b) \$25,000 and 50% of the appraised value of the merchandise
 - c) \$10,000 or an amount equal to 40% of the appraised value of the merchandise, whichever amount is less
 - d) \$1,000,000 or an amount equal to 75% of the appraised value of the merchandise, whichever amount is less
 - e) No penalty applicable
- 60) Requests for alternative methods of storage for records, other than those that are required to be maintained as original records under laws and regulations administered by other Federal government agencies, must be made from which of the following offices?
- a) Port Director, in the port where the records will be stored
 - b) Broker Management Office, Washington, DC
 - c) Regulatory Audit, Charlotte, NC
 - d) Director of Field Operations, in the District where the records will be stored
 - e) National Finance Office, Indianapolis, IN
- 61) Which of the following is NOT “Customs Business” as defined in the Code of Federal Regulations?
- a) The payment of duties, taxes and fees
 - b) Corporate compliance activity
 - c) Determining the admissibility of merchandise
 - d) Determining the classification and valuation of merchandise
 - e) The preparation and filing of CBP Form 7501

- 62) When a broker is employed for the transaction of customs business by an unlicensed person, who is not the actual importer, the broker must transmit _____.
- a) the entry in ACS immediately, as this type of transaction is new and only accepted in ACS
 - b) the entry in ACE immediately, as this type of transaction is new and only accepted in ACE
 - c) a copy of the importer's bill for services rendered or a copy of the entry
 - d) Customs Form 5106 for the unlicensed person
 - e) a Power of Attorney to Customs and Border Protection on behalf of the unlicensed person
- 63) XYZ Brokerage is located in New York. It is permitted to conduct Customs business in the ports of New York, Florida, California, and Alabama. The individual qualifying the permit in New York leaves the brokerage. Which statement is correct?
- a) The broker has only 120 days to replace the individual qualifying the permit in New York.
 - b) The broker may demonstrate to the Port Director in New York that the licensed individual qualifying the Alabama permit can exercise responsible supervision and control over the business conducted in New York.
 - c) A waiver from the requirements of CR 111.11 can be granted because that is where the corporate license was issued.
 - d) There is no requirement to replace the licensed individual in New York as long as it is shown that the quality of work rendered by the employees in New York is the same as that rendered by the licensed individual.
 - e) XYZ Brokerage has only 180 days to replace the individual qualifying the permit in New York.
- 64) If a broker that is a partnership, association, or corporation fails to have at least one member or officer who holds a valid individual broker's license during any continuous period of _____, the license and any permits will be revoked by operation of law.
- a) 30 days
 - b) 60 days
 - c) 120 days
 - d) 180 days
 - e) 360 days
- 65) What is the deadline for a Licensed Customs Broker to file a status report?
- a) March 31st of the reporting year
 - b) January 1st of each year
 - c) February 1st of each third year
 - d) December 31st of each third year
 - e) April 30th of each second year

