

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** (Either the 2013 or 2014 HTSUS may be used for this examination. All classification, free trade agreement, and other questions will be consistent across both tariff schedules.)
- **Title 19, Code of Federal Regulations** (Either the 2013 or 2014 CFR may be used for this examination, Parts 0 to End.)
- **Customs and Trade Automated Interface Requirements (CATAIR)**
 - Appendix B - Valid Codes
 - Appendix D - Metric Conversion
 - Appendix E - Valid Entry Numbers
 - Appendix G - Common Errors
 - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501** (July 24, 2012)
- **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: Powers of Attorney

1. ABC Brokers would like to authorize its unlicensed employee, Joe, to sign customs documents on its behalf and has executed a valid power of attorney for this purpose. Which of the following is a correct statement related to signing customs documents?

- A. Joe is unlicensed, and even with a valid power of attorney, he cannot sign customs documents.
- B. Joe can sign customs documents without a valid power of attorney.
- C. ABC Brokers cannot execute a valid power of attorney because Joe is unlicensed and therefore cannot sign customs documents.
- D. Joe can sign the customs documents, but ABC Brokers, upon request from CBP, must be able to furnish proof of the existence of the power of attorney.
- E. Joe can sign the documents, but is required to file the power of attorney with the port director.

2. What notification must be provided on, or attached to, any power of attorney executed by new clients?

- A. Written notification that payment to the broker will not relieve the importer of liability of customs charges
- B. Written notification that the broker is licensed by the U.S. government
- C. Notification of the broker's fees and terms of payment for the broker's bills
- D. Written notification that the execution of the power of attorney gives the broker the right to cancel shipments
- E. Notarized agreement to certify that the licensed broker is affiliated with the client

Category II: Practical Exercises

The following three questions are based on the information provided below for a one line entry summary.

27.	28. Description of Merchandise			32.	33.	34.		
Line No.	29.	30.	31.	A. Entered Value B. CHGS C. Relationship	A. HTSUS Rate			
	A. HTSUS No. B. ADA/CVD Case No.	A. Gross Weight B. Manifest Qty.	Net Quantity in HTSUS Units		B. ADA/CVD Rate	C. IRC Rate	D. Visa No.	Duty and I.R. Tax Dollars Cents
001 CL	M Iron nickel alloy strip 2 CT Invoice Number - 4 FLT-RLD, MORE THAN COLD ROLLED 7226.99.0180 528 467 KG A533-817-000 C533-818-000 Merchandise Processing Fee I.V. 17041.90 USD @ 1.000000 E.V. 17041.90 As 17042			2 CT NOT-RELATED 17042 C 3148	FREE 00 29.71% 12.82% .3464%	0.00		
Other Fee Summary for Block 39		35. Total Entered Value		CBP USE ONLY			TOTALS	
		\$		A. LIQ CODE	B. Ascertained Duty		37. Duty	
		Total Other Fees \$		REASON CODE	C. Ascertained Tax		38. Tax	
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT					D. Ascertained Other		39. Other	
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 checked="" type="checkbox"/> owner					E. Ascertained Total		40. Total	

3. Which free trade agreement is claimed?
- A. U.S. – Colombia Free Trade Agreement
 - B. U.S. – Chile Free Trade Agreement
 - C. U.S. – Korea Free Trade Agreement
 - D. North American Free Trade Agreement
 - E. There is no free trade agreement claimed.
4. What is the correct value for Block 35, “Total Entered Value”?
- A. \$2,184.78
 - B. \$5,063.18
 - C. \$7,247.96
 - D. \$17,042.00
 - E. \$17,101.03
5. What is the correct value for Block 39, “Other”?
- A. \$59.03
 - B. \$2,184.78
 - C. \$7,247.96
 - D. \$7,306.99
 - E. None of the above

Category III: Entry

6. Which of the following parties may **NOT** file a protest?
- A. The importer or consignee shown on the entry papers, or their sureties
 - B. Any person paying or receiving a refund of any charge or exaction
 - C. Any person seeking entry or delivery
 - D. Any person filing a claim for drawback
 - E. Any party to the entry of merchandise
7. Goods are imported under a consumption entry on January 3, 2007. The liquidation of the entry was suspended under an antidumping investigation. On October 18, 2012, CBP liquidates the entry for a duty increase. Based on the above, how long must a broker maintain a consumption entry subject to an antidumping investigation?
- A. Until at least the entry liquidates
 - B. For at least five years after the entry liquidates
 - C. For at least three years after the entry liquidates
 - D. For at least five years after the date of entry
 - E. For at least five years after the date of creation of the entry
8. In instances where a transaction is in a foreign currency, CBP will use an exchange rate in effect on the date of _____ for conversion purposes.
- A. delivery to the importer
 - B. examination by CBP
 - C. exportation from the foreign country
 - D. entry into the United States
 - E. submission of the entry summary and duties owed
9. Which of the following is **NOT** required information necessary to file a protest?
- A. The importer number of the protestant
 - B. The date of the entry
 - C. The shipping party and the bill of lading number
 - D. A specific description of the merchandise affected by the decision as to which the protest is made
 - E. The date of liquidation of the entry, or the date of a decision not involving a liquidation or reliquidation

10. Which party is **NOT** qualified to be an importer of record on an entry?

- A. The purchasing agent
- B. The purchaser of the imported merchandise
- C. A nominal consignee
- D. A licensed customs broker
- E. The selling agent

11. Merchandise owned by the Danish military will be imported to the United States from Denmark for a military exercise under DSP 61, license for temporary import of unclassified defense articles. The merchandise will be filed under Harmonized Tariff Schedule of the United States (HTSUS) subheading 9809.00.40. The shipment will arrive at Long Beach seaport on a commercial vessel. Based on this scenario, which of the following is the importer of record required to pay?

