

Series 860
April 1, 2020

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**). There is no penalty for guessing; therefore, you should attempt to answer every question. **Each question has a single best answer.**

You are responsible for having the following references:

- Harmonized Tariff Schedule of the United States (2019 Basic Edition, No Supplements)
- Title 19, Code of Federal Regulations (2019 Revised as of April 1, 2019, Parts 1 to END)
- Instructions for Preparation of CBP Form 7501 (December 2019)
- Right to Make Entry Directive 3530-002A
- Business Rules and Process Document (Trade External 9.75, Section 1 – 12)

You have four and a half (4.5) hours to complete this examination.

In addition to the 80 exam questions, U.S. Customs and Border Protection (CBP) will be administering six **voluntary** process evaluation questions at the end of the exam. The questions should take no longer than 5 minutes to complete. The purpose of the survey questions is to inform future testing processes. These survey questions are voluntary and will have **NO** impact on your scores.

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Category I – Broker Compliance

1. Of the following, which is required to have a license to transact customs business?
 - A. A foreign trade zone operator warehousing merchandise to be exported to Canada
 - B. An importer acting on his own behalf
 - C. The district permit qualifier of a customs broker
 - D. A bonded carrier transporting merchandise for another party making entry to transport said merchandise in bond
 - E. An employee of a customs broker who has been authorized to sign documents

2. What Employee Information is the broker **NOT** required to submit to each port at which they intend to transact customs business, in writing, on all of its employees?
 - A. Employees date of birth
 - B. Employees previous home address
 - C. Employees place of birth
 - D. Employees driver's license number
 - E. Employees social security number

3. In which scenario would the XYZ Brokers Corporation be in violation of 19 CFR 111.24?
 - A. XYZ Brokers failed to have a licensed broker on staff for 30 days
 - B. XYZ Brokers failed to submit the name of a terminated employee
 - C. XYZ Brokers failed to attain a permit
 - D. XYZ Brokers disclosed a client's personal records to another brokerage
 - E. XYZ Brokers hired an employee who once worked for a US government agency

4. What regulatory citation identifies when a broker is required to obtain a waiver from an importer?
 - A. 19 CFR 111.28
 - B. 19 CFR 111.30
 - C. 19 CFR 111.36
 - D. 19 CFR 113.53
 - E. 19 CFR 141.46

5. If a broker knows that a client has not complied with the law or has made an error, or omission from, any document, affidavit, or other paper which that law requires the client to execute, what should the broker do?

- A. Continue to adhere to the contractual agreement between the broker and his/her client
- B. Immediately discontinue his/her relationship with the client
- C. Contact CBP for guidance
- D. Advise the client promptly of the noncompliance
- E. Prepare a prior disclosure

6. 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
- B. The entry in ACE immediately, as this type of transaction is new and only accepted in ACE
- C. To the actual importer either a copy of his 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

7. Which fee is **INCORRECT**?

- A. License Application Fee \$200.00
- B. Permit Application Fee \$100.00
- C. Status Report Fee \$125.00
- D. Examination Fee \$390.00
- E. Surcharge for manual entry \$5.00

8. The grounds listed below, sufficient to justify a denial of an application for a license, are all **CORRECT EXCEPT**:

- A. Failure to establish the business integrity and good character of the applicant
- B. Any willful misstatement of pertinent facts in the application for the license
- C. The failure to meet any requirement of 19 CFR 113.11
- D. Any conduct which would be deemed unfair in commercial transactions by accepted standards
- E. A reputation imputing to the applicant criminal, dishonest, or unethical conduct, or a record of that conduct

Category II – Entry

9. Documents that need to be submitted along with the first formal entry or the first request for services include: Notification of Importer's Number or Application of Importer's Number, Notice of Change of Name or Address, and _____. This document is also known as the "Create/Update Importer Identity Form."

- A. CBP Form 2010
- B. CBP Form 3509
- C. CBP Form 4455
- D. CBP Form 5106
- E. CBP Form 5291

10. What regulation defines the, "Date of Importation"?

- A. 19 CFR 24.1
- B. 19 CFR 101.1
- C. 19 CFR 111.28
- D. 19 CFR 141.68
- E. 19 CFR 159.1

11. Entry type code _____ is the correct entry type code for a Transportation and Exportation (T&E) entry.

- A. 08
- B. 61
- C. 62
- D. 63
- E. 86

12. A _____ must be presented to CBP timely to request an extension for a Temporary Importation under Bond (TIB) entry.

- A. CBP Form 3173
- B. CBP Form 3461
- C. CBP Form 3495
- D. CBP Form 6043
- E. CBP Form 7501

13. When generating a bill, the interest is calculated from what date?

- A. The import date
- B. The date the summary was due
- C. The collection date
- D. The release date
- E. The liquidation date

14. How much is the Harbor Maintenance Fee (HMF) for commercial vessels moving commercial cargo within a port (inraport movement)?

- A. 0.125 percent of the value of the cargo
- B. 99 percent of the value of the cargo
- C. 2 percent of the value of the cargo
- D. 5.2 percent of the value of the cargo
- E. No Harbor Maintenance Fee owed

15. A mechanic imported automobile parts by mail from Japan. The shipment includes a catalogue from the retailer, which lists the total value of the parts as 32,428 JPY (approximately 300 USD). For which of the following is the mechanic liable upon importation?

- A. Duties owed on the value of parts
- B. An *ad valorem* fee of 0.3464% owed on inbound international mail
- C. Sales taxes owed in the state of importation
- D. A processing fee owed for the informal release of international mail
- E. Costs arising from the seizure and forfeiture of the automobile parts, if found to contain material prohibited from importation or imported contrary to law

16. Which of the following is **NOT** an exception to the requirement that estimated duties shall either be deposited with CBP at the time of the filing of the entry documentation or the entry summary documentation when it serves as both the entry and entry summary (or be transmitted to Customs according to the statement processing method found in the applicable Customs regulations)?

