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**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, No Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2012 (Parts 0 to 140, 141 to 199))
- **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 (7-24-2012)**
- **Directives**
  - 3510-04, Monetary Guidelines for Setting Bond Amounts
  - 3530-002A, Right to Make Entry
  - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
  - 3550-079A, Ultimate Consignee at time of Entry or Release

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.**

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

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## **Customs Broker License Examination**

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## Section I: Classification

1. Select the classification for a hand-operated mechanical floor sweeper, not motorized, with a plastic handle and cover. The sweeper contains an internal trash receptacle that is filled as the sweeper is pushed across the room and the brushes cause the trash to be swept into the receptacle. What is the correct classification of the floor sweeper?
  - A. 8479.89.2000
  - B. 8479.89.6500
  - C. 8479.89.7000
  - D. 9603.90.8040
  - E. 9603.90.8050
  
2. What is the correct classification of men's woven dress shirts of 85% cotton, 15% Jute, and one color in warp and filling?
  - A. 6105.10.0010
  - B. 6205.20.1000
  - C. 6205.20.2016
  - D. 6205.20.2021
  - E. 6205.20.2026
  
3. The Harmonized Tariff Schedule of the United States (HTSUS) is annotated, meaning it contains various notes in addition to those notes used at the international level. Which of the following notes are not legally binding in the United States?
  - A. Section notes
  - B. Chapter notes
  - C. Additional U.S. Notes
  - D. Statistical Notes
  - E. General Notes
  
4. The commercial invoice received with the entry package at your desk for review indicates that the imported merchandise consists of a new 2012 Mazda3 i SV 4-doors, passenger car, including the following manufacture's specifications: 2.0 liters; 2,000 cc; 4 cylinders; automatic transmission; and an interior dimension/volume of 2.6 m<sup>3</sup>. What is the correct classification of the new 2012 Mazda3 i SV?
  - A. 8703.23.0022
  - B. 8703.23.0046
  - C. 8703.23.0044
  - D. 8703.23.0062
  - E. 8703.23.0090

5. What is the correct classification of women's knitted overcoats made of 100% cotton?
- A. 6102.10.0000
  - B. 6102.20.0010
  - C. 6102.20.0020
  - D. 6102.30.0500
  - E. None of the above
6. A shipment of bicycles is presented through a CBP Form 3461 (Entry/Immediate Delivery) for Import Specialist review. The bicycles (non-motorized) are invoiced as having an outer circumference of 53.34 cm. What is the correct classification of the bicycles?
- A. 8712.00.1510
  - B. 8712.00.1520
  - C. 8712.00.1550
  - D. 8712.00.2500
  - E. 8712.00.3500
7. What is the correct classification of vulcanized neoprene rubber seals used in the engine of a motor vehicle?
- A. 3926.90.4590
  - B. 4016.93.5050
  - C. 4016.99.6010
  - D. 8409.91.5081
  - E. 8708.99.8180
8. Select the classification for coffee oil that is an extract of coffee produced by the mechanical pressing of roasted coffee beans. It does not contain any essential oils or sugars, it is not decaffeinated, and it is used in instant coffee. What is the correct classification of the coffee oil?
- A. 0901.21.0045
  - B. 1515.29.0040
  - C. 1801.00.0000
  - D. 2101.11.2129
  - E. 2101.11.2131
9. What is the correct classification of 500 dozen women's girdles produced from 100% polyester knitted fabric?
- A. 6108.91.0015
  - B. 6108.92.0015
  - C. 6212.20.0010
  - D. 6212.20.0020
  - E. 6212.20.0030

10. What is the correct classification of a fish product described as cooked “Australian Herring” (species *Arripis georgianus*) fillets that are 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
11. What is the correct classification of frozen, uncooked, shrimp stuffed ravioli packaged with a white wine sauce made in Italy, which contains 51% by weight of shrimp?
- A. 1605.29.0500
  - B. 1605.29.1010
  - C. 1605.29.1040
  - D. 1902.19.4000
  - E. 1902.20.0040
12. Which classification is subject to Subheading Note 1?
- A. 1701.13.5000
  - B. 1702.90.2000
  - C. 1702.20.2210
  - D. 1703.10.3000
  - E. 1704.90.3590
13. A provision in the Harmonized Tariff Schedule of the United States (HTSUS) allows a free rate of duty for U.S. goods returned (articles for temporary use while abroad) after being exported. However, these goods cannot be advanced in value, or improved in condition by any process of manufacture or other means while abroad. Which of the following HTSUS number should be assigned for the above statement?
- A. 1501.10.00
  - B. 3925.90.00
  - C. 8402.19.00
  - D. 9801.00.10
  - E. None of the above