- A. Merchandise Processing Fees only
- B. Duty only
- C. Harbor Maintenance Fees only
- D. Duty, Merchandise Processing Fees and Harbor Maintenance Fees
- E. The importer of record does not have to pay anything.

12. The exemption from entry under General Note 3(e), HTSUS, for undeliverable articles, is subject to meeting specific conditions. Which of the following is **NOT** a requirement to support this exemption?

- A. Certification that the merchandise was intended to be exported to a foreign country
- B. Certification that the merchandise is being returned within 60 days of departure from the United States
- C. Certification that the merchandise did not leave the custody of the carrier or foreign Customs
- D. Certification that the merchandise is being returned to the United States because it was undeliverable to the foreign consignee
- E. Certification that the merchandise was not sent abroad to receive benefit from, or fulfill obligations to, the United States as a result of exportation

13. Any merchandise or baggage regularly landed, but not covered by a permit for its release, shall be allowed to remain at the place of unloading until the ____ calendar day after landing. No later than ____ calendar days after landing, the pilot or owner of the aircraft or the agent thereof shall notify CBP of any such merchandise or baggage for which entry has not been made.

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

14. A consignee, in whose name an entry summary for a consumption entry was made, would like to be relieved from statutory liability for the payment of any increased and additional duties. The consignee declares that he is not the actual owner of the merchandise. On what form shall he file the declaration of owner?

- A. CBP Form 3124
- B. CBP Form 3173
- C. CBP Form 3347
- D. CBP Form 3461
- E. CBP Form 3495

15. When the following merchandise is reimported into the United States, the payment of duties will be required on all EXCEPT:

- A. a vehicle previously exported out of the United States for personal use.
- B. wearing apparel sold to U.S. reseller.
- C. reimported merchandise where all duties were previously paid.
- D. food preparations used for restaurants.
- E. U.S. articles entered or withdrawn from warehouse for consumption in the name of an agency of the United States, without a certification.

Category IV: Foreign Trade Zone and Warehouse

16. What is the appropriate entry type for merchandise with Anti-Dumping/Countervailing Duties withdrawn from a warehouse?
- A. Entry Type 03
 - B. Entry Type 23
 - C. Entry Type 32
 - D. Entry Type 34
 - E. Entry Type 51
17. What form is required for the admittance of merchandise into a Foreign Trade Zone?
- A. CBP Form 214
 - B. CBP Form 3461
 - C. CBP Form 6043
 - D. CBP Form 7501
 - E. CBP Form 7512
18. Deemed liquidation, by operation of law, will occur when a warehouse entry is not liquidated within _____ from the date of final withdrawal of all merchandise covered by a warehouse entry for which liquidation is not otherwise suspended.
- A. 10 days
 - B. 14 days
 - C. 30 days
 - D. 1 year
 - E. 5 years
19. A carrier has custody of in-bond merchandise coming from Mexico or Canada, for which entry has not been made. Within how many calendar days is the carrier required to notify CBP of eligible General Order merchandise?
- A. 5 days
 - B. 10 days
 - C. 20 days
 - D. 30 days
 - E. 45 days

20. The Port Director may approve a blanket application to manipulate warehoused goods on CBP Form _____, for a period of up to one year, for a continuous or a repetitive manipulation.

- A. 3347
- B. 3461
- C. 3499
- D. 7501
- E. 7512

21. The permit file folder to close a warehouse entry is due _____ calendar days after the final withdrawal?

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

Category V: Bonds

22. CBP Form _____ is used for bond approval and each person who is required by law, regulation, or specific instruction to post a bond to secure a transaction(s) must submit the bond on this form.

- A. 19
- B. 301
- C. 368
- D. 3461
- E. 7501

23. Which is **NOT** a condition of a basic importation and entry bond?

- A. Agreement to make or complete entry
- B. Agreement to redeliver merchandise
- C. Agreement for examination of merchandise
- D. Agreement to retain records for at least 5 years
- E. Agreement to pay duties, taxes, and charges

24. Bonds including the application, if required by 19 CFR 113.12, and riders may be filed up to _____ days before the effective date to provide adequate time for CBP administrative review and processing.

- A. 10
- B. 15
- C. 30
- D. 60
- E. 90

25. The minimum amount of any customs bond:

- A. is 5 percent of duties, taxes and fees in the previous 6 months.
- B. is the total entered value, minus the duties, taxes and fees.
- C. shall not be less than \$100.
- D. shall not be less than \$50.
- E. is the total value of shipment plus the duties, taxes and fees.

Category VI: Classification

26. What is the classification of 200 dozen women's body shaping girdles produced from 100 percent man-made fiber polyester knitted fabric?