- A. Merchandise entered for warehouse
- B. Informal mail entry
- C. Temporary importation of goods under bond
- D. Appraisement entry
- E. Entry for consumption

17. Identify the **INCORRECT** statement regarding informal entries.

- A. The Importer of Record can be changed
- B. The entry value may not exceed \$2500
- C. Informal entry will liquidate on the date of release
- D. An informal entry does not have a bond requirement
- E. Merchandise that is subject to quota restraint cannot be filed as an informal entry

18. Which of the following is **NOT** a valid reason for an extension or suspension of liquidation?

- A. Liquidation is suspended as required by statute
- B. Additional information is required by CBP for proper appraisalment of merchandise
- C. The importer has a separate litigation pending before the Court of International Trade
- D. Additional information is required by CBP for proper classification of merchandise
- E. The importer requests an extension in writing showing good cause

19. An individual who qualifies as an importer of record under 19 U.S.C. § 1484 has the legal authority to appoint an agent to clear merchandise in his name, provided the importer is _____.

- A. A regular importer, the appointment is for a single non-commercial shipment, and the agent is unpaid
- B. Not a regular importer, the appointment is for a single commercial shipment, and the agent is unpaid
- C. Not a regular importer, the appointment is for a single non-commercial shipment, and the agent is paid
- D. A regular importer, the appointment is for a single non-commercial shipment, and the agent is paid
- E. Not a regular importer, the appointment is for a single non-commercial shipment, and the agent is unpaid

20. Per Section 19 CFR Part 141, which of the below is **TRUE**?

- A. Entry is required on telecommunications transmissions
- B. Merchandise for which entry is required will be entered within 10 calendar days after landing from a vessel, aircraft or vehicle, or after arrival at the port of destination in which merchandise is transported in bond
- C. When merchandise is not imported by a common carrier, possession of the merchandise at the time of arrival in the United States shall be deemed sufficient evidence of the right to make entry
- D. A power of attorney to a minor shall be accepted
- E. A trustee may not execute a power of attorney for the transaction of Customs business incident to the trusteeship

Category XI – Power of Attorney

21. When may a power of attorney be revoked?

- A. Prior to being submitted to CBP
- B. Within 30 days from execution
- C. Upon written approval by the Port Director

- D. At any time by written notice given to and received by CBP
- E. It may not be revoked

22. All powers of attorney may be granted for an unlimited period of time with the exception of a partnership power of attorney, which may not exceed 2 years from date of execution. Which regulation is **CORRECT**?

- A. 19 CFR 141.34
- B. 19 CFR 141.35
- C. 19 CFR 141.36
- D. 19 CFR 141.37
- E. 19 CFR 141.38

23. Who can conduct customs business without having issued a power of attorney to the broker?

- A. Importer
- B. Employee of a broker
- C. Lawyer for the brokerage
- D. Partnership
- E. Attorney in Fact

Category III – Marking

24. What is the country of origin marking for a product being imported into the United States for which manufacture took place in China but was exported from Panama?

- A. Made in Panama
- B. Hecho en China
- C. Made in China
- D. Made in China and Panama
- E. Hecho en Panama y China

25. Which item is **NOT** listed on the J-List and therefore subject to country of origin marking requirements?

- A. Flowers, cut
- B. Furniture
- C. Firewood
- D. Feathers
- E. Flooring, not further manufactured

26. What are the Customs Territories of the United States?

- A. The states, District of Columbia, and the Commonwealth of Puerto Rico
- B. The states, Virgin Islands, and the Commonwealth of Puerto Rico
- C. The states, District of Columbia, Virgin Islands
- D. The states, District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, American Samoa
- E. The states, Commonwealth of Puerto Rico, Virgin Islands, American Samoa, and island of Guam

27. Cotton napkins are imported into the United States. The cotton fabric comprising the napkins is woven in China and the sewing thread is made in Taiwan. The fabric and thread are shipped to Vietnam to be cut, sewn, and finished into the napkins. The finished napkins are then shipped in bulk to Singapore for packaging before being imported into the United States. What is the country of origin of the napkins?

- A. Vietnam
- B. China
- C. Taiwan
- D. Singapore
- E. United States

Category V – Practical Exercise



DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

OMB APPROVAL NO. 1651-0022
EXPIRATION DATE 01/31/2021

ENTRY SUMMARY

1. Filer Code ABC-1234567-8	2. Entry Type [REDACTED]	3. Summary Date 04/01/2020	4. Surety Number 998	5. Bond Type 9	6. Port Code 1603	7. Entry Date 03/20/2020
8. Importing Carrier Ever Linking		9. Mode of Transport 11		10. Country of Origin China		11. Import Date 03/20/2020
12. B/L or AWB Number EGLV 123548791564		13. Manufacturer ID CNHEBMIN337HEB		14. Exporting Country China		15. Export Date 02/20/2020
16. I.T. Number [REDACTED]		17. I.T. Date [REDACTED]		18. Missing Docs [REDACTED]		19. Foreign Port of Lading 57017
20. U.S. Port of Unlading 1601		21. Location of Goods/G.O. Number [REDACTED]		22. Consignee Number SAME		23. Importer Number 27-8965470-00
24. Reference Number 27-8965470-00		25. Ultimate Consignee Name (Last, First, M.I.) and Address Sandy's Baby Boutique Street 5649 Main Street City Nowhere State CA Zip 00586				26. Importer of Record Name (Last, First, M.I.) and Address Sandy's Baby Boutique Street 5649 Main Street City Nowhere State CA Zip 00586

Sandy's Baby Boutique has ordered circular nursing pads from China. No quota or special fees are applicable.