Category XII: Fines and Penalties

- 66) From June 2015 to September 2015, an importer entered five shipments of widgets as consumption entries despite his Customs attorney having advised him the widgets are subject to an antidumping case. In October 2015, CBP determined that the widgets should have been entered as antidumping entries and that the appropriate cash deposit rate for the widgets at the time of entry was 0.00%. Which of the following best describes the culpability of the importer for a penalty under 19 U.S.C. § 1592?
- a) The importer is not culpable because there was no loss of revenue.
 - b) The importer is not culpable because, as the cash deposit rate is 0.00%, he is not liable for antidumping duties.
 - c) The importer is not culpable because CBP had previously released five shipments of the same merchandise, which is a contributory Customs error.
 - d) The importer may be culpable because the error affects CBP's determination of whether an unfair trade practice has been committed.
 - e) The importer is culpable, but he will not receive a penalty if his customs attorney can show that his advice was given prior to the commencement of any CBP investigation.
- 67) A prior disclosure must _____.
- a) disclose the circumstances of the exportation violation
 - b) include the disclosing party's calculation of the loss of revenue
 - c) specify the material false statements, omissions or acts and explain how and when they occurred
 - d) be submitted in response to a government issued notice of formal investigation
 - e) not involve entries subject to a drawback claim
- 68) When filing a prior disclosure, the disclosing party may choose to make the tender of actual loss of duties, taxes, and fees, or actual loss of revenue. When must the disclosing party make the tender of actual loss of duties, taxes, and fees, or actual loss of revenue?
- a) Within 1 year of filing the prior disclosure
 - b) At the time of the claimed prior disclosure or within 30 days after Customs notifies the person in writing of Customs calculation of the actual loss of duties, taxes and fees or actual loss of revenue
 - c) At the time of the claimed prior disclosure or within 90 days after Customs notifies the person in writing of Customs calculation of the actual loss of duties, taxes and fees or actual loss of revenue
 - d) Within 1 year of filing the prior disclosure or within 30 days after Customs notifies the person in writing of Customs calculation of the actual loss of duties, taxes and fees or actual loss of revenue
 - e) Within 90 days after Customs notifies the person in writing of Customs calculation of the actual loss of duties, taxes and fees or actual loss of revenue

69) Petition for relief must be filed within _____ from the date of mailing to the bond principal the notice of claim for liquidated damages or penalty secured by a bond.

- a) 2 days
- b) 10 days
- c) 30 days
- d) 60 days
- e) 90 days

70) An error in the liquidation of an entry covering household or personal effects may be corrected by the port director even though a timely protest was not filed if entry was made before December 18, 2004 and an application for refund is filed with the port director _____ and no waiver of compliance with applicable regulations is involved other than a waiver which the port director has authority to grant. Where the port director has no authority to grant the waiver, the application will be referred to the Commissioner of CBP.

- a) Within 10 days after the date of entry
- b) Within 30 days after the date of entry
- c) Within 60 days after the date of entry
- d) Within 90 days after the date of entry
- e) Within 1 year after the date of entry

71) If the Fines, Penalties, and Forfeitures Officer has reasonable cause to believe that a violation of section 592, Tariff Act of 1930, as amended (19 U.S.C. 1592), has occurred, and determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to issue a claim for a monetary penalty. The prepenalty notice shall be issued whether or not a seizure has been made. The prepenalty notice shall contain all of the below EXCEPT:

- a) Description of merchandise
- b) State the actual loss of duties, if any and demand payment immediately
- c) Specify all laws and regulations allegedly violated
- d) Disclose all material facts which established the alleged violation
- e) State whether the alleged violations occurred as the result of fraud, gross negligence or negligence

Category XIII: Bonds

- 72) If the principal gets free release of any serially numbered shipping container classifiable under subheading 9801.00.10 or 9803.00.50, Harmonized Tariff Schedule of the United States (HTSUS), the principal agrees to all of the following **EXCEPT**:
- a) To advance the value and improve its condition abroad or claim (or make a previous claim) drawback on any container released under subheading 9801.00.10, HTSUS.
 - b) To pay the initial duty due and otherwise comply with every condition in subheading 9803.00.50, HTSUS, on any container released under that item
 - c) To mark that container in the manner required by Customs
 - d) To keep records which show the current status of that container in service and the disposition of that container if taken out of service
 - e) To remove or strike out the markings on that container when it is taken out of service or when the principal transfers ownership of it
- 73) With regards to the disposition of merchandise on a basic custodial bond, the principal agrees to all of the following **EXCEPT**:
- a) If a bonded carrier, to report promptly the arrival of merchandise at the destination port by delivering to CBP the manifest or other approved notice.
 - b) If a cartage or lighterage business, to deliver promptly and safely to CBP any merchandise placed in the principal's custody together with any related cartage and lighterage ticket and manifest.
 - c) To dispose of merchandise in a manner authorized by CBP Regulations.
 - d) To file timely with CBP any report required by CBP Regulations.
 - e) In the case of Class 9 warehouses, to provide reasonable assurance of exportation of only merchandise subject to excise taxes that is withdrawn under the sales ticket procedure of §144.37(h) of this chapter.
- 74) The principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter, including but not limited to, providing security filing information to Customs and Border Protection in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) must pay liquidated damages of _____ for each violation.
- a) \$1,000
 - b) \$2,000
 - c) \$5,000
 - d) \$10,000
 - e) \$15,000