14. Select the classification for a “heated blanket.” The electric blanket consists of electric wires that are sandwiched between two layers of 100% polyester knit fleece fabric that are hemmed on all sides. An electric controller and power cord are included. What is the correct classification of the electric blanket?
- A. 6301.10.0000
  - B. 6304.93.0000
  - C. 8543.70.9650
  - D. 8708.99.8180
  - E. 9404.90.8505
15. What is the correct classification of leather baseball batting gloves?
- A. 4203.21.2000
  - B. 4203.21.8060
  - C. 4203.29.0500
  - D. 9506.91.0030
  - E. 9506.99.1500
16. Your client is importing a remote control device designed to control a television and operate a variety of traditional home entertainment equipment. Each unit is handheld, wireless, programmable, and operates solely by infrared technology. What is the correct classification of the remote control device being imported?
- A. 8517.62.0050
  - B. 8526.91.0040
  - C. 8526.92.0000
  - D. 8537.10.9070
  - E. 8543.70.9650
17. Select the classification for women’s footwear with open toes or open heels. The shoes have an external surface area made of cotton on the top, and have outer soles of textile materials, which have the greatest surface area in contact with the ground. What is the correct classification for the shoes?
- A. 6404.19.25.60
  - B. 6404.19.36.60
  - C. 6404.19.37.60
  - D. 6404.19.42.60
  - E. 6405.90.90.00

18. What is the correct classification of fresh or chilled boneless bovine meat that is not processed and imported from Australia with a beef export certificate?

- A. 0201.30.0600
- B. 0201.30.5000
- C. 0201.30.8090
- D. 0202.20.5000
- E. 0204.23.4000



## Section II: Drawback

19. Which one of the following criteria is not used in the demonstration of a claimant in order to be exempt from the restructuring of a drawback claim?
- A. Complexities caused by multiple manufacturing locations
  - B. Complexities caused by significantly different methods of operation
  - C. Complexities caused by misinterpretation of the various regulations
  - D. Complexities caused by difficulty in adjusting accounting and inventory records
  - E. Complexities caused by multiple commodities or the applicable general manufacturing drawback ruling or the specific manufacturing drawback ruling
20. On March 15, 2005, a machine was imported into the United States and was tested for precision. The imported machine was then sold and exported to a customer in Canada. How much of the imported duty paid may be requested for a refund on a drawback claim?
- A. None
  - B. Partial
  - C. 99%
  - D. Lesser of the two
  - E. 100%
21. Importer A imported shirts into the United States on July 15, 2011. These shirts remained in a warehouse until sold. Importer A finds a foreign buyer for these shirts on September 20, 2011. The shirts were exported on October 15, 2011. Within how many years must the drawback claim be filed from the date of export?
- A. 3 years
  - B. 4 years
  - C. 5 years
  - D. 6 years
  - E. 7 years
22. Company ABC imported shoes from Italy on June 2, 2011. Company ABC sells the shoes to Company 123 (located in the U.S.) on June 30, 2011. Company 123 exports the shoes to Germany. What must Company ABC obtain in order to claim drawback on the imported shoes?
- A. Certificate of manufacture from the exporter
  - B. Letter of credit from the exporter
  - C. Notice of intent to export from the exporter
  - D. Certificate of delivery from the exporter
  - E. Certification from the exporter waving the right to drawback

23. Which one of the following duties or fees is not subject to drawback?

- A. Antidumping duties
- B. Duties paid on a warehouse withdrawal
- C. Duties paid on a prior disclosure
- D. Duties paid on after liquidation
- E. Internal Revenue Taxes

24. Which form must be presented to CBP to request to export merchandise that is intended to be claimed on a rejected merchandise drawback?

- A. CBP Form 7512
- B. CBP Form 6043
- C. CBP Form 7553
- D. CBP Form 3495
- E. CBP Form 3311

### **Section III: Entry**

25. When can a broker be listed as an ultimate consignee on a formal entry?
- A. The ultimate consignee has not been determined the importer, and the broker is not the owner of the merchandise
  - B. The delivery destination of the merchandise has not yet been determined by the importer
  - C. There is no known U.S. buyer and the accompanying documentation shows the broker's premises as the delivery location for the merchandise
  - D. The merchandise is owned by a foreign company and the location of the delivery for the merchandise is unknown
  - E. The merchandise is going be exported through another port
26. What is the correct entry type code for a warehouse withdrawal with a quota/visa and anti-dumping/countervailing duty (AD/CVD) combination?
- A. 02
  - B. 03
  - C. 22
  - D. 38
  - E. 23
27. Which one of the following nonresident principals may import their merchandise into the U.S. Customs territory?
- A. A Brazilian corporation importing electronic generators through the port of Laredo, Texas.
  - B. A Cuban exile, residing in Dominican Republic and importing cigars (of Cuban origin) into the district limits of Miami, Florida.
  - C. A U.S. corporation that is incorporated in the state of Delaware, importing automobile parts.
  - D. A German corporation that has provided to their agent (a Customs broker) a power of attorney absent the service of process statement.
  - E. A Chinese vendor, a legal partnership, importing medical supplies into the U.S. Virgin Islands.
28. What information is not required on a commercial invoice furnished with the entry, before release of the merchandise is authorized?
- A. A description of the merchandise
  - B. The value of the merchandise
  - C. The name and complete address of the foreign individual or firm responsible for invoicing the merchandise
  - D. The in-bond number assigned at the U.S. port of unlading
  - E. Quantities of the merchandise

