

ALL ABOUT

Customs Bonds

INTRODUCTION

A Customs Bond is required by U.S. Customs and Border Protection for entry of imported merchandise into the United States. A Customs Bond acts as a security for compliance with U.S. law and payment of duties, taxes, and fees. Default under a Customs Bond results in the assessment of liquidated damages or other lawful charges assessed by Customs.

Customs Bonds

The writing of a Customs Bond is a very important part of the import transaction. If the Customs Bond is not properly prepared and does not meet certain requirements, you, as the importer of record, may be faced with serious problems. Without a properly executed bond, your shipment will not clear U.S. Customs.

There are two basic types of Customs Bonds.

- *The first is a Single Transaction Bond (also known as a Single Entry Bond or SEB) which covers a single Customs entry. Single Transaction Bonds are generally calculated on the entered value of the merchandise plus duties, taxes, and fees. If the goods are subject to certain other government agency requirements or quota/visa, then the bond is for three times the total entered value of the merchandise.*
- *The second type of bond is a Continuous Bond, which covers all entries made by an importer at all U.S. ports of entry. The validity of the continuous bond is for one year. The minimum liability amount for a Continuous Bond is \$50,000.00. Continuous Bonds are generally calculated at 10% of the duties, taxes and fees paid in a twelve (12) month period.*

Choosing your bond provider

Whether your volume suggests a Continuous Bond or a Single Entry Bond, not all are created equal. Customs does not set the cost of your bond; the insurance carrier sets it. By purchasing a Customs Bond through a knowledgeable and reputable provider, you are able to obtain competitive rates as well as the peace of mind that it is the appropriate type of bond at the appropriate rate.

ABOUT SHAPIRO

Shapiro, a third generation family-owned business founded in 1915, provides creative and flexible logistics services. With six offices, over 100 employees, and worldwide strategic alliances, Shapiro is the supply chain partner that delivers customized, compliant, and reliable solutions to address your specific import and export needs. Only Shapiro has an experienced and personable staff that truly cares about your company and commits themselves to proactively achieving your business goals.