She is presently on ACH.

Please answer questions 28-30 using the above information.

28. What would be in column 2?

- A. 01
- B. 01 ABI/S
- C. 01 ABI/A
- D. 02
- E. 02ABI/A

29. What does 998 represent?

- A. Washington International
- B. Avalon Risk
- C. Cash in lieu of surety
- D. Aegis Security Insurance
- E. Federal Insurance

30. When an importer would like all refunds, bills or notices of extension or suspension of liquidation to be sent (if other than the importer of record and when a CBP form 4811 is on file). Which block would be utilized?

- A. Block 22
- B. Block 23
- C. Block 24
- D. Block 25
- E. Block 26

Please answer questions 31-33 using the below 7501.

27. Line Number	28. Description of Merchandise			32. A. Entered Value B. CHGS C. Relationship	33.		34.	
	29. A. HTSUS Number B. ADA/CVD Number	30. A. Grossweight B. Manifest Qty.	31. Net Quantity in HTSUS Units		A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa Number	Duty and I.R. Tax		Dollars
	Invoice No. 53478							
001	circular nursing pads (N) 9619.00.6400	15 DZ 1500KG	1390 KG	10500 C750	14.9%		156.45	
	MERCHANDISE PROCESSING FEE				.3464%		36.37	
	HARBOUR MAINTENNANCE FEE				.125%		13.13	
Other Fee Summary for Block 39		35. Total Entered Value		CBP USE ONLY		TOTALS		
499 MERCHANDISE PROCESSING FEE: 36.37		\$ 10,500.00		A. LIQ CODE	B. Ascertained Duty	37. Duty		156.45
501 HARBOUR MAINTENNANCE FEE 13.13		Total Other Fees \$ 44.50		REASON CODE	C. Ascertained Tax	38. Tax		
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT					D. Ascertained Other	39. Other		44.50
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 or purchaser or agent thereof. I further declare that the merchandise <input checked="" 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.					E. Ascertained Total	40. Total		200.95
41. DECLARANT NAME (LAST, FIRST, M.I.)		TITLE		SIGNATURE		DATE		
XYZ Brokers		atty-in-fact				04/01/2020		
42. Broker/Importer Name (Last, First, M.I.) and Phone Number				43. Broker/Importer File Number				
XYZ Brokers, 5600 Bay St Charleston				843-123-4567 ABC/-1234567-8				

Paperwork Reduction Act Notice

- 31.** Would this item be eligible for a Free Trade Agreement?
- A. Yes, per subpart K in Section 10 of the regulations
 - B. Yes, per part 181 of the regulations
 - C. Yes, under subpart O of Section 10 of the regulations
 - D. No, since the item is U S Goods Returned
 - E. No, China does not have a Free Trade Agreement
- 32.** If the total entered value has increased from \$10,500 to \$12,000, what is the new Merchandise Processing Fee amount?
- A. No fee
 - B. \$5.2
 - C. \$15
 - D. \$36.37
 - E. \$41.57
- 33.** What are the total duties and fees payable to CBP?
- A. \$13.13
 - B. \$44.50
 - C. \$156.45
 - D. \$192.82
 - E. \$200.95

Category IV – Bonds

34. Which of the following is **NOT** considered a guideline for CBP in determining the sufficient amount of bond?

- A. The prior record of the principal in timely payment of duties, taxes, and charges
- B. The value and nature of the merchandise involved
- C. The degree and type of supervision CBP will exercise over the transaction
- D. The number of years the principal has been doing business with CBP
- E. The prior record of the principal in honoring bond commitments such as liquidated damages

35. Customs has determined that the principal's continuous bond is inadequate. Customs has notified the principal and surety in writing. How many days from the date of notification will the principal have to remedy the deficiency?

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

36. All of the following bonds must be Single Transaction bonds **EXCEPT**:

- A. Wool and Fur Products Labeling Act Bond
- B. Production of Bills of Lading Bond
- C. Pay Court Costs (Condemned Goods) Bond
- D. Foreign Trade Zone Operator Bond
- E. Observe Neutrality Bond

37. Which of the following statements regarding bonds is **TRUE**?

- A. Continuous bonds may not be filed any earlier than 30 days prior to the requested effective date
- B. A single transaction bond is effective on the date shipment leaves the foreign port
- C. If a bond is terminated, new transactions may still be charged against the bond
- D. A bond rider must be filed at the port where the entry is filed
- E. With regard to Import Security Filing bonds, the principal and surety agree to pay liquidated damages of \$5000.00 per violation

Category V – Fines and Penalties

38. Petitions for the remission or mitigation of a fine, penalty, or forfeiture incurred under any law administered by Customs must be addressed to the Fines, Penalties, and Forfeitures Officer designated in the notice of claim. In addition, the petition for remission or mitigation must contain which of the following:

- A. Be in the specific format stipulated
- B. The name of the CBP Officer involved in the incident
- C. The date and place of the violation or seizure
- D. Triplicate filing unless filed electronically
- E. Certification by a notary public

39. Supplemental petitions for relief from penalties **MUST** be filed within what period of time?

- A. Within 30 days of the time of mailing of the notice of seizure
- B. Within 30 days from the date of the notice of decision from which further relief is requested
- C. Within 60 days of the notice of decision from which further relief is requested unless another time to file such a supplemental petition is prescribed in the decision
- D. Within 60 days from the date of entry
- E. Within 180 days from the mailing of the notice of penalty incurred

40. Which statement regarding Protest filing is **CORRECT**?

- A. Protests may be filed within 190 days after the date of liquidation or re-liquidation of an entry
- B. Customs has one year from the date the protest was filed to review and act on a protest
- C. If the Center director fails to allow or deny a protest that is the subject of a request for accelerated disposition within 30 days from the date of mailing of such request, the protest shall be deemed allowed
- D. If a protesting party has sought further review of a protest and the Center director, upon preliminary examination, indicates that the protest would be denied in whole or in part, the Center director shall forward the protest and application for consideration by the Commissioner of Customs or his designee if the protest raises an issue involving lack of uniformity in treatment
- E. Any person whose protest has been denied, in whole or in part, may contest the denial by filing a civil action with a federal court located nearest to the port into which the merchandise at issue was imported

41. A petition for relief containing a false statement may subject the petitioner to prosecution under the provision of _____.