75) A bond is not required on an importation of a vehicle when:

- a) A vehicle that conforms to the EPA & DOT standards is purchased by a U.S. Citizen for resale in the United States within one year of importation.
- b) The vehicle is imported by a U.S. military employee on commission for another person.
- c) The vehicle conforms to the EPA & DOT standards and was recently purchased abroad by a nonresident already living in the United States who had the vehicle shipped directly from the foreign factory to his U.S address for his personal use while employed in the United States.
- d) An EPA & DOT conforming vehicle is imported in connection with the arrival of a nonresident, to be used in the United States only for his or her personal transportation, and will not be resold within 1 year after the date of importation.
- e) A bond is required on all types of vehicle importations.

76) Too Loud Audio imported three speakers as samples for use in taking orders under a Temporary Importation Bond (TIB) on June 1, 2012, subheading classification 9813.00.20. They have extended the expiration period by two one-year time periods. In May, 2015 the broker notifies the importer that the TIB is about to reach its expiration date. The importer has indicated that it will not be able to export or destroy the speakers by the TIB's expiration date. What is the importer's best option?

- a) Extend the TIB for an additional one-year time period
- b) File an anticipatory breach and pay liquidated damages of 110% of all duties and the merchandise processing fee
- c) Export similar speakers of the same value
- d) File an anticipatory breach and pay liquidated damages for double the duties and the merchandise processing fee
- e) Sell the speakers

Category XIV: Intellectual Property Rights

- 77) Which of the following is NOT provided for in 19 CFR 133 to dispose of merchandise seized for infringement of a trademark recorded with U.S. Customs and Border Protection?
- a) Forfeiture followed by destruction of the infringing merchandise
 - b) Release of the infringing merchandise by way of a gift to a charitable institution having a need for the same when there is consent of the trademark owner, obliteration of the offending mark, and a determination by CBP that the merchandise is not unsafe or hazardous
 - c) Exportation of the infringing merchandise without obliteration of the offending mark when it is one other than a counterfeit
 - d) Release of the infringing merchandise after obliteration when the offending mark is counterfeit
 - e) None of the above
- 78) If a violation of the trademark or copyright laws is not discovered until after entry and deposit of estimated duty, the entry shall be endorsed with an appropriate notation and the duty refunded as an erroneous collection upon exportation or destruction of the prohibited articles in accordance with _____ of this chapter.
- a) 19CFR 10.581 or 10.709
 - b) 19CFR 24.3 or 24.3a
 - c) 19CFR 158.41 or 158.45
 - d) 19CFR 174.2 or 174.12
 - e) 19CFR 191.176 or 191.183
- 79) Which of the following is appropriate to challenge the seizure of merchandise for a violation of 19 USC 1526(e), as implemented by 19 CFR 133.21(d)?
- a) Filing a protest under 19 CFR 174
 - b) Filing a petition under 19 CFR 172
 - c) Filing a ruling request under 19 CFR 177
 - d) All of the above
 - e) None of the above

- 80) Which of the following is TRUE with respect to imported merchandise after the U.S. International Trade Commission (ITC) finds a violation of section 337 of the Tariff Act (19 USC 1337) and issues an exclusion order, as implemented by CBP under 19 CFR 12.39?
- a) The exclusion order is not effective until 60 days after issuance, at which point merchandise subject to the exclusion order no longer may be entered.
 - b) Merchandise subject to the exclusion order may be entered under a single entry bond, in an amount set by the ITC, from the time the exclusion order issues until the time it expires.
 - c) Merchandise subject to the exclusion order may be entered under bond, in an amount set by the ITC that is secured by the importer's basic importation bond.
 - d) Merchandise subject to the exclusion order may be entered under bond as provided for in 19 CFR 113, until the determination of a violation becomes final.
 - e) Merchandise subject to the exclusion order may not be entered after the exclusion order has issued.