29. An importer places an order for beer steins in Germany on January 1, with a manufacturer, Gregor International GmbH (“Gregor”), who demands payment in Euros. The Euros are wire transferred to Gregor in Germany and received by Gregor on January 3. The steins are exported to the United States on January 4, by ship, and arrive at the CBP Port of Entry in New York on January 10. An entry summary is filed on January 17. Which date is used for conversion of the Euros into U.S. dollars for CBP purposes?
- A. January 1
  - B. January 3
  - C. January 4
  - D. January 10
  - E. January 17
30. Which of the following is not an acceptable format for reporting an IRS, social security, or a Custom and Border Protection (CBP) assigned number for the consignee on CBP Form 7501?
- A. NN-NNNNNNNN
  - B. YYDDPP-NNNNN
  - C. NNN-NN-NNNN
  - D. NNNNN-YYDDPP
  - E. NN-NNNNNNNXX

Using the below-identified abbreviated CBP Form 7501 “Entry Summary” for questions 31 through 35.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection			1. Filer Code / EntryNo. ABC-1234567-8	2. Entry Type 01 ABI/A	3. Summary Date 01/17/12
<b>ENTRY SUMMARY</b>			4. Surety No. 891	5 Bond Type 8	6. Port Code 3901
8. Importing Carrier MAERSK SENGANG		9. Mode of Transport 11	10. Country of Origin ID		11. Import Date 01/02/12
12. B/L or AWB No. MAEU751824346		13. Manufacturer ID IDBAKFUR5896JAK	14. Exporting Country MY		15. Export Date 12/03/11
16. I.T. No. V0670830522	17. I.T. Date 01/02/12	18 Missing Docs	19. Foreign Port of Lading 55700	20. U.S. Port of Unlading 3001	
21. Location of Goods/GO No. H572 BNSF LOGISTICS PARK - CHI		22. Consignee No. SAME	23. Importer No. 04-0422353- 00	24. Reference No.	
26. Ultimate Consignee Name and Address City State TX Zip			26. Importer of Record Number and Address INSIDE INTERIORS, INC. 602 AVENUE J City LUBBOCK State TX Zip 79401		

31. Which date is used for calculating the applicable rate of duty?

- A. Export
- B. Import
- C. Entry
- D. Entry Summary
- E. Immediate Transportation

32. Block 39 of CBP Form 7501 should reflect which Fee Class Code?

- A. 012
- B. 013
- C. 311
- D. 501
- E. 610

33. What is the entered merchandise?

- A. Extruded rubber thread from Malaysia that is subject to an antidumping duty
- B. Oil circular tubular goods from Indonesia subject to a countervailing duty
- C. Tuna caught in Indonesian waters that is subject to a tariff rate quota
- D. Women’s apparel that is placed in a foreign trade zone
- E. Wooden bedroom furniture from Indonesia

34. In what location was the merchandise unladen?

- A. Lubbock, Texas
- B. Chicago, Illinois
- C. Seattle, Washington
- D. Los Angeles, California
- E. Miami, Florida

35. What is the minimum amount of the bond?

- A. \$0
- B. \$8,000
- C. \$25,000
- D. \$50,000
- E. \$100,000

**Use the below-identified abbreviated CBP Form 7501, answer questions 36 through 39.**

27. Line No.	28. Description of Merchandise			32. A. Entered Value B. CHGS C. Relationship	33. A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No.	34. Duty and I.R. Tax Dollars Cents
	29. A. HTSUS No. B. ADA/CVD Case No	30. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units			
001	OLIV, OTH, CONT>8KG, WHOL STUFFED 2005.70.2520	20,001 KG	12,320 KG	_____ N	_____ per KG _____ % Exchange Rate 1.4164	_____ Dollars _____ Cents Entered Value
	499 – Merchandise Processing Fee					
	Totals for Invoice 023		Invoice Value 25,379.00 EUR	+/- MMV		

36. What is the “Total Entered Value”?

- A. \$0 (commercial sample)
- B. \$17,918
- C. \$25,379
- D. 25,379 Euros
- E. \$35,947

37. What is the date used for currency conversion purposes?

- A. Export
- B. Import
- C. Entry
- D. Entry summary
- E. Immediate transportation


38. What is the amount of duty due?

- A. \$0.00 (stuffed olives from the European Union are Category 1 “Special Rate of duty)
- B. \$1,059.52
- C. \$1,184.04
- D. \$1,720.08
- E. \$2,779.60

39. Which of the following would apply to the importation of the olives?

- A. A tariff rate quota
- B. An absolute quota
- C. An antidumping duty order
- D. The Federal Food, Drug and Cosmetic Act
- E. A countervailing duty order

Using the below extract of the CBP Form 7501 answer questions 40 and 41.