- A. 19 USC 1001
- B. 19 USC 1592
- C. 19 USC 1617
- D. 19 USC 1641
- E. 19 USC 1677

Category VI – Classification

42. What is the **CLASSIFICATION** for live turkeys weighing more than 185g brought into the U.S. for temporary exhibition?

- A. 0105.12.0000
- B. 0207.24.0000
- C. 1602.32.0040
- D. 9812.00.2000
- E. 9813.00.60

43. What is the **CLASSIFICATION** for Choline and its salts?

- A. 2913.00.5000
- B. 2923.10.0000
- C. 2931.38.0000
- D. 2842.90.9000
- E. 2930.20.9020

44. What is the **CLASSIFICATION** of a greenhouse cabinet measuring 48” high by 36” wide by 20” deep? The greenhouse is constructed of a wooden frame with unreinforced, translucent plastic sides and roof that allow for light to enter. The wooden frame is the component that forms the structure of the greenhouse and gives the item its essential character. The front of the greenhouse has two cabinet doors that open to reveal three interior wooden shelves for plants. The shelves specifically fit the width and depth of the greenhouse. The greenhouse is intended for placement on the ground or floor.

- A. 4420.90.8000
- B. 4421.99.9780
- C. 9403.60.8081
- D. 9406.10.0000
- E. 9406.90.0020

45. What is the **CLASSIFICATION** of an unupholstered, aluminum armrest seat divider manufactured in Germany that is bolted to the main frame of an aircraft passenger seat? The armrest seat divider is identifiable by an “A” frame shape as a component designed solely and principally for use and installation on aircraft seats.

- A. 9401.90.1085
- B. 9401.90.3580
- C. 9401.90.4080
- D. 9401.90.5021
- E. 9401.90.5081

46. What is the **CLASSIFICATION** for an article that consists of a zinc pill holder that is attached by an aluminum connector ring to a steel carabiner and a steel key ring? The article is composed of 50 percent zinc, 45 percent steel, and 5 percent aluminum.

- A. 7326.20.0090
- B. 7326.90.8688
- C. 7616.99.5175
- D. 7616.99.5190
- E. 7907.00.6000

47. What is the **CLASSIFICATION** for a hand-held facial massager composed of a free-spinning, oval-shaped jade roller, ridged and grooved both horizontally and vertically in a grenade-like pattern, which is held perpendicular to an ergonomically contoured, plastic handle to form a T-shaped tool? When rolled over the face, it stimulates the facial acupuncture points.

- A. 3924.90.5650
- B. 6802.99.0060
- C. 7116.20.4000
- D. 8205.51.7500
- E. 9019.10.2050

48. What is the **CLASSIFICATION** of a catalytic preparation consisting wholly of an inorganic mixture: 30-70% Tungsten (VI) oxide, 1-10% Silicon dioxide, 1-2% Aluminum oxide, 1-40% Molybdenum (VI) trioxide, and 10-15% Nickel (II) oxide?

- A. 2825.90.30
- B. 3815.90.30
- C. 3815.90.50
- D. 8101.99.80
- E. 8102.99.00

49. What is the **CLASSIFICATION** of a carbonated energy drink consisting of carbonated water, caffeine, taurine, high-fructose corn syrup, and vitamin B12?

- A. 2202.10.0040
- B. 2201.10.0000
- C. 2202.91.0000
- D. 2203.00.0030
- E. 2202.99.9000

50. What is the **CLASSIFICATION** of a cold-drawn, seamless circular pipe? The pipe consists of 1% Carbon, 60% Iron, 25% Nickel, 13% Chromium, and 1% other elements, and has an outside diameter of 14 mm and a wall thickness of 1.9 mm.

- A. 7304.31.6050
- B. 7304.41.3005
- C. 7306.40.5005
- D. 7306.40.5044
- E. 7306.50.5030

51. What is the **CLASSIFICATION** of a used alternator core removed from a 2003 Ford Focus with a 4 cylinder gasoline engine?

- A. 8479.90.9496
- B. 8511.40.0000
- C. 8511.50.0000
- D. 8511.80.6000
- E. 8708.99.8180

52. What is the **CLASSIFICATION** of an automotive aftermarket lift and storage device for removing and storing a vehicle hardtop? The device allows customers to easily lift, remove, and store a hardtop by themselves. It is made of a stainless steel frame and is imported with the needed hardware such as casters, bolts, nuts, plastic caps, and storage support rails. The manual device possesses mechanical features such as gears, a pawl, and a lever.