- A. 6108.91.0015
- B. 6108.92.0015
- C. 6212.20.0010
- D. 6212.20.0020
- E. 6212.90.0030

27. What is the classification of 1,000 dozen worn boys' knitted pants made of 100 percent cotton fabric imported from China?

- A. 6103.42.1040
- B. 6103.43.1540
- C. 6203.42.4046
- D. 6203.43.4020
- E. 6309.00.0010

28. What is the classification of an alloy steel, non-welded gas line with an outside diameter of exactly 114.3 millimeters?

- A. 7306.11.0010
- B. 7306.19.1010
- C. 7306.19.1050
- D. 7306.19.5110
- E. 7306.19.5150

29. Your client is importing non-refractory, earthenware ceramic pipes designed for use as rainwater drainpipes. Where are the ceramic pipes classified?

- A. 6902.90.5020
- B. 6903.90.0050
- C. 6906.00.0000
- D. 6912.00.5000
- E. 6914.90.8000

30. What is the classification of ladies bovine leather bracelets in 7-inch rolled lengths, dyed various colors, each bound with a decorative band and a clasp of silver plated base metal valued at \$2.50?

- A. 4203.40.6000
- B. 4205.00.8000
- C. 7113.20.5000
- D. 7117.19.9000
- E. 7117.90.9000

31. What is the classification for a photolithography machine used in the manufacture of integrated circuits?

- A. 8486.10.0000
- B. 8486.20.0000
- C. 8486.40.0020
- D. 8486.90.0000
- E. 8541.50.0080

32. A household sewing machine comes with four spools of polyester thread and a sewing machine accessory kit. The accessory kit consists of a plastic case containing the following items: sewing machine needle set, two screwdrivers, tweezers, thread, spool cap, brush, oiler, anti-spill net, rolled hemming throat plate, tape guide, edge guide, and edge guide screw. Each spool of thread contains 400 meters of 100 percent polyester thread. What is the classification of this household sewing machine, thread, and accessory kit?

- A. 8440.10.0000
- B. 8452.10.0090
- C. 8452.90.1000
- D. 8452.90.2010
- E. 8452.90.2090

33. An article described as “sea vegetable salad” consists of seaweed, cut to pieces in different sizes, with salt added, frozen packed in sealed plastic pouches of 400 grams for retail sale. What is the classification of the sea vegetable salad?

- A. 0710.80.7060
- B. 0710.80.9730
- C. 1212.21.0000
- D. 2008.99.9090
- E. 2106.90.9998

34. What is the duty and Merchandise Processing Fee (MPF) that should be assessed in the following scenario?

An importer sends a high definition projector to Japan for repairs and alterations under warranty. Upon re-importation to the United States, the importer correctly classifies the high definition projector under HTSUS 9802.00.4040 and 8528.49.6000. They declare a 9802 value of \$5,000 and an 8528 value of \$50,000. There are no other goods in this air shipment.

- A. \$1,950 in duty and \$6.30 in MPF
- B. \$195.00 in duty and no MPF owed
- C. No duty or MPF owed
- D. No duty owed; MPF will be \$25.00
- E. No duty owed; MPF will be \$6.30

35. An importer is importing unassembled components of a high pressure water-jet cutting machine (i.e., a cutting head and a pump) on the same entry. A water-jet cutting machine utilizes a jet of high-speed water to cut through material upon contact. The water-jet cutting machine is able to be used in a variety of industries such as automotive, textile industries and plastic industries. The cutting head and the pump represent the aggregate of distinct component parts that establish the identity of the machine and give it a defined function of a complete water-jet cutting machine. What is the classification for the cutting head and the pump, imported as described above, used in a water-jet cutting machine?

- A. 8456.20.5000
- B. 8456.90.2100
- C. 8463.90.0080
- D. 8477.80.0000
- E. 8479.89.9899

36. What is the classification of a locomotive train set with a die-cast metal body, a tender, two coaches, a caboose, metal tracks, two miniature figures, a transformer and a working railroad crossing signal, designed and labeled for ages 12 and older?

- A. 7323.99.9080
- B. 8531.80.0050
- C. 8601.10.0000
- D. 9503.00.0073
- E. 9503.00.0090

37. A women's outerwear jacket is constructed of a bonded or laminated shell material. The exterior portion is a 100 percent polyester woven fabric which is bonded to a 100 percent polyester warp knit brushed inner fabric. There is no plastic visible when the material is examined in cross-section. A recent CBP laboratory analysis found that the brushed warp knit fabric is not of pile construction, is not water resistant, and does not meet the requirements for Chapter 60, Note 1(c), to the HTSUS. The garment reaches the hip area and features a full front opening secured by seven snap button closures and a hemmed bottom. What is the classification of this women's outerwear jacket?

- A. 6102.30.2010
- B. 6201.13.4030
- C. 6202.93.4500
- D. 6202.93.5011
- E. 6210.50.5020

38. What is the classification of an 11-inch laptop, wireless mouse, AC plug with a power adapter and USB cable, and Internet Security software, imported together and packaged and put up together for retail sale as a set pursuant to General Rule of Interpretation 3(b)? The laptop weighs less than 10 kg and meets Note 5(A) to Chapter 84, HTSUS. The wireless mouse meets Note 5(C) to Chapter 84, HTSUS.