41. DECLARANT NAME	TITLE	SIGNATURE	DATE
CHESLEY WALKER	A.I.F.		05/22/2012
42. BROKER/FILER INFORMATION (Name, address phone no.)		43. Broker/Importer File No.	
CDM LOGISTICS & CONSULTING INC. DBA QUICK CUSTOMS PO BOX 34552 LUBBOCK TX 79401 806-791-1319		6551115	
		CBP FORM 7501 (06/09)	

40. Which of the following is the licensed U.S. Customs broker?

- A. Chesley Walker
- B. CDM Logistics & Consulting Inc.
- C. Quick Customs
- D. Information noted in Block 28 of CBP Form 7501
- E. Information noted in Block 43 of CBP Form 7501

41. Which of the following is a false statement?
- A. Chesley Walker is authorized by his employer, the licensed U.S. Customs broker (via a power of attorney) to sign documents pertaining to Customs business.
  - B. The Declarant shall not be identified on the broker's employee list.
  - C. The electronic (facsimile) signature must be transmitted as part of the entry summary.
  - D. CBP Form 3124 may not be used in lieu of CBP Form 7501 to engaging in Customs business.
  - E. The broker shall be in possession of a valid power of attorney from the Grantor on or prior to May 22, 2012.
42. An express consignment operator named, Speedy Ship, LLC (who is not a licensed broker), has a shipment arrive at their facility in the New York district. Speedy Ship, LLC, hires a local licensed customs brokerage to make entry, in Speedy Ship's name, and provides the broker with a power of attorney. The broker prepares the entry documents with Speedy Ship, LLC, identified as the Importer of Record and prepares a continuous custodial bond. Should Speedy Ship, LLC, be the Import of Record for this shipment?
- A. Yes, because Speedy Ship, LLC, gave the broker a power of attorney and they have a continuous bond on file with CBP.
  - B. No, because Speedy Ship, LLC, is a nominal consignee and does not have the right to make entry.
  - C. Yes, because Speedy Ship, LLC, hired the broker.
  - D. Yes, because Speedy Ship, LLC, is an Express Consignment Operator and gave the broker a power of attorney, and they have a continuous bond on file.
  - E. No, because Speedy Ship, LLC, does not possess a single transaction bond.
43. What is the correct entry summary type for bonded warehouse merchandise being withdrawn for consumption that is subject to quota and antidumping?
- A. 07
  - B. 21
  - C. 31
  - D. 34
  - E. 38



44. Fabric produced in Hong Kong is sent to China, where it is cut into pieces and assembled into T-shirts. The completed T-shirts are sold and imported into the United States. After being entered into the U.S., the T-shirts are exported to Mexico for screen printing, and then returned to the U.S. under the Harmonized Tariff Schedule of the United States (HTSUS) heading 9802. What country of origin should be shown on the CBPF 7501 when the T-shirts are imported into the U.S. from Mexico?

- A. US (United States)
- B. MX (Mexico)
- C. HK (Hong Kong)
- D. NA (NAFTA)
- E. CN (China)

#### **Section IV: Miscellaneous**

45. What is the minimum bond amount for a Single Transaction Bond for a non-quota consumption entry of onions valued at \$15,000, and with the total duty/taxes/fees amount of \$250?
- A. \$15,000
  - B. \$15,250
  - C. \$15,750
  - D. \$30,250
  - E. \$45,000
46. If merchandise is imported and initially entered into a Customs Bonded Warehouse (CBW), when does the five year period begin?
- A. Date of entry into the CBW
  - B. Date the merchandise was Re-warehoused
  - C. Date of Importation
  - D. Date of exportation
  - E. Date of entry summary
47. What method of country of origin marking is required for shears, scissors, knives, forks, and/or blades?
- A. Adhesive labels
  - B. String tag
  - C. Die-stamping, cast-in-the-mold lettering, etching, or engraving
  - D. Imprinting
  - E. Cloth labels
48. Merchandise entered under a Temporary Importation Bond (TIB) is permitted to remain in the United States for a one-year period subsequent to the date of importation (with a maximum of two one-year extensions allowed). However, there are exceptions to this time period. Which tariff number is an exception to this maximum time?
- A. 9813.00.05
  - B. 9813.00.30
  - C. 9813.00.35
  - D. 9813.00.50
  - E. 9813.00.75

49. Which of the following is the equipment description code used to indicate an open hopper car when transmitting Entry Summary and related information through the Automated Commercial Systems (ACS)?
- A. HV
  - B. HT
  - C. HP
  - D. HO
  - E. HC
50. Which of the following exemptions for marking requirements is false?
- A. Articles which are incapable of being marked
  - B. Articles imported for use by the importer and not intended for sale in their imported form or any other form
  - C. Articles which were produced more than 15 years prior to their importation into the United States
  - D. Products of the United States exported and returned
  - E. Products of possessions of the United States
51. Which form is to be filed by the importer at the port of entry, following the abandonment of goods entered under bond?
- A. DHS form 4613
  - B. DHS form 4607
  - C. CBP form 3499
  - D. CBP form 3495
  - E. CBP form 7553
52. Who is not required to maintain records regarding imported merchandise, and also not required to render such records for examination and inspection by CBP?
- A. A traveler who declared goods under their personal exemption
  - B. An owner who imports commercial merchandise
  - C. An importer of record who imports commercial merchandise
  - D. A person who exports goods to Canada or Mexico for which a NAFTA Certificate of Origin was completed and signed
  - E. An agent for a person who imports commercial merchandise