- A. 8425.19.0000
- B. 8428.90.0290
- C. 8479.89.9499
- D. 8708.29.5060
- E. 9403.20.0090

53. What is the **CLASSIFICATION** of recreational, land-based trampolines that are designed for domestic backyard use? They are oval shaped, 16' x 14' in size, and made with ultraviolet-

resistant polyvinyl chloride (PVC) materials. They have 96 thick gauge, rust-resistant springs to provide bounce and, to increase safety for users, include a woven mesh netting enclosure. They feature a heavy-gauge, reinforced galvanized steel frame, a patented “Stay-Put” enclosure (to eliminate gaps between the jumping mat and the enclosure net), and welded T-sockets to eliminate frame twisting. They also include a, “Triple Toss Game” with six (6) sand bags for jumpers to throw at a target. The trampolines are not recommended for use by children under six (6) years of age. The User’s Manual that is included advises jumpers to learn eight (8) fundamental bounces and body positions thoroughly (illustrations included) before trying more advanced skills and to contact a certified trampoline instructor for information about skills training.

- A. 9503.00.0013
- B. 9503.00.0090
- C. 9506.91.0030
- D. 9506.99.6040
- E. 9506.99.6080

Category VII – ACE

54. Which of the following changes are **NOT** allowed when filing a Post Summary Correction _____?

- A. Tariff classification change
- B. NAFTA indicator change
- C. Country of origin change
- D. Quantity change
- E. Quota visa number change

55. According to the Ace Business Rules, which of the below is **FALSE**?

- A. When CBP rejects an entry summary, the filer will receive an ABI notification message, “entry summary rejected”
- B. Once an entry summary is liquidated, it cannot be cancelled
- C. Filers have the ability to revise transmitted entry summary data until the entry summary is in fully paid status and under CBP control
- D. The Client Representatives are the first point of contact for the trade community when it relates to automating their systems for interactions with CBP
- E. If paying by check, the filer should include the reconciliation entry summary number on the check along with a copy of the CBP Form 7512 or equivalent document

56. In order for a filer to submit a Post Summary Correction (PSC), the original entry summary or previously filed PSC must meet all of the following **EXCEPT**:

- A. Entry summary must be in accepted status
- B. Entry summary cannot be under CBP review
- C. Entry summary must be in CBP control
- D. Entry summary must be scheduled to be paid
- E. Entry summary cannot be liquidated

Category VIII – Anti-Dumping/Countervailing Duties

57. What does EAPA stand for?

- A. Enforcement and Problem Authority
- B. Enforce and Prepare Association
- C. Employee Assistance Professional Act
- D. Enforce and Protect Act
- E. Enforcement and Protect Act

58. In addition to seizure of the merchandise, CBP may impose a civil fine on a person who directs, assists financially or otherwise, or aids and abets the importation of merchandise for sale or public distribution that bears a counterfeit mark. What is the highest amount of a civil fine for a first-time seizure of importing merchandise with a counterfeit mark?

- A. Twice the Value of the Merchandise
- B. \$10,000
- C. \$100,000
- D. Manufacturer's Suggested Retail Price of Genuine Article
- E. No monetary civil fine

59. Henry Ford imported twelve ball bearings with integral shafts from Germany, which are classified under subheading 8482.10.10, Harmonized Tariff Schedule of the United States, 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 \$9875.00 USF. The applicable antidumping duty cash deposit rate is 72.65 percent. Using the above information only, what is the total amount of fees and estimated duties that should be reported on CBP Form 7501?

- A. \$271.21
- B. \$7208.40
- C. \$7411.19
- D. \$7445.40
- E. \$7457.74

60. All of the following information must be provided by an interested party filing an allegation of evasion of AD/CVD orders **EXCEPT**:

- A. Name of the interested party to the investigation making the allegation and identification of the agent filing on its behalf, if any, and email address for communication and service purposes
- B. Specification as to the basis upon which the party making the allegation qualifies as an interest party
- C. Name and address of the shipping company that imported the subject merchandise
- D. Description of covered merchandise
- E. Applicable AD/CVD orders

Category IX – Drawback

61. A Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback on CBP Form 7553 for merchandise that is going to be destroyed, shall be filed by the claimant with the CBP port where the destruction is to take place at least _____ working days prior to the date of intended destruction.

- A. 1
- B. 4
- C. 7
- D. 10
- E. 14

62. The below information is required for each manufacturer or producer submitting a letter of notification of intent to operate under a general manufacturing drawback ruling. They must also provide the following specific detailed information **EXCEPT**:

- A. Name and address of manufacturer or producer or IRS number
- B. The names of persons who will sign drawback documents in the case of a business entity
- C. Locations of the factories that will operate under the letter of notification
- D. Description of the manufacturing or production process
- E. Social Security numbers of the manufacturer or producers

63. Which of the below drawback periods is **CORRECT**?

- A. Drawback is permissible on exported or destroyed merchandise, which was imported, sold at retail, and returned to the importer, within 3 years of the date of import
- B. Unless a waiver is applicable, a *Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback* (CBP Form 7553) must be filed with CBP at least 15 working days prior to the date of intended exportation
- C. At least 10 working days before the intended date of destruction of merchandise under CBP supervision, upon which drawback is intended to be claimed, a *Notice of Intent to Export, Destroy or Return Merchandise for Purposes of Drawback* (CBP Form 7553) must be filed
- D. A party may challenge a denial of an application for certification as a participant in the drawback compliance program by filing a written appeal within 30 days of the issuance of the notice of denial
- E. Drawback is allowed on imported merchandise if the merchandise is exported or destroyed within 3 years of the date of importation and was not used within the United States

64. In the scenario below, what is the **CORRECT** claimed amount for merchandise processing fee (MPF) on an Unused Direct Identification 1313(j)(1) drawback claim?

Imported merchandise:		
500 bikes	\$200 per unit	\$100,000
500 spare parts	\$175 per unit	\$87,500
Invoice value		\$187,500
Less Non-Dutiable Charges (NDC)		-\$2,500
Total Entered Value		\$185,000
Total MPF paid	(MPF rate .3464%)	\$485.00

Exported merchandise for drawback purposes: 200 bikes.