- A. 8471.30.0100
- B. 8471.41.0150
- C. 8471.49.0000
- D. 8471.50.0150
- E. 8471.60.1050

Section VII: Valuation

39. Assists are supplied directly, indirectly, free of charge, or at a reduced cost by the buyer of imported merchandise for use in connection with the production or the sale for export of the merchandise to the United States. Which of the following is **NOT** considered as an assist?
- A. Merchandise consumed in the production of the imported merchandise
 - B. Materials, components, parts, and similar items incorporated in the imported merchandise
 - C. The importer's engineer is sent abroad to modify and/or finalize existing United States plans
 - D. Tools, dies, molds, and similar items used in the production of the imported merchandise.
 - E. Engineering, development, art-work, design work, and plans and sketches that are undertaken elsewhere than in the United States and are necessary for the production of the imported merchandise
40. Transaction value, the price actually paid or payable for the imported merchandise sold for exportation to the United States, includes all of the following EXCEPT:
- A. Selling Commissions
 - B. Royalties/License Fees
 - C. International freight and insurance
 - D. Value of the assist
 - E. Proceeds paid directly or indirectly to the seller
41. Which of the following are **NOT** considered "Related Persons" when determining the transaction value of related parties?
- A. Brother and sister
 - B. Any person directly owning two percent of the shares of an organization and that organization
 - C. Partners
 - D. The Chief Financial Officer of an organization and that organization
 - E. Employer and employee
42. How long does the importer have after liquidation to request a written explanation of how the value of the imported merchandise was determined?
- A. 20 days
 - B. 30 days
 - C. 90 days
 - D. 180 days
 - E. 360 days

43. An importer's first shipment of 10,000 units of electrical switches was invoiced for \$100,000.00. The terms of sale are Delivered Duty Paid (DDP), the duty rate is 2.7 percent, and the merchandise processing and harbor maintenance fees (MPF and HMF) are 0.3464 percent and 0.125 percent, respectively. In addition, there are non-dutiable charges (NDCs) of \$4,000.00 for ocean freight, and \$600.00 for insurance and an added value amount of \$2,000.00 on the invoice for a mold provided to the producer by the importer at no cost. The mold will produce 50,000 units, with full value applied to the first import of the molded articles. What is the transaction value for this shipment of electrical switches?

- A. \$92,467.49
- B. \$92,855.19
- C. \$94,264.61
- D. \$94,406.01
- E. \$98,864.61

44. A U.S. importer purchased vacuum pumps from a manufacturer located in Parma, Italy. He paid \$37,980 ex-factory. Inland freight from Parma to the port of Genoa, Italy cost \$375. The price does not include U.S. duty (2.5 percent ad valorem for the vacuum pumps), MPF (.3464 percent), and HMF (.125 percent). What is the entered value?

- A. \$37,605
- B. \$37,980
- C. \$38,355
- D. \$39,109
- E. \$39,484

45. An importer provides a machine to a manufacturer free of charge, for use in the production of imported merchandise. The machine cost was \$50,000 and the cost for transporting the machine to the manufacturing facility was \$4,500. Which declaration would be appropriate for the entered value of the machinery?

- A. On the first shipment, declare \$50,000, the value of the machine.
- B. Pro-rate the cost of the machine, \$50,000 over the number of units produced up to the time of the first shipment.
- C. Pro-rate the cost of transporting the machine to the manufacturing facility, \$4,500 over the number of units produced up to the time of the first shipment.
- D. On the first shipment, declare \$54,500, the value of the machine plus the cost of transporting the machine to the place of production.
- E. It is not necessary to report the machinery to CBP since it is not imported into the United States.

46. When considering test values in a related party transaction, the appraising officer must have:

- 1) Goods exported from the same country as the merchandise under appraisalment.
- 2) Goods exported at or about the same time as the merchandise under appraisalment.
- 3) Goods produced in the same country as the merchandise under appraisalment.
- 4) Previously established customs values.

- A. Only (1), (3), and (4) above
- B. Only (1), (2), and (3) above
- C. Only (1), (2), and (4) above
- D. Only (2), (3), and (4) above
- E. All of the above

47. What is the calculation of transaction value of a shipment with the following details?

\$1,880,000 entered amount, CIF Pittsburgh, PA Duty Paid, MPF included. Price includes \$30,000 ocean freight, \$3,500 marine insurance, \$2,000 trucking freight (Pittsburgh, PA to New York), \$150 customs broker's fee in Baltimore, \$110,000 customs duties and fees. The actual duty rate is 8.3 percent. The actual MPF rate is 0.21 percent.

- A. Entered amount minus ocean freight, marine insurance, trucking freight, and customs broker fee; add MPF and 8.3 percent duty
- B. Entered amount minus ocean freight, marine insurance, trucking freight, and customs broker fee. Divide remainder by 1.0851 (1 plus actual duty rate plus actual MPF rate). Multiply the remainder by .0021 (actual MPF rate). Subtract \$485 (MPF maximum) from the entered amount minus the authorized deductions. Divide the remainder by 1.083 (1 plus actual duty rate)
- C. Entered amount minus ocean freight, marine insurance, trucking freight, maximum MPF, and 8.3 percent actual duty rate
- D. Divide out the actual duty rate, then subtract the ocean freight, marine insurance, trucking freight and customs broker's fee
- E. Entered amount minus ocean freight, marine insurance, and trucking freight fee and divide by 1.0851, multiply by .0021 for actual MPF; subtract MPF as allowed from the entered amount minus deductions and divide by 1.083

Category VIII: Free Trade Agreements

48. An importer who claims preferential tariff treatment on a good under 19 CFR 181.21 shall provide a copy of the good's Certificate of Origin to the port director upon request. The Certificate of Origin shall be signed by:

- A. the importer of record, since he/she has purchased and imported the goods.
- B. the shipper, since he/she is transporting the goods into the United States.
- C. the customs broker, since he/she is facilitating the entry documents.
- D. the exporter or the exporter's authorized agent that has knowledge of the relevant facts.
- E. no one, since the Certificate of Origin does not need a signature.