53. A redelivery notice is issued by the Entry Branch for the return of produce that was refused entry by the Food and Drug Administration. The importer has 90 days from the date on the Notice of Redelivery to return the merchandise for exportation and destruction. The importer fails to return the produce within the allotted time frame. What section of law does this violate?
- A. 19 CFR 10.39(d)(1)
  - B. 19 CFR 18.8
  - C. 19 CFR 134.51
  - D. 19 CFR 141.113(c)(3)
  - E. 19 CFR 142.15
54. Within what time frame must in-bond merchandise traveling by air arrive at the port of destination or the port of exportation?
- A. 15 days
  - B. 20 days
  - C. 30 days
  - D. 90 days
  - E. No time limit
55. If a container is entered into the U.S. under 10.41a Instruments of International Traffic and does not exit the U.S. within 365 days of the date of admission, when must a consumption entry be made?
- A. Within 180 calendar days from date of liquidation
  - B. Within 10 business days from the date of release
  - C. Within 45 days after such exportation from the U.S.
  - D. Within 10 business days after the end of the month in which the container is deemed removed from International Traffic
  - E. Within 10 calendar days after the vessel has arrived at the Port of Unlading.
56. When the demand of the port director for return of merchandise to CBP custody is not complied with, liquidated damages shall be assessed. The damages shall be in an amount equal to the value of the merchandise not returned or \_\_\_\_\_ time(s) the value of the merchandise not returned if the merchandise is restricted or prohibited merchandise or alcoholic beverages.
- A. one
  - B. two
  - C. three
  - D. four
  - E. five

57. Your client, who is selling to U.S. Bethlehem Steele, calls in a panic stating that she knows that goods require country of origin markings. However, she doesn't know how she is going to mark 400 containers of 10,000 tiny bolts before importing them from Mexico to the U.S. within the week. How should you advise your client?
- A. The goods are too small to mark, so marking is not necessary.
  - B. The goods are being sold to a domestic importer, so they are not required to be marked.
  - C. Mark the country of origin on the outermost container, in which the article(s) ordinarily reach the ultimate purchaser.
  - D. The goods qualify under North American Free Trade Agreement (NAFTA), so they don't have to be marked.
  - E. Wait until CBP issues a marking notice and request a waiver for the marking violation.
58. In accordance with Title 19 of the Code of Federal Regulations, a mark, brand, stamp, or label is deemed acceptable for markings of distilled spirits, wines, and malt liquors in bulk based on the nature, surface, and composition of the container. Who makes the determination as to whether the marking is acceptable?
- A. The importer of record
  - B. The shipper
  - C. The Customs broker
  - D. The manufacturer
  - E. The Port Director
59. Cotton napkins were cut, sewn, and finished in Vietnam. The cotton fabric was woven in China. The sewing thread was made in Taiwan. The finished napkins transited Singapore on their way to the United States, where they were entered for consumption. What is the country of origin of the napkins?
- A. Vietnam
  - B. China
  - C. Taiwan
  - D. Singapore
  - E. United States
60. A person, whose protest has been denied in whole or in part, may contest the denial by filing a civil action in the Court of International Trade. What is the time frame in which a person must file the civil action after being notified of the denial?
- A. 180 days
  - B. 314 days
  - C. 2 years
  - D. 1 year
  - E. None of the above

61. Which form must be presented to CBP to request bills or refunds to be paid to a third party?
- A. CBP Form 7501
  - B. CBP Form 3461
  - C. CBP Form 7512
  - D. CBP Form 3347
  - E. CBP Form 4811
62. A valid power of attorney allows a Customs Broker to transact Customs business on behalf of a commercial importer that is not defined as a partnership for what period of time?
- A. One year
  - B. Two years
  - C. Five years
  - D. Ten years
  - E. Indefinitely
63. Generally, what is the minimum amount for a Single Transaction Bond presented on form CBP 301?
- A. There is no minimum amount
  - B. \$100
  - C. \$2,000
  - D. \$15,000
  - E. The minimum is solely based on the value of the shipment
64. What shall be presented to CBP to obtain release of a shipment containing wild animal parts?
- A. Department of State form 2031
  - B. Environmental Protection Agency form 3520-1
  - C. Department of Transportation form HS-7
  - D. Environmental Protection Agency form 3540-1
  - E. US Fish and Wildlife Service form 3-177
65. Which of the following is not required in order to obtain an individual broker's license per Title 19 of the Code of Federal Regulations?
- A. Be a citizen of the United States on the date of submission of the application for a broker's license
  - B. Not be an officer or employee of the United States Government
  - C. Attain the age of 18 prior to the date of submission of the application for a broker's license
  - D. Be of good moral character
  - E. Have attained a passing (75 percent or higher) grade on a written examination taken within the 3-year period before submission of the application for a broker's license.

