



## Customs Brokerage Fee - Glossary of Terms

The following are descriptions of terms related to Brokerage Services and Fees provided by UPS Supply Chain Solutions, Inc. ("SCS").

### 4811 Service

This service applies to the completion and submission of U.S. Customs and Border Protection Form 4811. This form is used to advise U.S. Customs and Border Protection when the customer wants documents forwarded to a party other than the importer of record. Example: Importers that use a 3PL or 4PL provider may want the provider to receive all U.S. Customs and Border Protection post entry correspondence. In such a case, a U.S. Customs and Border Protection Form 4811 informs the U.S. Customs and Border Protection to send documents directly to them instead of the Importer of record.

### ABI Set-Up

This function includes the entry of a customer's account information in our system so that it can be transmitted to U.S. Customs and Border Protection via the Automated Broker Interface (ABI). To ensure accuracy of importer and consignee information, all IRS numbers are queried via U.S. Customs and Border Protection's ABI system. Regardless of bond type, all bond information is linked by IRS number in preparation for the entry process. This step is critical to ensure that all transmitted data is up to date and will therefore enable expedited clearance. ABI set-up is included in the base price.

### Additional B/L's on Entry (Bill of Lading)

This service applies to shipments, which can have more than one bill of lading/air waybill per entry (consolidated entry). Each bill of lading/air waybill represents a shipment and all bills of lading/air waybills must be included on the entry summary. Therefore, even though the commodity might be the same, input of each bill of lading/air waybill number must be included for customs purposes.

### Additional Line Item

See Lines of Classification.

### Additional Invoices

See Commercial Invoices.

### Antidumping/ Countervailing Duty complex entry fee

This charge is assessed if the entry covers a commodity subject to Antidumping/Countervailing Duties. Antidumping/Countervailing Duties are imposed to level the playing field for US companies injured by unfair trade practices. U.S. Customs and Border Protection requires additional information for Antidumping/Countervailing Duty entries.

### BCS Release Line Charge (Border Cargo Selectivity)

Each product must be classified with a tariff classification number. One invoice can cover numerous products requiring different classifications. Products that have the same classification may still require separate line items on customs entry documentation, e.g., products with a different country of origin. "1 per entry included" means that our base price includes one line of classification. For Northern Border Shipments (U.S./Canada), this charge applies to additional lines of classification.



## UPS Supply Chain Solutions<sup>SM</sup>

### Bond Premium

Bond Premium is a fee for the coverage offered by a Single Transaction Bond.

### Calculation of Harbor Maintenance Fee (HMF)

This service covers the calculation of the Harbor Maintenance Fee (HMF), which is an ad valorem (according to value) fee assessed on cargo imports and admissions into foreign trade zones. The fee is 0.125% of the value of the cargo and is paid quarterly, except for imports which are paid at the time of entry. U.S. Customs and Border Protection deposits the HMF collections into the Harbor Maintenance Trust Fund. The funds are made available, subject to appropriation, to the Army Corps of Engineers for the improvement and maintenance of U.S. ports and harbors. Calculation of Harbor Maintenance Fee is included in the base price.

### Calculation of Merchandise Processing Fee (MPF)

This service covers the calculation of the Merchandise Processing Fee (MPF), which is a charge imposed by U.S. Customs and Border Protection, on an ad valorem (according to value) basis. MPF is 0.3464% of the entered value; Minimum \$25, maximum \$485. Calculation of the Merchandise Processing Fee is included in the base price.

### Cargo Insurance

This fee provides cargo insurance for the importer's freight. Cargo insurance, also referred to as 'Property Casualty Insurance', covers the insured against the accidental physical loss or damage from a covered external danger while in normal course of transit. It is often called 'Marine Cargo Insurance' even though it can cover cargo shipped by all modes of transportation including air and truck. Cargo insurance cannot give the insured back any lost time if replacement materials need to be manufactured and shipped to the buyer. Cargo insurance cannot give the insured back any lost future sales if their customer is upset because the damaged cargo caused a delay in receiving their purchase.

### Carnet Entry

This fee applies to shipments imported under a Carnet. A Carnet is a U.S. Customs and Border Protection document permitting the holder to carry merchandise temporarily into certain foreign countries (for display, demonstration, or similar purposes) without paying duties or posting bonds.