- A. \$102.43
- B. \$103.47
- C. \$137.17
- D. \$138.56
- E. \$480.15

CATEGORY X – Free Trade Agreements

65. What regulation would you find the verification authority for the United States-Chile Free Trade Agreement (US-CFTA)?

- A. 19 CFR 10.183
- B. 19 CFR 10.401
- C. 19 CFR 10.501
- D. 19 CFR 10.581
- E. 19 CFR 10.827

66. A shipment of magnesium chloride pellets was produced in its entirety in Israel from Israeli components. The shipment was flown to and unladed in France. Subsequently, this product was shipped by ocean vessel from France to the US. The arrival date was April 4, 2019. Entry was made under tariff 2827.31.00.00/1.5%. The value was \$200,280. What is the correct Merchandise Processing Fee (MPF) for this shipment?

- A. No MPF is due
- B. \$693.77
- C. \$508.70
- D. \$250.35
- E. \$3,004.20

67. A Plastics Milling Plant located in New York City imports Canadian polypropylene pellets (correctly classified in 3902.10.0000, HTSUS) for grinding into polypropylene powder (correctly classified 3902.10.0000, HTSUS). The powder is made solely from the foreign material. The company claims the good has been substantially transformed making the country of origin the United States. Which of the following statements is **CORRECT**?

- A. The term, “country of origin”, always means the country of exportation of any article of foreign origin entering the United States
- B. Any further work added to an article in another country is always enough to render such other country the, “country of origin”
- C. The “NAFTA Marking Rules” are never used to determine the country of origin for a NAFTA country
- D. The “NAFTA Marking Rules” never require that each foreign material incorporated in that good undergoes an applicable change in tariff classification
- E. The “NAFTA Marking Rules” require a change to heading 3901 through 3915 from any other heading, including another heading within that group. The required tariff heading change does not occur, therefore, the country of origin of the product remains Canadian

68. European grown and processed tobacco enters the U.S. under subheading 2401.30.03 and is manufactured into goods of subheading 2403.91.20 and shipped to Mexico. The goods are then further processed in Mexico and finally returned to the United States under subheading 2403.91.20. Do the goods imported into the United States from Mexico qualify to receive preferential tariff treatment under NAFTA?

- A. This can only be determined by the U.S.-Mexico NAFTA Technical Committee at its transaction review, which will automatically be conducted using confidential criteria shortly after importation
- B. No, the goods definitely do not qualify
- C. Yes, the goods qualify without condition
- D. Only if the goods are satisfactorily labeled with required health warnings
- E. Provisionally, pending verification of compliance with USDA product quality standards

CATEGORY XI – Foreign Trade Zone/Warehouse

69. As a representative of the Foreign Trade Zone Board, who is in charge of a foreign trade zone?

- A. Center Director
- B. Foreign Trade Zone Operator
- C. Foreign Trade Zone User
- D. Port Director
- E. Foreign Trade Zone Board

70. ACME Bottling imports plastic polyethylene terephthalate (PET) chips, which are entered into an FTZ under weekly entry procedures. While in the FTZ, the PET chips are manufactured into plastic bottles for Crazy Cola. Each day's production of bottles is removed from the FTZ and delivered to Crazy Cola on a daily basis. For recordkeeping purposes, ACME tracks production and shipments from Sunday through Saturday. Every Tuesday, ACME provides their broker with final production records for the previous week to file entries on the previous week's actual production. Which statement is **CORRECT**?

- A. ACME may file its entries for the week on Monday because Sunday falls on the weekend
- B. ACME may file its entries for the week on the Tuesday after production, once accurate production records are available
- C. ACME may file one weekly entry before Sunday using a pro forma invoice. Once the production records are finalized, ACME may file an entry for the actual number of units that were manufactured and transferred out of the zone
- D. ACME may need to file more than one entry for the week
- E. ACME must file a new entry every time merchandise is removed from the zone

71. Which of the following statements regarding Class 9 (nine) bonded warehouse operations is **INCORRECT**?

- A. A duty-free store proprietor must maintain, at the duty-free store, a current and separate inventory for each storage area, crib, and sales area containing conditionally duty-free merchandise by warehouse entry, unless approved otherwise by the port director
- B. A duty-free warehouse that is an airport store may be located 10 statute miles away from a staffed port of entry
- C. Duty-free stores do not need to limit sales of the conditionally duty-free merchandise to personal-use quantities
- D. Merchandise in a Class 9 warehouse may be withdrawn for exportation under a sales ticket procedure
- E. The proprietor of a Class 9 warehouse is required to take an annual, physical inventory of merchandise in the warehouse, or a periodic cycle count of selected categories of merchandise at least once a year, with prior notification of the proposed date to CBP personnel

72. Which of the following activities may **NOT** occur within a Foreign Trade Zone (FTZ)?

- A. The temporary deposit of entered merchandise into a zone that has remained in continuous Customs custody for the purpose of manipulation
- B. The manipulation, manufacturing, exhibition, or destruction of merchandise entered into a zone after Customs approves an application on a Customs Form 216
- C. Retail trade of goods within a zone as permitted by the local Port Director
- D. Transfer of zone-restricted merchandise into Customs territory
- E. Transfer of merchandise from one zone to another

CATEGORY XII – Intellectual Property Rights

73. A company based in the U.S. is attempting to import handbags that look confusingly similar to a very popular handbag designer. A CBP officer examining the shipment detains the merchandise. How many days does the officer have to determine if the merchandise is counterfeit and what section of the CFR gives the officer authority to detain the merchandise?