49. A North American Free Trade Agreement (NAFTA) Certificate of Origin shall be accepted by CBP for _____.

- A. one year after the date of importation to the United States.
- B. four years after the date upon which the certificate was signed by the exporter or producer.
- C. 30 calendar days after the date of discovery.
- D. four years after the date of entry.
- E. five years after the date the entry summary was filed by the broker.

50. Which of the following countries is **NOT** a signatory to the United States-Dominican Republic-Central American Free Trade Agreement (US-DR-CAFTA)?

- A. Colombia
- B. Costa Rica
- C. Guatemala
- D. Honduras
- E. United States

51. Suzy Snowflake Company is importing compound "Almotriptan" in bulk form. It is manufactured in Switzerland. The compound's chemical abstract service (CAS) number is 154323-57-6. It is being classified using HTSUS 2935.00.6000. Under which General Note, Special Indicator, or Appendix would the item qualify for Duty Free Status?

- A. General Note 4
- B. Special Indicator "K"
- C. Chemical Appendix
- D. General Note 16
- E. Special Indicator "L"

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

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

53. Disposable tablecloths classified in HTS 4818.30.00 are imported into the United States from Colombia. These tablecloths are produced in Colombia from Peruvian stock classified in HTS 4803.00.40. Are these tablecloths eligible for the Colombia Trade Promotion Agreement (TPA)?

- A. No, because the United States does not have a TPA with Colombia.
- B. Yes, the Colombia TPA allows for cumulation of inputs from other countries with which we have a free trade agreement. The United States has a free trade agreement with Peru, so the tablecloth stock can be treated as an originating material.
- C. The Colombia TPA requires a regional value content calculation, so there is not enough information to respond.
- D. Yes, because the rule of origin requires a change from any other heading.
- E. No, because the tariff change rule (TCR) does not permit non-originating materials from heading 4803.

54. An importer may request a post-importation duty refund claim. A duty refund claim can be claimed if a good would have qualified as an originating good under NAFTA when it was imported into the United States, but no claim for preferential tariff treatment on that originating good was made at that time. The importer of that good may file a claim for a refund of any excess duties within what time frame?

- A. One year after the date of importation of the imported good
- B. 180 days after the liquidation date of the entry/entry/summary
- C. 90 days after the liquidation date of the entry/entry/summary
- D. One year after the liquidation date of the entry/entry/summary
- E. Claim can only be made at time of entry

55. Which of the following free trade agreements allows the filing of a Post Importation Duty Refund Claim pursuant to 19 U.S.C. 1520(d) when a claim for preference is made after the filing of the entry summary?

- A. US-Singapore Free Trade Agreement
- B. US-Jordan Free Trade Agreement
- C. US-Peru Trade Promotion Agreement
- D. US-Morocco Free Trade Agreement
- E. US-Bahrain Free Trade Agreement

56. Based on the following cost breakdown, a table made in and exported from Poland with the inputs and processing listed below, and invoiced at \$16.50, is ineligible for preferential treatment under the Generalized System of Preferences because _____.

\$6.00 Wood from Germany
\$4.25 Glass from Russia
\$3.35 Paint from Poland
\$2.90 Labor in Poland

- A. the direct cost of processing operations in Poland is less than 35 percent.
- B. Russia is NOT a designated beneficiary developing country.
- C. the product was NOT directly exported from Germany.
- D. Poland is NOT a designated beneficiary developing country.
- E. labor CANNOT be included in the direct processing costs.

57. Which of the following is a TRUE statement given the information below?

Garment: Woman's knit top classified under 6110.30.3059
Fabric body: 95 percent Polyester & 5 percent elastomeric yarn jersey knit (Polyester from El Salvador, Elastomeric yarn from US, and fabric knit in Guatemala)
Fabric Sleeves: 95 percent Rayon & 5 percent elastomeric yarn knit lace (Rayon from China, Elastomeric yarn from United States, and fabric knit in China)
Sewing thread: 100 percent Polyester 200 denier (From Honduras)
Cut/Sew: Nicaragua

- A. The garment qualifies for NAFTA.
- B. The garment does not qualify for duty free treatment under U.S.-DR-CAFTA.
- C. The garment qualifies for U.S.-DR-CAFTA special provision under 9822.05.10.
- D. The garment qualifies for Caribbean Basin Trade Partnership Act.
- E. The garment qualifies for U.S.-DR-CAFTA as an originating good.

Category IX: Drawback

58. In general, a complete drawback claim, with all required documents, shall be filed within ____ after the date of exportation or destruction of the merchandise or articles that are the subject of the claim.