### Commercial Invoices

The commercial invoice is the document from the seller to the buyer that includes very detailed information regarding the shipment; price, terms of sale, description, part numbers, delivery address, bill to party, etc. "1 per entry included" means that included in our base price is the classification of one invoice.

### Continuous Bonds

A Customs Bond is a guarantee to Customs that the importer will pay all duties, taxes, and fees associated with the importation of commercial goods into the United States, in full and in a timely manner.



This guarantee is typically granted by a surety or bond company to the importer or principal. A continuous bond can be purchased on an annual basis and will cover all entries for the importer of record, through any port - providing the broker has a valid power of attorney from the importer or principal. The continuous bond renews annually until terminated by importer, principal, Customs Broker, or Surety. The minimum bond amount required by U.S. Customs and Border Protection is \$50,000 or 10% of the total duties, taxes and fees, plus all open increased duty bills and debit vouchers paid in the previous 12-months; whichever is greater.

#### Customized Reports Fee

This is a fee for customized reports not available via SCS' Web-based reporting tools, Flex<sup>®</sup> Global View. Reports from our Web-based tools are available free of charge.

#### Courier (Overnight Documents) - If Used

This charge is applied when a shipment is not SCS carried and arrangements must be made to pick up or deliver documents (commercial invoice, HAWB etc.) needed to file the entry.

#### Customs Consulting Services

UPS Trade Management Services offers a variety of trade consulting services, which are available on an hourly or per transaction basis. Examples of consulting services include:

- Post Entry Services
- Binding Rulings
- Special trade program eligibility
- Export compliance programs
- Vendor consulting and management
- C-TPAT, CSI, PIP, FAST approval consulting
- Import/export license coordination
- Alternative records storage development

#### Delivery Order

These are instructions given to the trucking company that will deliver the freight to the ultimate consignee. This is a manual process.

#### Disbursement Fee

A disbursement fee is a fee for amounts paid or processed on behalf of a client. The importer has the option of paying amounts due to U.S. Customs and Border Protection and other government agencies and freight carriers directly.

#### Drawback

Drawback is the refund of certain duties, internal revenue taxes and certain fees collected upon the importation of goods. Such refunds are only allowed upon the exportation or destruction of goods under U.S. Customs and Border Protection supervision.



#### Electronic Export Information (EEI)

The Federal Trade Regulation (FTR) mandates that all export information for which a Shipper's Export Declaration (SED) is required to be filed electronically through the Automated Export System (AES). Electronic Export Information (EEI) is the official name of data filed in the AES and is the electronic equivalent to the data previously reported via the paper SED form.

#### E-Manifest

An electronic declaration of the conveyance, crew and commodity that is sent to U.S. Customs and Border Protection prior to arrival in the United States.

#### Entry

An Entry is the documentation required by U.S. Customs and Border Protection, and filed with the appropriate U.S. Customs and Border Protection officer and/or other government agency, to secure the release of imported merchandise from U.S. Customs and Border Protection custody, or the act of filing that documentation - "to make entry".

#### Entry/Immediate Release Delivery (Filing of U.S. Customs and Border Protection Form 3461)

This service represents the presentation of U.S. Customs and Border Protection Form 3461 (cargo release) to U.S. Customs and Border Protection via ABI. All critical release data is transmitted to U.S. Customs and Border Protection by using the information formatted within the U.S. Customs and Border Protection Form 3461 for release of the cargo. Once a release message is received from U.S. Customs and Border Protection, the cargo will be permitted to move on to the destination point. Filing of U.S. Customs and Border Protection Form 3461 is included in the base price.

#### Entry Summary (Filing of U.S. Customs and Border Protection Form 7501)

This service represents the presentation of U.S. Customs and Border Protection Form 7501 (entry summary) to U.S. Customs and Border Protection via ABI. The U.S. Customs and Border Protection Form 7501 is the final presentation to U.S. Customs and Border Protection and includes the payment of duties and other U.S. Customs and Border Protection related charges. The U.S. Customs and Border Protection Form 7501 must be filed with U.S. Customs and Border Protection within 10 working days of entry/immediate release (U.S. Customs and Border Protection Form 3461). Filing of U.S. Customs and Border Protection Form 7501 is included in the base price.

#### Emergency Contact Services

This fee is charged for emergency clearance services provided after business hours.