- A. The officer has 10 days to determine whether merchandise is counterfeit under 19 CFR 1499(1)
- B. The officer has an unlimited amount of time to determine whether the merchandise is counterfeit under 19 CFR 141.51
- C. The Officer has 120 days to decide whether the merchandise is subject to counterfeit laws under 19 CFR 1499(1)
- D. The officer has 30 days from the date in which the merchandise is presented to CBP for examination to make a determination as to whether or not the merchandise is counterfeit under 19 CFR 133.21
- E. The officer has 50 days to reach a determination on the merchandise under 19 CFR 133.21

74. You are submitting an application to record three of your trademarks. How much will you pay?

- A. \$90.00
- B. \$190.00
- C. \$380.00
- D. \$570.00
- E. Nothing, it is free to record trademarks

75. Articles suspected of bearing counterfeit marks are detained. If the importer of the article does not provide timely information, or the information provided is insufficient for CBP to determine that the merchandise does not bear a counterfeit mark, CBP may provide the owner of the mark with all of the following, **EXCEPT**:

- A. Serial numbers and/or lot codes appearing on the merchandise
- B. Serial numbers and/or lot codes appearing on the merchandise's retail packaging
- C. Any entry documents accompanying the shipment
- D. A sample of the merchandise and/or its retail packaging in its condition as presented for examination, subject to bond and return requirements
- E. Images of the merchandise and/or its retail packaging in its condition as presented for examination

76. All of the below information is required to record one or more trademarks in writing **EXCEPT:**

- A. The name, complete business address, and citizenship of the trademark owner or owners
- B. The name and principal business address of each foreign person or business entity authorized or licensed to use the trademark and a statement of the authorized use
- C. The place of manufacture of goods bearing the recorded trademark
- D. The identity of any parent or subsidiary company with control using the trademark abroad
- E. Other foreign company under common ownership or control that uses the trademark abroad

77. The U.S. importer entered into an agreement with an unrelated exporter/producer for the purchase of 1,000 units of branded merchandise. The purchase contract contained the following terms: the price for the 1,000 units of merchandise is \$100,000, the merchandise may be resold only in California, and the importer must spend \$10,000 of his own funds to promote the sale of the merchandise. No selling commission, assist, royalty, or license fee is involved.

Is transaction value the proper method of appraisal and, if so, what is the transaction value?

- A. No, transaction value is inapplicable because there is a restriction on the disposition or use of the merchandise (i.e., the merchandise may be resold only in California)
- B. Yes, \$110,000
- C. Yes, but it is impossible to calculate the transaction value based on the information provided
- D. Yes, \$100,000
- E. No, transaction value is inapplicable because the merchandise is branded

78. Importer ABC company wishes to purchase trademarked watches from seller XYZ Limited. The price of the watches is \$200 each. XYZ will not sell unless ABC pays them an additional fee of \$10 per watch for the right to the trademark. This fee is:

- A. A selling commission to be added to the PAPP
- B. A buying commission to be deducted from the PAPP
- C. A proceed of sale to be added to the PAPP
- D. A royalty to be added to the PAPP
- E. An unquantifiable addition to the PAPP, which precludes the establishment of Transaction Value

79. A U.S. sporting goods company imports boomerangs from a manufacturer in Australia. The U.S. company purchases and sends the designs and materials set forth below to the Australian manufacturer to aid in the production process. The cost of which of the following should **NOT** be added to the price actually paid or payable as an assist?

- A. French metallic paint
- B. A New Zealand origin boomerang mold
- C. Canadian lumber
- D. A Japanese precision saw
- E. A boomerang design schematic by a U.S. engineering firm

80. A manufacturer in the United States takes used car parts and refurbishes them for resale in the United States. He exports old car bumpers, which he buys for \$70 each, to Brazil for repair of cracks and dents. He pays the Brazilian body shop \$50 for the repairs to each bumper. The repaired bumpers are valued at \$150 each. Upon import back into the United States, the bumpers are painted, polished, and then sold to customers for \$200 each. The bumpers are classifiable under subheading 8708.10.30 of the Harmonized Tariff Schedule of the United States (HTSUS), dutiable at 2.5% *ad valorem*. What is the least amount of duty owed on this merchandise?

- A. 5
- B. 3.75
- C. 0
- D. 1.25
- E. 3.25

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

Post-Examination Process Evaluation Survey

This survey is administered to collect information about the examination process. The survey is **voluntary** and your responses will have no impact on your score.

1. What is your background regarding Customs laws and regulations?
 - A. Former CBP employee
 - B. Currently works or has worked for a broker in the past
 - C. Currently works or has worked for an importer on trade issues in the past
 - D. No working experience with Customs laws and regulations
 - E. Currently works or has worked for both broker and importer in the past

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 the examination

3. Approximately 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 the examination

4. How difficult was the examination?
 - A. Very easy
 - B. Easy
 - C. Moderate
 - D. Difficult
 - E. Very difficult

5. 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

6. 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 2020 AM CUSTOMS BROKER LICENSE EXAM ANSWER KEY