66. The U.S. Air Force has developed a new, secret Stealth aircraft, XP-070. It is being sent to an undisclosed location in Germany for extensive testing, evaluation, and modification. Upon arrival in Germany, the new Stealth aircraft engine did not fire up and the foreign agency refused to take possession. The carrier shipped it back to the United States. to the U.S. Air Force. Entry was made in the port of Buffalo, and the U.S. Air Force filed all the necessary paperwork to clear the shipment. Which of the following is a true statement?
- A. The U.S. Air Force should pay duty on the Stealth aircraft because the merchandise is not a civil aircraft including parts, components, and subassemblies.
  - B. The U.S. Air Force should pay duty on XP-070 because it is subject to duty, taxes, and fees upon its arrival in the U.S.
  - C. The U.S. Air Force should not pay duty because even though the Stealth XP-070 is an aircraft, the Air Force is part of the U.S Government and does not pay duty to itself.
  - D. The U.S. Air Force should not pay duty because the Stealth XP-070 is exempt from duty.
  - E. The U.S. Air Force should pay duty, taxes and fees on Stealth XP-070, and subsequently file a protest because the merchandise is not subject to any exemptions in the Harmonized Tariff Schedule of the United States.
67. What class of bonded warehouse is to be used for the storage of merchandise belonging or consigned to the proprietor of the warehouse?
- A. Class 1
  - B. Class 2
  - C. Class 6
  - D. Class 8
  - E. Class 9

## Section V: Trade Agreements

68. When claiming North American Free Trade Agreement (NAFTA), a certificate of origin is required to be in the possession of the importer at the time preferential treatment is claimed. When is this not a requirement?
- A. The shipment has a total value over \$2,500
  - B. The port director waives the requirement
  - C. The merchandise is textiles, electronics, or pharmaceutical goods
  - D. The merchandise is originating
  - E. A post NAFTA claim is filed under 19 USC 1520d
69. In Italy, granite is cut or sawn with a flat or even surface. The stone is then shipped to Canada, where further processing, such as grinding and polishing, takes place to produce a granite countertop. The processing in Canada contributed to over 60% of the transaction value of the finished product. Does the finished countertop qualify for preferential treatment under the North American Free Trade Agreement (NAFTA)?
- A. Yes, the countertop qualifies for NAFTA because over 60% of the value was added in a NAFTA country.
  - B. Yes, the countertop qualified for NAFTA because it was cut and polished in a NAFTA country and over 60% of the value was added in Canada.
  - C. The exporter's NAFTA certificate of origin must be reviewed before a determination of NAFTA eligibility can be made.
  - D. No, the countertop does not qualify for NAFTA because an allowable tariff shift did not take place.
  - E. Yes, the countertop qualifies for NAFTA because there is a tariff shift from Chapter 25 to Chapter 68.
70. As described under the North America Free Trade Agreement (NAFTA), which of the following is considered wholly obtained or produced if imported from Canada?
- A. Steel wire classified under 7217 that has met the requirement of a change to heading 7217, from any heading except from 7213 to 7215
  - B. Waste and scrap, provided it was derived from Canada
  - C. Knit t-shirts that has a de minimis of 7% in value
  - D. Agricultural good not subject to a quantitative restriction entering into Canada
  - E. Live animals born and raised in the territory of Guatemala



71. Rayon yarn from China was woven into fabric in India, and then cut and sewn into blouses in Morocco. The blouses were shipped from Morocco to France, where they were consolidated into a container bound for New York. Does the resulting garment qualify for the Moroccan Free Trade Agreement, and if so, under what portion of the agreement?
- A. Yes, it qualifies as originating.
  - B. Yes, it qualifies for the Trade Preference Level provision.
  - C. No, its country of origin is India.
  - D. No, its country of origin is Morocco.
  - E. No, it does not qualify because it was not directly shipped to the U.S.
72. Footwear is imported on December 21, 2009, with entry summary filed on January 4, 2010, on entry number ABC-12345678. At the time of entry summary, the footwear is entered at the Harmonized Tariff Schedule of the United States (HTSUS) 6402.12.0000/free/MPF. An import specialist reclassifies the footwear at HTSUS 6402.99.0800/37.5%/MPF on April 10, 2010. The entry liquidates with the changes on April 30, 2010. The importer of record receives a bill for additional duties due as a result of the reclassification. The importer completes its review and determines the footwear qualifies for North American Free Trade Agreement (NAFTA). By which of the following dates MUST a valid NAFTA claim be filed to receive a refund in duties?
- A. July 4, 2010
  - B. December 21, 2010
  - C. January 4, 2011
  - D. April 30, 2011
  - E. October 30, 2011
73. In Italy, granite is cut into a rectangular block or slab. This stone is then shipped to Canada where it is further cut, ground and polished to produce a granite countertop. The processing in Canada contributed over 60% of the transaction value of the finished product. Does the finished countertop qualify for preferential tariff treatment under the North American Free Trade Agreement (NAFTA)?
- A. Yes, the countertop qualifies for NAFTA since over 60% of the value was added in a NAFTA country.
  - B. Yes, the countertop qualifies for NAFTA since it was cut and polished in a NAFTA country, and over 60% of the value was added in Canada.
  - C. The exporter's NAFTA certificate of origin must be reviewed before a determination of NAFTA eligibility can be made.
  - D. No, the countertop does not qualify for NAFTA.
  - E. Yes, the countertop qualifies for NAFTA because there is a tariff shift from Chapter 25 to Chapter 68 in the NAFTA country.