#### Exam Coordination

This service is incurred when we arrange cartage of freight to the exam site as requested by U.S. Customs and Border Protection.



#### FDA Prior Notice Fee

This fee applies to imports that require prior notification by the U.S. Food & Drug Administration (FDA). Certain Commodities must have prior notification given to the FDA within pre-set timeframes to allow review of all documents. The goal is to provide FDA with enough information and time to stop potentially harmful commodities from entering the U.S. SCS can provide the Prior Notice Service upon request.

#### File Reconstruction

Every entry packet is sent to the Importer of Record (IOR) once billing is completed. This fee is incurred when additional copies of an entry packet are requested for other parties.

#### Flex Global View

Flex Global View is the current SCS web-based management reporting tool. Flex Global View is provided at no additional charge.

#### Formal Entry

A formal entry is a consumption entry with a shipment value in excess of \$2,500. However, certain commodities such as textiles and plastics may require a formal entry even if the shipment value is less than \$2,500.

#### FTZ Admission/Withdrawal Entries

This fee is for entry or withdrawal from a Foreign Trade Zone (FTZ). An FTZ is a special commercial or industrial area in or near a port of entry where foreign and domestic merchandise, including raw materials, components, and finished goods may be brought in without being subject to payment of customs duties. Merchandise brought into these zones may be stored, sold, exhibited, repacked, assembled, sorted, graded, cleaned, or otherwise manipulated prior to re-export or entry in the national customs territory.

#### Government Contract Follow Up Fee

This fee applies to shipments imported duty free under a government contract number. The duty-free status is contingent on a valid certificate. The fee covers entry summary preparation, requesting the duty-free certificate(s) from the Defense Logistics Agency and submitting the entry to U.S. Customs and Border Protection for immediate liquidation.

#### Hand Carry

This fee applies to shipments that are hand-carried into the U.S. aboard a commercial carrier. Since these shipments must still clear U.S. Customs and Border Protection, special arrangements must be made with the person carrying the shipment so they can proceed through U.S. Customs and Border Protection without delays.



#### Hub Service Fee

The Hub Service fee is assessed against international shipments that clear U. S. Customs either by formal entry or manifest release in the UPS Louisville Freight facility. The collection of this fee offsets the administrative and overhead costs that UPS incurs in having U. S. Customs and Border Protection officials onsite in the facility to expedite the customs entry and release process.

#### Importer Security Filing (ISF) Fee

This fee covers the collection, validation, and submission of information to U.S. Customs and Border Protection (CBP) for ocean shipments on behalf of an importer. An ISF is required to be submitted electronically to CBP 24 hours prior to loading ocean freight on any vessel destined for the U.S. This fee covers ISF services provided for shipments entered for consumption, entered into a foreign trade zone (FTZ), or for any shipment transiting the U.S. en route to a foreign destination under a transportation bond.

#### Importer Security Filing (ISF) Amendment Fee

If there are any amendments that need to be made after the initial ISF filing is processed, an amendment can be requested. This fee applies to that service.

#### Importer Security Filing (ISF) Expediting Fee

The ISF Expediting Fee is charged when expedited processing and submission of an Import Security Filing is requested. Expedited Importer Security Filings can be made only upon receipt of complete and accurate documentation / information.

#### In-bond Entry

In the event freight must be moved from one port to another, U.S. Customs and Border Protection must be provided with an entry that gives the details of the move. This process allows the freight to be moved without being cleared as it has not yet entered the commerce of the U.S. but is still considered "bonded"

Freight. Upon arrival in the destination port, the freight can be cleared and duties paid.

#### Informal Entry

An informal entry is a consumption entry valued less than \$2,500. but more than \$800. A shipment valued less than \$800 may enter the U.S. as a section 321 (for a definition, see Section 321) entry.

#### Invoice Revision Fee

This fee is charged in the event the SCS' invoice needs to be revised and re-billed to another party due to customer request after the initial billing. All invoicing is based on customer instructions and/or instructions that are provided on the commercial invoice.



#### Lacey Act Submission

The Lacey Act combats trafficking in “illegal” wildlife, fish, and plants. The 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008), effective May 22, 2008, amended the Lacey Act by expanding its protection to a broader range of plants and plant products. The Lacey Act now, among other things, makes it unlawful to import certain plants and plant products without an import declaration. This fee covers the submission of required information to the U.S. Department of Agriculture.