STOP
THIS IS THE END OF THE TEST.

You may use the remaining time to go back and check your answers.
Please double check that your address is CORRECTLY bubbled in on your answer sheet.
Your entire address must be filled in, including apartment numbers. Incorrect bubbling of your address will delay notifications of the results of the exam. If your address does not fit into the appropriate boxes, provide the Test Administrator with your full address AFTER the exam. If you have finished double checking your information and would like to participate in the survey, please turn the page and respond to the following questions.

Section 3: Post-Examination Process Evaluation Survey

This survey is being administered to collect information about the examination process for the Customs Broker Exam. The survey is completely **voluntary** and your responses will have no impact on your scores for this exam.

- 1) How difficult was the examination?
 - A) Very Easy
 - B) Easy
 - C) Moderate
 - D) Difficult
 - E) Very Difficult

- 2) How clear were the examination questions?
 - A) Very clear
 - B) Clear
 - C) Neither clear nor difficult to understand
 - D) Difficult to understand
 - E) Very difficult to understand

- 3) Would you have liked more, less, or the same amount of time for this examination?
 - A) Less time – I finished early
 - B) Same amount of time – it was just right
 - C) Slightly more time – to consider or review my answers
 - D) More time – I did not finish the examination

April 2016 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

Question	Answer	Citations
1	C	CBP Form 7501 Instructions Page 2
2	A	CBP Form 7501 Instructions Page 20 - 21
3	E	CBP Form 7501 Instructions Page 11 – 12
4	A	19CFR141.32
5	A	19CFR141.39(a)(2)
6	C	19CFR141.34
7	E	19CFR132.5(c)
8	C	19CFR10.37, Chapter 98 subchapter 13, U.S. Note 1(a) HTSUS 9813.00.70
9	B	19CFR24.23(d)(1)
10	C	19CFR24.3
11	B	19CFR143.2
12	D	19CFR174.11 ,174.14(a), 174.22(a), 174.23, 174.26, 174.31 and 19USC1514
13	C	19CFR132.13(a)(1)(iii)(A)
14	D	19 CFR.141.57(a), (b)(3), (d)(2), (i)(1)
15	D	19CFR141.2
16	E	CATAIR – Appendix B, Shipping/Packaging Unit Codes, Page B-19
17	B	CBP Form 7501 Instructions Page 1
18	B	19CFR146.52
19	D	19CFR146.63(c)(1). 141.83(d), 146.25, 146.63(c)
20	E	19CFR141.83(d), 143.23, 146.32, 146.62
21	C	HTSUS Note 1 (e) to Chapter 26
22	D	– CATAIR – Appendix B, CBTPA NOTES, Page B-31 – Should state Chapter 64
23	A	19CFR102.21(b)(5)
24	D	HTSUS 9703.00.0000, Chapter 97, Note 3 to Chapter 97, and Additional U.S. Note 1 to Chapter 97
25	B	Chapter 92 note 2 and GRI 5(a)
26	A	General Rule of Interpretation 1,Section XI, Note 14 Additional U.S. Note 1, Chapters 61 and 62
27	C	HTSUS Statistical Note 2 to Chapter 26
28	A	HTSUS, GRI 1, GN 13, U.S. Note 3 to Section VI, Superior text to Heading 2924 Subheading 2924.29.7100, Table 1 to Pharmaceutical Appendix

