



FACTS ABOUT CUSTOMS SURETY BONDS

Companies who import goods into the United States, or engage in import related operations are required by the existing Rules and Regulations of the US Customs & Border Protection agency (US CBP) to post a surety bond for such purposes. The posting of a Surety Bond protects USCBP revenue and ensures compliance with import regulations of the United States pertaining to importing and related activities.

This process is carried out through the filing of CBP Form 301.

Posting a bond for single transactions only covers one importation event.

When the bond is posted as a continuous bond, it will cover all transactions by the importer for a period of 12 months from the date of effectiveness, and is automatically renewed each year by paying the bond fee to the surety company, a task that is usually processed by a licensed Customs Broker.

COVERAGES

While the CBP-301 Bond Form can cover up to ten specific, import-related activities, the needs of most importers typically falls into Activity Type 1: Importer.

ACTIVITY 1 - IMPORTER

Generally, Activity 1 is used by an importer of merchandise to guarantee to the government that duties and taxes will be paid timely, in the proper amount, and that the goods imported comply with the laws of the United States.

BOND AMOUNT

Single Transaction Bond – also referred to as a “Single Entry Bond”; bond is posted for an amount equal to the value of the merchandise plus duties and taxes, or as in the case of certain merchandise (such as those regulated by FDA, EPA, USDA or other US Government agencies) as determined by U.S. Customs, an amount equal to three (3) times the value of the merchandise.

Continuous or Annual Bond - Bond amount is usually equal to 10% of the duty and other import taxes paid in the previous year, in multiples of \$10,000 if the duties are less than \$1,000,000 or multiples of \$100,000 if the duties are over \$1,000,000. Currently, the minimum bond amount required by U.S. Customs is \$50,000. Furthermore, importers must ensure that the bond is sufficient to cover the duty, not the value, on any single shipment of merchandise; this assessment can professionally be determined by the customs broker.