- A. 3 years
- B. 5 years
- C. 6 years
- D. 10 years
- E. unlimited years

59. Texas Oil Company wants to file a drawback claim on its own behalf for various petroleum products that the company exported. Which of the following statements is true?

- A. Texas Oil Company must use a licensed broker to file a drawback entry.
- B. Any broker may file a drawback entry, but only if they have a district permit for the district in which a Drawback Office is physically located.
- C. A broker must secure a drawback payment refund with a single entry bond.
- D. A broker who holds a national permit may file an electronic drawback claim at any Drawback Office regardless of the Office's location.
- E. Only the broker that filed the import entry may file the associated drawback entry.

60. How many days prior to the date of intended exportation must a Notice of Intent to Export be filed for goods that will be subject to direct identification unused merchandise drawback claim?

- A. Two calendar days
- B. Two working days
- C. Five calendar days
- D. Five working days
- E. Seven calendar days

Category X: Anti-dumping/Countervailing Duties

61. Which entry type(s) may be used for merchandise subject to antidumping/countervailing duties?

- A. 03
- B. 07
- C. 34
- D. 38
- E. All of the above

62. A certificate of reimbursement must be submitted to CBP and signed by:

- A. the U.S. customs broker
- B. the manufacturer
- C. the importer
- D. Options A and C
- E. Options B and C

63. Brown Industries imported a shipment of taper roller bearings manufactured by Beijing Bearings in Shenzhen, China. The taper roller bearings are exported by Seoul Enterprise, a company incorporated in South Korea, and are used in various automotive engine parts. Taper roller bearings are specifically classified under 8482.20.00. The Department of Commerce (Commerce) has instructed CBP to collect antidumping duty cash deposits at a rate of 115 percent for all shipments of taper roller bearings manufactured by Beijing Bearings. Commerce has further instructed CBP to apply the “country-wide rate” of 45 percent for all shipments of taper roller bearings manufactured by Chinese companies with no established individual cash deposit rates. Further, the scope of the order excludes taper roller bearings used in the manufacture of exercise equipment and home appliances. What is the antidumping duty cash deposit collected for Brown Industries’ shipment of taper roller bearings?

- A. CBP does not collect antidumping duties because these taper roller bearings were exported by a Korean company.
- B. Assess a cash deposit rate of 45 percent
- C. Assess a cash deposit rate of 115 percent
- D. CBP does not assess antidumping duties because these bearings are excluded from the scope of the antidumping duty order.
- E. Assess a cash deposit rate of 160 percent

64. Company A imported seven ball bearings with integral shafts from Germany, which are classified under subheading 8482.10.10 HTSUS, at a 2.4 percent *ad valorem* duty rate and are subject to antidumping duties. The ball bearings are shipped by air and formally entered at John F. Kennedy International Airport. The total value of the shipment is \$7,598.00. The applicable antidumping duty cash deposit rate is 68.89 percent. What are the total amount of fees and estimated duties that should be reported on CBP Form 7501?

- A. \$208.67
- B. \$5,234.26
- C. \$5,260.58
- D. \$5,416.61
- E. \$5,442.93

Category XI: Marking

65. What is the proper country of origin marking for pliers made in China and imported into the United States from Germany?

- A. A hang tag with the phrase “Made in China”
- B. A sticker attached to the pliers with the phrase “Made in China”
- C. The phrase “Made in China” die stamped into the pliers
- D. The phrase “Made in Germany” etched into the pliers
- E. The pliers are exempt from marking in accordance with 19 CFR 134.33

66. What is the appropriate form used by CBP Officers to request marking and/or re-delivery of merchandise?

- A. CBP Form 3124
- B. CBP Form 4333
- C. CBP Form 4630
- D. CBP Form 4647
- E. CBP Form 6043

Category XII: Broker Compliance

67. Requests for alternative methods of storage for records required to be maintained as original records must be made to the following office:

- A. The Port Director in the port where the records will be stored
- B. The Broker Management Office in Washington, D.C.
- C. The Regulatory Audit Division in Charlotte, North Carolina
- D. The Director of Field Operations in the district where the records will be stored
- E. The National Finance Office in Indianapolis, Indiana

68. Which is **NOT** required to be in the triennial status report for an individual broker?

- A. A broker's license number
- B. The business name and address if the broker is a sole proprietor
- C. The name and address of his or her employer if the broker is employed by another broker
- D. A statement addressing whether the broker is actively engaged in transacting business as a broker
- E. The status report fee

69. For audit purposes, CBP regulations require a broker to retain entry summary documents from the date of entry. As a broker, you must keep and maintain entry summary records for _____.

- A. 6 months
- B. 1 year
- C. 15 months
- D. 3 years
- E. 5 years

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

- A. The same day the payment is received from the client
- B. The day after the client's check clears in the broker's bank account
- C. Within five working days from receipt of the payment by the broker
- D. Within ten calendar days from receipt of the payment by the broker
- E. The estimated duties shall be immediately deposited with the CBP officer designated to receive the duties.

71. Which of the following is **NOT** “Customs Business” as defined in the Code of Federal Regulations?

- A. The payment of duties, taxes and other charges
- B. Corporate compliance activity
- C. Determining the admissibility of merchandise
- D. Determining the classification of merchandise
- E. The preparation and filing of CBP Form 7501

72. During a visit by CBP to a brokerage, CBP reviewed the broker’s employee list and discovered that a new employee had not been included on the employee list that the broker had submitted to CBP. How many days after hiring this employee must the customs broker report it to CBP?