#### Landed Costs

This fee covers the administrative work to research and document Landed Cost reports. Landed cost is the total cost of a shipment delivered to a named location, specifically the cost of the goods plus the cost of transportation.

#### Lines of Classifications

Each product must be classified with a tariff classification number. One invoice can have numerous parts requiring many classifications. U.S. Customs and Border Protection regulations state that products that are “specifically provided for” in the tariff must be utilized before using “parts not specially provided for” elsewhere in the tariff. Note that each country of manufacture must be listed separately even though the same classification may apply. “1 per entry included” means that our base price includes one line of classification.

#### Lumber Processing

The “Softwood Lumber Declaration Program” is required by the Softwood Lumber Act of 2008 and affects importations of certain softwood lumber and softwood lumber products imported into the U.S. from any country. Additional data elements are required for each shipment of softwood lumber subject to the Act. UPS may charge a fee for the processing of lumber entries.

#### Messenger Service (Non-SCS Shipments)

When another carrier is used, documents needed to release the shipment must be picked up at the carrier’s site and returned back to the SCS clearance office for processing. This fee covers the services of a messenger to physically pick up the documents.

#### Monitor/Transmit Prior Notice Number

After submitting the prior notice, the submitter will receive an approval number to allow the freight to move into the U.S. This number is then attached to the actual entry and FDA release request as part of the Immediate release entry documentation.

#### Normal Postal Fee

This service is included in our base fee and covers the cost of postal services.

#### Ocean Delivery Coordination

This fee applies for the arrangement of an ocean shipment delivery.

#### Other Government Agency Transmission (see Partner Government Agency Transmission)



#### Overtime Fee

Weekend clearances, after-hours clearances, and any other special arrangements required to clear a shipment outside normal working hours may incur this fee.

#### Partner Government Agency Transmission (PGA)

This fee applies when entry documents are transmitted to various government agencies, including but not limited to:

- U.S. Federal Communications Commission (FCC)
- Food & Drug Administration (FDA)
- U.S. Fish & Wildlife (F&W)
- U.S. Department of Transportation (DOT)
- Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF)
- United States Department of Agriculture (USDA)

#### Personal Effects Entry

This fee covers the importation of personal use items, i.e. if a customer is moving their personal effects to the U.S. Personal effects imports in this manner cannot be sold or given away for the period of one year from the date of importation.

#### Pier Pass

Pier PASS is a not-for-profit organization created by marine terminal operators to reduce congestion and improve air quality in and around the Ports of Los Angeles and Long Beach. Off Peak is the off-peak hours' program created by Pier PASS. Off Peak provides an incentive for cargo owners to move cargo at night and on weekends, in order to reduce truck traffic and pollution during peak daytime traffic hours and to alleviate port congestion. If UPS is requested to arrange pick up of freight during what is considered "Peak hours", UPS may charge a fee to register each container for pick up.

#### Post Entry Services

Post Entry Services include, but are not limited to the following:

- Post Entry Amendment (PEA)/ Post Summary Correction (PSC). PSCs replaced PEAs for ACE entry summaries. PEAs/PACs must be filed within a certain timeframe prior to the Scheduled liquidation date. PEAs are formerly known as a Supplemental Information Letter (SIL).
- Protest. A protest is a means by which an importer, consignee, or other authorized party challenges a decision of U.S. Customs and Border Protection relating to imported merchandise, e.g., regarding value, classification and rate, and amount of duties chargeable. Additional matters are protestable as well. A Protest must be filed within 180 days after liquidation of an entry (or in some cases, within 180 days of the date of the decision that is being protested).
- Voluntary Duty Tender. A Voluntary Duty Tender is the submission of additional duties owed to U.S. Customs and Border Protection at the importers' initiative.

#### Scanning Fee

This service provides for the scanning of documentation upon the customer's request.





### Security Fee

As U.S. Customs and Border Protection and other government agencies continue to implement programs and initiatives aimed at securing the supply chain, there have been and continue to be significant changes to our customs brokerage release and entry processing operations. This fee is assessed to offset the significant investments in staffing, equipment, software and facility security measures resulting from these security initiatives.