74. An importer who claims preferential tariff treatment on a good under North American Free Trade Agreement (NAFTA) shall provide a copy of the certificate of origin pertaining to the good, at the request of the port director, which is in the possession of the importer. By whom should the certificate of origin be signed?
- A. The importer of record, since he purchased and imported the goods
  - B. The shipper since he is transporting the goods into the United States
  - C. The customs broker, since he is facilitating the entry documents
  - D. The exporter or the exporter's authorized agent, having knowledge of the relevant facts
  - E. The certificate of origin does not need a signature

## Section VI: Valuation

75. Importer ABC Company wishes to purchase trademarked shirts from seller 123 limited. The price of the shirts is \$75.00 each. 123 limited will not sell unless ABC Company pays an additional fee of \$3.00 per shirt for the right to the trademark. What is the additional fee?
- A. Selling commission to be added
  - B. A proceed of sale to be added
  - C. A royalty to be added
  - D. An assist to be added
  - E. A right to reproduce charge
76. Merchandise that is authorized to be released under the Immediate Delivery procedure is exported from Mexico on April 29, and arrives in a CBP Port of Entry 11:45 P.M. on the same day. An Entry is filed with CBP cargo personnel, and the merchandise is released by CBP thirty-five minutes later at 12:20 A.M. on April 30. The merchandise is transported to the Importer's premises, stored one day, and released to the Importer's customers on May 1. The Entry Summary is filed on May 6, with all duties, fees, and taxes paid. Which date would be used to determine the rate of duty of the merchandise?
- A. The liquidation date of the Entry Summary, March 14 (314 days after filing)
  - B. The date the merchandise is released from CBP, April 30
  - C. The date the Importer releases the merchandise to his customers, May 1
  - D. The date the Entry Summary is filed, May 6
  - E. The date the merchandise arrives at CBP port, April 29
77. Wafer manufacturing equipment is sent to China for repair under warranty and returned. The value of the equipment prior to repair is \$18,000. The value of the repairs is \$2,000. The equipment is properly classified under 8486.10.0000 and 9802.00.4040 is properly claimed. What is the merchandise processing fee due?
- A. \$0.00
  - B. \$6.93
  - C. \$25.00
  - D. \$62.35
  - E. \$69.28

78. BMW USA imports a purchase of 2,500 brand new 2013 X5s invoiced at \$40,000 each, ex-factory, from its affiliated parent company, BMW of Germany. BMW of Germany normally charges an additional \$100 each for the X5s, however, they owed BMW USA \$250,000 which was paid on a previous shipment and have deducted this from the invoice price. The related party transaction does not influence the price paid to the parent company. The seller requires the buyer not to sell or exhibit the merchandise before the model year. Invoice values are also listed in the following amounts: ocean freight \$2,000, and marine insurance \$1,850. What is the transaction value of the merchandise?
- A. \$76,150,000
  - B. \$80,000,000
  - C. \$96,150,000
  - D. \$100,250,000
  - E. \$100,500,000
79. Toyota USA purchased a shipment of 1,000 Solara tires from Toyota Japan for a unit price of \$50 each. Toyota Japan is the parent company of Toyota USA, and the relationship does not affect the price. The U.S. importer supplied a \$500 design for work necessary to manufacture the tires to the U.S. importer's specifications, free of charge, to the foreign shipper. The designs were purchased from an engineering company in the U.S. for submission to the foreign supplier. What is the unit price of the shipment?
- A. \$50
  - B. \$550
  - C. \$5,550
  - D. \$50,000
  - E. \$50,500
80. Interest is assessed on the underpayment of duties and fees at a rate determined by the Secretary, from the \_\_\_\_\_ to the liquidation or re-liquidation date.
- A. date of entry of the merchandise
  - B. date the importer is required to deposit the estimated duties
  - C. validation activity date
  - D. date the importer files his entry summary
  - E. export date