- A. The new employee does not need to be reported to CBP until the next triennial report.
- B. Within 10 calendar days after the new employee has been employed by the broker for 20 consecutive days
- C. Within 10 business days after the new employee has been employed by the broker for 30 consecutive days
- D. Within 10 business days after the new employee has been employed by the broker for 20 consecutive days
- E. Within 10 calendar days after the new employee has been employed by the broker for 30 consecutive days

73. You must be licensed to conduct “customs business.” Which of the following activities requires a license?

- A. Filing a warehouse entry with CBP on behalf of an importer
- B. Filing for release of your own personal effects being reimported into the United States
- C. Clearance of a vessel
- D. A carrier making an in-bond entry
- E. Manufacturing activities within the foreign trade zone

74. Each broker must submit in writing, to the director of each port at which the broker intends to transact customs business, a list of the names of persons currently employed by the broker at that port. These same requirements also apply to new employees. For each employee, the broker also must provide which of the following information?

- A. Social security number, date and place of birth, current and last prior home address and if employee has been employed for less than 3 years, the name, address and dates of employment for each former employer for the 3-year period preceding current employment with the broker
- B. Social security number, date and place of birth
- C. Social security number, date and place of birth, current home address, and the name and address of former employers and the dates of employment
- D. Social security number, date and place of birth, current home address, and past two home addresses
- E. Social security number, driver's license, date and place of birth, the name, address and date of employment for each former employer for the last 3 years

75. If a brokerage loses its permit qualifier in a district, the brokerage may request a waiver of a permit qualifier in the district. CBP will accept the waiver request when _____.

- A. the broker submits it to CBP's Assistant Commissioner of the Office of International Trade.
- B. the brokerage can demonstrate that it regularly employs an unlicensed employee and adequate procedures exist to exercise responsible supervision and control over the customs business in the district.
- C. the brokerage does not have an office nor conduct customs business in the district, but has a licensed broker in a larger geographical area in which the district is located.
- D. the brokerage can demonstrate that it has regularly employed at least one individual broker in a larger geographical area in which the district is located and that adequate procedures exist to exercise responsible supervision and control over the customs business in the district.
- E. the broker submits a waiver request in writing to the Port Director within 300 days after the loss of the permit qualifier.

76. What is the due date for a broker to submit the Status Report?

- A. It is due on February 1, 1975, and on February 1 of each third year after that date.
- B. It is due on January 1, 1985, and on January 1 of each third year after that date.
- C. It is due on February 1, 1985, and on February 1 of each third year after that date.
- D. It is due yearly in the month the broker's license was issued, and on the first of that month every third year.
- E. It is due every other year on February 1, beginning on February 1, 1985.

Category XIII: Fines and Penalties

77. When making an oral disclosure of a violation of 19 USC 1592 or 19 USC 1593(a), the disclosing party has up to _____ days to provide a written record of the information conveyed to CBP.

- A. 10
- B. 15
- C. 20
- D. 30
- E. 90

78. Prior disclosures are submitted to CBP. Which of the following statements is **NOT** accurate regarding the requirements for the content of prior disclosures?

- A. Identify the class or kind of merchandise involved in the violation.
- B. Fully disclose all known information or data during the initial disclosure to CBP
- C. Set forth to the best knowledge of the disclosing party true and accurate information.
- D. Specify the material false statements and omissions.
- E. State that the disclosing party will provide any information or data unknown at the time of disclosure within 30 days of the initial disclosure date.

79. 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 _____.

- A. within 1 year of filing the prior disclosure.
- B. at the time of the claimed prior disclosure or within 30 days after CBP notifies the person in writing of CBP 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 CBP notifies the person in writing of CBP 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 CBP notifies the person in writing of CBP calculation of the actual loss of duties, taxes and fees or actual loss of revenue.
- E. within 90 days after CBP notifies the person in writing of CBP calculation of the actual loss of duties, taxes and fees or actual loss of revenue.

80. The liability for shortage, irregular delivery, or non-delivery of in-bond cargo and associated penalties is addressed in _____.

- A. 19 CFR 18.4
- B. 19 CFR 18.7
- C. 19 CFR 18.8
- D. 19 CFR 18.9
- E. 19 CFR 18.10

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 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. 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