Question	Answer	Citations
29	D	HTS Note 4 to Chapter 96 Chapter 71 Heading 7113 HTS Note 9 to Chapter 71 Subheading 7113.11.5080
30	C	HTSUS 6104.19.1000, Note 3(a) to Chapter 61
31	D	HTSUS 4202.91.0010, HTSUS Note 1 (d) to Chapter 95
32	D	HTSUS 8467.19.1000, Section Note XVII, Note 2(e); Section Note XV, Note 1(f)
33	C	The invoice price of \$19,000 converted to U.S. dollars, using the exchange rate of .793021 equals \$15067.40 for an entered value of \$15067.
34	D	(ADD 68.89%) \$5234.26 + (Duty 2.4%) \$182.34 + (MPF .3464%) \$26.31= \$5442.92, 19 CFR 351.101 (a) (b) (c)
35	D	19CFR152.102(g) definitions
36	B	19CFR152.103
37	D & E	19CFR152.103(b)(ii)
38	D	19 CFR 152.101, 152.102(a), 152.102(a)(iv), and 152.103(f)
39	C	HTSUS General Note 4 (b)(ii)
40	B	19CFR 24.23(c) (8)
41	B	19CFR181.31
42	D	19CFR 181.11, 19 CFR 181.12, 19 CFR 181.22
43	C	HTS General Note 3 (c)(i),HTS General Note 28,19CFR 181
44	B	19CFR10.178
45	C	19CFR 191.42 (c)
46	E	19CFR 191.92(a)(b)1,2,4,5 and 6.
47	A	19CFR191.14(c) (4)
48	E	19CFR191.52
49	C	19CFR191.6
50	B	19CFR159.61(c)
51	E	CBP Form 7501 Instructions, Block 2
52	C	19CFR 351.402 (f)(2) and (3)
53	E	19CFR177.23
54	A	19CFR133.21(b)(1)
55	D	19CFR133.3(b)
56	D	19CFR134.32 and 19CFR134.33
57	B	19CFR132.2
58	C	19CFR 111.45(a), (b), 19 U.S.C. § 1641(b)(5);
59	C	19 CFR 163.6 (b)(ii),
60	C	19 CFR 163.5 (b)(1)
61	B	19CFR111.1 definitions
62	C	19CFR111.36(a)
63	E	19CFR111.45(b)
64	C	19CFR111.45(a)
65	C	19CFR111.30(d)(1)
66	D	19 CFR 171, Appendix B, 19 CFR 162.74

Question	Answer	Citations
67	C	19CFR162.74
68	B	19CFR162.74(c)
69	D	19CFR172.3(b)
70	E	19CFR173.5
71	B	19CFR162.77
72	A	19CFR113.66(b)(1)
73	E	19CFR113.63(c)(5)
74	C	19CFR113.62(j)
75	D	19CFR 143.21(d); Ch. 98 Subchapter IV HTSUS 9804.00.35; 19 CFR 148.45; 19 CFR 10.101(d); 19 CFR 148.74(1); 19 CFR 142.4; 19 CFR 113.62(h)(1); 19 CFR 148.74(b)(1); 19 CFR 148.42(b)
76	B	19 CFR 10.39(f),
77	D	Under the relevant regulations in 19 CFR 133, merchandise seized for bearing a counterfeit mark may not be released with the mere obliteration of the offending mark, as this is expressly forbidden by 19 CFR 133.51(b) and 133.52(a) and (c).
78	C	19CFR133.53
79	E	The appropriate means to challenge a seizure under the above authority is by filing a petition pursuant to 19 CFR 171.
80	D	As provided for in 19 CFR 12.39(b)(2), an importer may enter merchandise subject to the exclusion order under the special importation and entry bond set forth in Appendix B to 19 CFR 113, until such time as the violation becomes final.

Reference Materials:

- [Harmonized Tariff Schedule of the United States](#) (2015 Basic Edition, No Supplements)
- [Title 19, Code of Federal Regulations](#) (Revised as of April 1, 2015)
- Customs and Trade Automated Interface Requirements ([CATAIR](#))
 - Appendix B – Valid Codes
 - Appendix D – Metric Conversion
 - Appendix E – Valid Entry Numbers
 - Appendix G – Common Errors
 - Glossary of Terms
- Instructions for Preparation of [CBP Form 7501](#) (July 24, 2012)
- Right to Make Entry Directive 3530-002A