

## U.S. CUSTOMS BONDS: AN OVERVIEW

Any corporation, company or individual wishing to import goods into the United States, or engage in other import related activities or operations, is required to post a surety bond or its cash equivalent with the U.S. Customs Service. The bond guarantees that the importer will faithfully, and in a timely manner, abide by all laws and regulations governing the importation of merchandise into the commerce of the United States.

The bond is not designed or intended to protect the importer (rather it protects the people and government of the United States), nor does it relieve the importer of any of their obligations. The surety company, by bonding the importer, assumes the same duties and responsibilities of the importer.

The surety company will be called on for payment when an importer cannot or will not fulfill his obligations to the U.S. government. The surety company has the right of full recovery from the importer for any loss.

### Types of Customs Bonds

At the discretion of the importer, the bond form can be used to cover imports on either a single transaction or continuous basis. When the bond is completed for single transactions, the bond covers only one import entry. When executed as a continuous bond, it will normally cover all your transactions at all U.S. ports (excluding anti-dumping and countervailing duty entries).

Different types of bonds are required for various activities coming under the jurisdiction of customs.

Activity 1 - Bond for an Importer or Broker (most common type of customs bond)	Entries for Immediate Delivery; Temporary Importations; In-bond moves; Warehouse Withdrawal/Entries; Consumption. <ul style="list-style-type: none"><li>• <i>Single Entry Bond for an Importer or Broker</i> When completed for single transactions, the bond covers only one import entry.</li><li>• <i>Continuous Bond for an Importer or Broker</i> Continuous bonds will normally cover all import transactions at every U.S. Port.</li></ul>
Activity 1a - Bond for Drawback Payment Refunds	<ul style="list-style-type: none"><li>• Accelerated Drawback - Bond allows the importer to immediately collect refund of customs duties paid before customs makes a determination as to the validity of the claim.</li><li>• Same Condition Drawback - Goods imported into the United States. Duty is paid, product is not altered in any way, and product is later re-exported. By posting a bond, importer can claim refund of the duties paid.</li></ul>
Activity 2 - Custodian of Bonded Merchandise	Bonded warehouses; container freight stations; bonded cartman; bonded carriers.

Activity 3 - International Carrier	For clearance or entry of vessels or aircraft arriving from outside of the United States.
<b>Other Customs Bonds - Not so Common</b> <ul style="list-style-type: none"><li>• Activity 3a - Instruments of International Traffic</li><li>• Activity 4 - Foreign Trade Zone Operator</li><li>• Activity 5 - Public Gauger</li><li>• Activity 6 - Wool &amp; Fur Products Liability Act</li><li>• Activity 7 - Bill of Lading</li><li>• Activity 8 - Detention of Copyrighted Material</li><li>• Activity 9 - Neutrality</li><li>• Activity 10 - Court Costs of Condemned Goods</li></ul>	