### (Food and Drug Administration [FDA] Bio-Terrorism Act Requirement)

If an importer does not have agent representation in the U.S., SCS will provide this service for a fee. This service is limited to Food & Drug Administration business as it pertains to rules and regulations set forth by the FDA, the Bio-Terrorism Act and the Food Safety Modernization Act (FSMA)

### Single Transaction Bond Preparation

A bond is required by the federal government in connection with the payment of duties or to produce documentation. U.S. Customs and Border Protection entries must be accompanied by evidence that a surety bond is posted with U.S. Customs and Border Protection to cover any potential duties, taxes, and penalties which may accrue. A single entry bond is prepared by the broker and covers one shipment. This fee covers the preparation of the required bond.

### Section 321

Effective March 10, 2016, the value increased from \$200 to \$800. This fee provides simplified entry processing for "qualifying shipments," valued at \$800 USD or under in value. There is no duty or Merchandise Processing Fee (MPF) assessed by U.S. Customs and Border Protection on most Section 321 entries; however, certain products such as textiles, clothing, alcohol, tobacco, and food may require a formal entry, regardless of value.

### Steel License Program

All steel mill imports into the United States require a license issued by the Steel Import Monitoring and Analysis (SIMA) office. This import licensing system website facilitates the monitoring of imports of steel mill products. All imports of Steel Mill products need an entry-specific license to complete CBP entry summary (CF 7501). This fee is to cover additional work needed to properly clear steel shipments through U.S. Customs and Border Protection.

### T & E

U.S. Customs entry used when merchandise arrives in the U.S. and is destined for a foreign country. Under a transportation and exportation entry (T & E), merchandise may be transported in bond through U.S. territory. For example, a transportation and exportation entry could be used for merchandise destined for Canada, arriving in Seattle, from Japan.

### Temporary Importation Bond (TIB) Entry

When merchandise is imported for temporary use into the U.S., a Temporary Importation Bond (TIB) entry may be used to allow the cargo entry into the U.S. without the payment of duties. Under a TIB, the merchandise can stay in the U.S. for one year, with the potential to obtain two, one-year extensions for a total period of three years. The TIB must be cancelled prior to exportation or there may be penalties issued by Customs and Border Protection.



#### TIB Cancellation

Upon export, a TIB must be cancelled by providing U.S. Customs and Border Protection with the original entry information from which it entered into the U.S. Upon approval by U.S. Customs and Border Protection, the TIB will be cancelled and duties will not be owed to U.S. Customs and Border Protection. If the TIB is not cancelled properly, U.S. Customs and Border Protection can impose a penalty.

#### Textile Entry

These are entries that primarily include textiles.

#### Textile Surcharge – Occasional Customer

This fee applies to irregular importers of textiles to cover the complexity and additional time to correctly classify textile entries.

#### Ultimate Consignee Surcharge:

U.S. Customs and Border Protection requires the proper identification of the Ultimate Consignee when making an entry into the U.S. Without this information, entry into the U.S. will be denied. Additionally, U.S. Customs and Border Protection requires the identification number to be reported on each line item of the customs entry. This surcharge covers the broker collecting the required information and/or submitting it to CBP. The Ultimate Consignee is the party in the U.S. to whom the foreign shipper sold the imported goods. If the merchandise has not been sold, the Ultimate Consignee is defined as the party in the U.S. to whom the foreign shipper consigned the imported goods. If the imported goods have not been sold or consigned to a U.S. party, then the Ultimate Consignee is defined as the proprietor of the U.S. premises to which the goods are to be delivered. Ultimate Consignee can be identified by the Federal Employer Identification Number, Social Security Number, or U.S. Customs and Border Protection Port Assigned Number for Non- Resident Importers.

#### Use of Importers Bond with Valid Power of Attorney (POA)

This service is part of our base entry fee. The POA gives the customs broker the authority to submit documents and conduct other customs business on behalf of the importer. One of the requirements of a POA is that a bond must be in place. If the customer already has a Continuous bond, the only way a broker can use the importer's bond is by the importer granting the bond user a POA. Use of Importers Bond with a valid POA is included in the base price.

#### Warehouse Entry

If the merchandise does not have to be used immediately after it is imported, a warehouse entry can be made. The merchandise is held in a bonded warehouse without the payment of duties.

#### Warehouse Withdrawal for Consumption

A warehouse withdrawal is the removal of freight from storage. At that time, a warehouse withdrawal is prepared to remove the freight by clearing it through Customs, paying duties, and making the cargo available to the buyer/ultimate consignee.