Revised 11-18-2020

Questi	Answer	Citations
1	C	19CFR§111.2(a)(1)
2	D	19CFR§111.28(b)(1)(i)
3	D	19CFR§111.24
4	C	19CFR§111.36(c)(2)(i)
5	D	19CFR§111.39(b)
6	C	19CFR§111.36(a)
7	C & E	19CFR§24.23(b)(B)(ii)(2)(i) & 19CFR§111.96
8	C	19CFR§111.11 and 19 CFR§111.16
9	D	19CFR§24.5
10	B	19CFR101.1
11	C	Prep of 7501 Instructions
12	A	19CFR§10.37
13	B	19CFR§24.3(a)
14	E	19CFR§24.24(d)(1)
15	Credit to All	19CFR§145.31, 19CFR§141.1(b)(1), 19CFR§24.23(b)-(c), 19CFR§145.4
16	E	19CFR§141.101(a)-(e)
17	A	19CFR§128.24, ACE Business Rules Sec. 7.1, Pg 14
18	C	19CFR§159.12 & 19CFR§159.51
19	E	Right to Make Entry CD 3530-002A, Section 5.14.1
20	C	19CFR§141.12, 19CFR§141.4(b)(1), 19CFR§141.5, 19CFR§141.31(c), 19CFR§141.40, HTSUS General Note 3(e)(ii)
21	D	19CFR§141.35
22	A	19CFR§141.34
23	C	19CFR§174.3(1)
24	C	19CFR§134.11
25	B	19CFR§134.33
26	A	19CFR134.1 & General Note 2
27	B	19CFR§102.21
28	C	Prep of 7501 Column 2
29	C	Prep of 7501 Column 4
30	C	Prep of 7502 Column 24
31	E	No FTA for China
32	E	19CFR§24.23



U.S. Customs and
Border Protection

Questi	Answer	Citations
33	E	Prep of 7501 Column 40
34	D	19CFR§113.13(b)
35	B	19CFR§113.13(c)
36	D	19CFR§ 113.72, 19CFR§113.68, 19CFR§113.69, 19CFR§113.71
37	E	19CFR§113.63(g)
38	C	19CFR§171.1(c)(2)
39	C	19CFR§171.61
40	D	19CFR§174.23
41	Credit to All	19CFR§172.2(d)
42	E	HTSUS 9813.0060 Additional U.S. Note #2 for Chapter 1
43	B	HTSUS 2923.10.0000
44	C	HTSUS 9403.60.8051 Note 2 to Chapter 94, Note 4 to Chapter 94, Note 1(o) to chapter 44, GRI3(a) HTSUS
45	E	HTSUS 9401.90.5081, Chapter 94 Note 3(a) and GRI 1
46	E	HTSUS 7907.00.6000,
47	E	HTSUS 9019.10.2050, HTS note 1 Chapter 82, HTS Note 2(d) to Chapter 6CF8: HTS GRIs 1 and 6
48	B	HTSUS 3815.90.30
49	Credit to All	
50	B	HTSUS 7304.41.3005, GRIs 1, Chapter 72, Note 1(d) – Steel, Note 1(e) – Stainless Steel, Note 1(f) – other alloy steel, Chapter 72 Statistical Note 1 – High-nickel alloy steel
51	C	HTSUS 8511.50.0000
52	B	HTSUS 8428.90.0290, GRI 1 and Section XVII Note 2(e)
53	C	HTSUS 9506.91.0030
54	B	Section 7.5, Page 17, ACE Business Rules and Process Document
55	E	Section 1.10, Page 2, ACE Business Rules and Process Document
56	D	Section 7.3, Page 15, Ace Business Rules and Process Document
57	D	19CFR§ 165 Scope
58	D	19CFR§133.27(a)
59	D	Entered Value \$9875.00 – Duty Rate 2.4%, MPF .3464%, ADD 72.65% - $\$9875. \times 2.4\% \text{ duty} = \237.00 , $\$9875. \times .3464\% \text{ MPF} = \34.21 $\$9875. \times 72.65\% \text{ ADD} = 7174.19$. TOTAL DUTIES/FEES DUE = $\$237.00 + \$34.21 + \$7174.19 = \7445.40
60	C	19CFR§ 165.11(b)(3)
61	C	19CFR§ 191.71(a)
62	E	19CFR§ 190.7(b)(3)(i-viii)
63	D	19CFR§ 191.194(f)



Questi	Answer	Citations
64	A	\$185,000 total entered value excluding NDC divided by invoice value \$187,500 = .986666 relative value ratio. .986666 x \$200 per unit = \$197.33333 relative value ratio of each bike. \$197.33333 x 200 bikes = \$39,466.666 prorated value of the claimed merchandise. \$39,466.666 divided by \$185,000 = .213333 apportioned amount of MPF per unit. .213333 x \$485 total MPF paid = \$103.46666 100% of MPF paid. \$103.46666 x 99% = \$102.43 is the drawback refund claimed amount on MPF - 19CFR§ 191.51(b)(2)(iv)
65	B	19CFR§ 10.401
66	A	19CFR§ 24.23(c)(5), 19CFR§ 24.23(b)(1) & 24.23(c)(5), 19CFR§
67	E	19CFR§ 102.20(g)
68	B	General Note 12, HTSUS
69	D	19CFR§ 146.2
70	D	19CFR§ 146.63(c)(1)
71	C	19CFR § 19.36(c)
72	C	19CFR§ 146.14
73	D	19CFR§ 133.21
74	D	19CFR§ 133.3(2)(b)
75	C	19CFR§ 133.21
76	C	19CFR§ 133.2 (a)(b)(c)(d)
77	D	19CFR§ 152.103
78	D	19CFR§ 152.103(b)
79	E	19CFR§ 152.102(a)
80	D	19CFR§ 10.8 The duty rate for 9802.00.50 is based upon the value of the repairs or alterations. The value of the repairs is \$50. \$50 x duty 2.5% = \$1.25

Reference Materials:

- [Harmonized Tariff Schedule of the United States](#) (2019 Basic Edition, No Supplements)



- [Title 19, Code of Federal Regulations](#) (2019 Revised as of April 1, 2019 (Parts 1 to 199))
- Instructions for Preparation of [CBP Form 7501](#) (December 2019)
- Right to Make Entry Directive 3530-002A
- Business Rules and Process Document (Trade-External) Ace Entry Summary
Version 9.75 – Section 1 - 12