October 2014 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

Question	Answer	Citations
1	D	19 CFR 111.2(a)(2)(ii)(A)(1)
2	A	19 CFR 111.29(b)(2)(i)
3	B	CBP Form 7501 Instructions
4	D	CBP Form 7501 Instructions
5	C	CBP Form 7501 Instructions, 19 CFR 24.23(c)(7)
6	E	19 CFR 174.12(a)
7	D	19 CFR 163.4(a)(1)
8	C	19 CFR 152.1(c); 19 CFR 159.32
9	C	19 CFR 152.1(c); 19 CFR 159.32
10	C	Right to Make Entry Directive CD 3530-002A
11	C	19 CFR 24.24(c)(7); 19 CFR 24.23(c)(1)(i); HTS 9809.00.40
12	B	HTS General Note 3(e); 19 CFR 141.4(c)
13	C	19 CFR 122.50(a)
14	C	19 CFR 141.20; 19 CFR 141.19(a)
15	A	19 CFR 141.2, 19 CFR 148.32, 19 CFR 10.103
16	D	CBP Form 7501 Instructions
17	A	19 CFR 146.32(a)(1)
18	D	19 CFR 159.11
19	C	19 CFR 123.10(b)
20	C	19 CFR 19.11(d)
21	D	19 CFR 19.12(d)(4)(ii), (iv)
22	B	19 CFR 113.11
23	D	19 CFR 113.62
24	C	19 CFR 113.26(a)
25	C	19 CFR 113.13
26	D	HTS Chapter Note 2, Chapter 61
27	E	HTS Heading 6309.00.0010; Chapter Note 2(b), Chapter 61; Chapter Note 2(a), Chapter 62
28	D	HTS 7306.19.5110; General Rules of Interpretation (GRI) 1 and 6
29	C	HTS Chapter 69
30	E	HTS 7117.90.9000, Note 2(g) to chapter 42 Notes 9(a), and 11 to chapter 71
31	B	HTS Subheading 8486.20.0000
32	B	HTS GRI 3(b)
33		Credit Given to All
34	B	HTS 8528.49.6000 and Chapter 98, Subchapter II, U.S. Note 3, 19 CFR 24.23(c)(1)
35	B	HTS 8456.90.2100; 8479.89.9899; 8463.90.0080; 8477.80.0000; 8456.20.5000; GRI 2(b)

Question	Answer	Citations
36	D	HTS GRIs 1 and 6; HTS 9503.00.0073; Note 3 to Chapter 95; Statistical Note (1) to Chapter 95; Note 1(l) to Section XV; Note 1(p) to Section XVI; Note 1 to Section XVII
37	D	HTS Chapter 60, Note 1(c), Chapters 61 and 62
38	A	HTS GRI 3(b); Notes 5(A) and 5(C) and Subheading Note 1, to Chapter 84; Chapter 84, Note 5(A) and Note 5(C); Subheading 8471.30.0100
39	C	19 CFR 152.102
40	C	19 CFR 152.103(b); 19 CFR 152.102(f)
41	B	19 CFR 152.102(g)
42	C	19 CFR 152.101(d)
43	D	HTS General Statistical Note 1(a)(xiii) & (xiv); 19 CFR 152.102(f) and 152.103(a)(1) and (b)(iii)
44	B	19 CFR 152.103
45	D	19 CFR 152.103
46	D	19 CFR 152.103(j)(2)(i); 19 CFR 152.103(l)(2)
47	B	19 CFR 152
48	D	19 CFR 181.22(b)(2)
49	B	19 CFR 181.22 (b)(4)
50	A	HTS General Note 29, Note (a)(iii)
51	B	HTS General Note 4, General Note 13, Section VI/Additional US Note 3, General Note 16, General Note 14
52	C	19 CFR 10.175
53	E	HTS 4803.00.40, 4818.30.00, and General Note 34(n)
54	A	19 CFR 181.31
55	C	19 CFR 10.910-10.912
56	D	HTS General Note 4(a)
57	E	HTS General Note 29, 19 CFR 10.581-625 (interim)
58	A	19 CFR 191.51(e)
59	D	19 CFR 111.2(b)(2)(i)(B); 19 CFR 111.2(b)(2)(ii); 19 CFR 113.65
60	B	19 CFR 191.35(a)
61	E	CBP Form 7501 Instructions
62	C	19 CFR 351.402(f)(2)
63	C	Department of Commerce instructions, as cited in exam question
64	E	CBP Form 7501 Instructions; HTS; 19 CFR 24.24(a); 19 CFR 24.24(b)(1); 19 CFR 24.23(b)
65	C	19 CFR 134; 19 CFR 134.33; 19 CFR 134.43 (a)
66	D	19 CFR 134.51, 134.52, 141.113
67	C	19 CFR 163.5
68	A	19 CFR 111.30(d) and 111.96(d)
69	E	19 CFR 111.23(b)
70	C	19 CFR 111.29
71	B	19 CFR 111.1
72	E	19 CFR 111.28(b)(i) & (ii)

Question	Answer	Citations
73	A	19 CFR 111.2
74	A	19 CFR 111.28(b)(1)(i) and 19 CFR 111.28(b)(1)(ii)
75	D	19 CFR 111.19(b) and (d)(2); 19 CFR 111.45(b)
76	C	19 CFR 111.30(d)(1)
77	A	19 CFR 162.74(A)(2)
78	B	19 CFR 162.74
79	B	19 CFR 162.74(c)
80	C	19 CFR 18.8

Reference Materials:

- **Harmonized Tariff Schedule of the United States** (Either the 2013 or 2014 HTSUS may be used for this examination. All classification, free trade agreement, and other questions will be consistent across both tariff schedules.)
- **Title 19, Code of Federal Regulations** (Either the 2013 or 2014 CFR may be used for this examination, Parts 0 to End.)
- **Customs and Trade Automated Interface Requirements (CATAIR)**
 - Appendix B - Valid Codes
 - Appendix D - Metric Conversion
 - Appendix E - Valid Entry Numbers
 - Appendix G - Common Errors
 - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501** (July 24, 2012)
- **Right to Make Entry Directive 3530-002A**