**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.**



## October 2012 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citation(s)</u>
1.	E	HTSUS Chapter 84, Note 1(g) and 9603.90.8050
2.	E	HTSUS GRI 1 and 6205.20.2026
3.	D	Introduction to the HTS, Page 2
4.	C	HTSUS GRI 1 and 8703.23.0044
5.	B	HTSUS GRI 1 and 6102.20.0010
6.	B	HTSUS GRI 1 and Chapter 87, Additional U.S. Note 2
7.	B	HTSUS Chapter 39, Note 2(l), and 4016.93.5050
8.	D	HTSUS Chapter 21, Note 1(b), Note 2, and 2101.11.2129
9.	D	HTSUS Chapter 61, Note 2(a) and 6212.20.0020
10.	C	HTSUS Chapter 16, Subheading Note 2, and 1604.19.2100
11.	E	HTSUS Chapter 16, Note 2, Chapter 19, Note 1(a), and 1902.20.0040
12.	A	Chapter 17, Subheading Note 1 and 1703.13.5000
13.	D	HTSUS Chapter 98; 19 CFR 10.1(a) and 19 CFR 145.35
14.	A	HTSUS Chapter 63 and Chapter 85, Note 1(a)
15.	A	HTSUS GRI 1, Chapter 42, Note 4, and 4203.21.2000
16.	E	HTSUS Chapter 85, Note 12
17.	B	HTSUS Chapter 64, Additional U.S. Note 5 and 6404.19.3660
18.	B	HTSUS Chapter 2; 0201.30.5000
19.	C	19 CFR 191.53(b)
20.	C	19 CFR 181.45(b), 181.45(b)(1)(vi) and 191.51(a)(2)(b)(1)
21.	A	19 CFR 191.51(e)(1)
22.	E	19 CFR 191.33(a)(2)
23.	A	19 CFR 191.3(b)(3)
24.	C	19 CFR 191.42(c)
25.	C	CD 3550-079A (Section 7.1)
26.	D	7501 Instructions (Block 2)
27.	A	19 CFR 141.13, 101.1, 141.31, 141.36, 141.3, and HTSUS GN2
28.	D	19 CFR 142.6
29.	C	19 CFR 152.1(c) and 159.32
30.	D	7501 Instructions (Block 22)
31.	E	7501 Instructions (Block 17) and 19 CFR 141.69(b)
32.	D	CATAIR (Appendix B) and 7501 Instructions
33.	E	7501 Instructions
34.	C	7501 Instructions (Block 20)
35.	D	7501 Instructions (Block 5) and CD 3510-004
36.	E	CATAIR (Appendix B) and 7501 Instructions (block 33)
37.	A	19 CFR 152.1(c) and 159.32
38.	B	HTSUS 2005.70.2520, CATAIR (Appendix B) and 7501

## October 2012 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citation(s)</u>
		Instructions (Block31)
39.	D	19 CFR 12.1(a)
40.	B	7501 Instructions (Block 42) and 19 CFR 111.11(c)(1)
41.	B	19 CFR 111.2(a)(2) and 111.28(b)
42.	B	CD 3530-002A
43.	E	7501 Instructions (block 2)
44.	B	7501 Instructions, HTSUS 9802
45.	E	CD 3510-004 (Activity 1)
46.	C	19 CFR 144.5
47.	C	19 CFR 134.43(a)
48.	E	HTSUS Chapter 98, Subchapter XIII, U.S. Note 1(a)
49.	D	CATAIR (Appendix B)
50.	C	19 CFR 134.32(i)
51.	C	19 CFR 158.43(a)
52.	A	19 CFR 163.2(a)(1), 163.2(a)(2), and 163.2(c)
53.	D	19 CFR 141.113(c)
54.	A	19 CFR 122.119
55.	D	19 CFR 10.41(a)(g)(3)
56.	C	19 CFR 141.113(i)
57.	C	19 CFR 134.33
58.	E	19 CFR 11.6(c)
59.	B	19 CFR 102.21
60.	A	19 CFR 174.31
61.	E	19 CFR 24.36
62.	E	19 CFR 141.34
63.	B	19 CFR 113.13(a)
64.	E	19 CFR 12.26
65.	C	19 CFR 111.11(a)(2)
66.	D	HTSUS General Note 6(b)(i)(A)
67.	B	19 CFR 19.1(a)(2)
68.	B	19 CFR 181.22(d)(1)(i)
69.	D	HTSUS Chapter 68 (no tariff shift)
70.	B	HTSUS General Note 12(n)(ix)(A)
71.	B	HTSUS 9912.99.20, Subchapter XII, U.S. Note 1, and U.S. Note 64(a) & (b)
72.	B	19 CFR 181.31
73.	E	HTSUS Chapters 25 and 68 (tariff shift)
74.	D	19 CFR 181.22(b)(2)
75.	C	19 CFR 152.103(f)

## October 2012 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citation(s)</u>
76.	D	19 CFR 141.68(c)
77.	A	19 CFR 24.23(c)(1)(i) and HTS Chapter 98
78.	D	19 CFR 152.103(a)(5), 152.103(j)(1)(i), 152.103(j)(1)(iv), and 152.103(k)(1)(i)
79.	A	19 CFR 152.103(b), 152.103(c)(2), 152.103(j)(1)(i), 152.103(j)(1)(iv), and 152.103(k)(1)(i)
80.	B	19 CFR 24.3(a)(b)(2)

### Reference Materials:

-HTSUS (2012 version, NO Supplements)

-Title 19, Code of Federal Regulations (revised as of April 1, 2012 (Parts 0 to 140, 141 to 199))

-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