



FACTS ABOUT TEMPORARY IMPORTATION BONDS (TIB)

What is TIB?

TIB stands for Temporary Importation under Bond and is a procedure whereby, under certain conditions, merchandise may be entered -- for a limited time -- into U.S. Custom's territory free of duty. Instead of duty, the importer posts a bond for twice the amount of duty, taxes, etc. that would otherwise be owed on the importation. Under this procedure, the importer agrees to export or destroy the merchandise within a specified time or pay liquidated damages, which are twice the normal duty. Only certain items, listed below, may be entered as a TIB.

What are the bond exportation requirements?

Any article imported under the TIB provision must be exported within one year from the date of importation. However, upon application to the director of the port where the entry was filed, this one-year-period for exportation may be extended for further periods, which, when added to the initial one year, shall not exceed a total of three years. There are two exceptions to the above time limitations:

1. in the case of articles covered under Subheading 9813.00.75 (autos and parts for show purposes), the period of importation may not exceed six months and may not be extended;
2. articles covered under Subheading 9813.00.50 (tools of trade), if seized for reasons other than by suit of private persons, have the requirement of exportation suspended during the period of seizure.

In order to avoid paying liquidated damages, the importer must present proof to the Customs port where the entry occurred that the goods were exported. If the item(s) being exported are being sent as unaccompanied cargo, the importer should take personal responsibility for sending a copy of the bill of lading (proof that the merchandise was actually loaded onto a ship or other conveyance) to the entry office of the port where the goods first entered the country. Accompanying the bill of lading should be a reference to the original entry number (line 1 of the CF 7501). The description of the item on the bill of lading should match the description of the item on the CF 7501 in all particulars, including serial numbers or other identifying factors. If the importer has used a customs broker to complete the transaction, Customs advises the importer to ask the broker for proof that export documentation was actually provided to the entry branch at the port of entry.

If the item(s) being re-exported are accompanying the importer as baggage, the item(s) should be taken to the entry office (if the importer is leaving from the same location where he/she arrived) for Customs to verify that the item is leaving the country. If the importer is leaving from a different location than the one where the TIB was issued, he/she should take the item to the International Arrivals area (if leaving from an airport), or Customs border port office (if leaving through a land border) and request an inspector to fill out a CF 3495 Application for Exportation of Articles Under Special Bond. A copy of this CF form should then be sent by the importer to the original port of entry.

We want to emphasize, it is not enough to simply get proof of export from a Customs office. The importer must ensure that proof of exportation is submitted to the entry branch at the original port of entry in order to avoid liquidated damages.

In lieu of exportation, relief from liability may be obtained in any case in which the article is destroyed under Customs supervision within the original bond period.

However, in the case of articles under Subheading 9813.00.30, where articles are destroyed during the course of experiments or tests during the bond period, or any lawful extension, destruction need not be under Customs supervision but satisfactory proof of destruction shall be furnished to the port director with whom customs entry is filed.

Generally, destruction for purposes of satisfying the bond means destruction as an article of commerce. The article must have no commercial value whatsoever if it is to be considered destroyed.

Goods Eligible for TIB Entry

The only goods that qualify for TIB entry are those listed in subheadings 9813.00.05 through 9813.00.75 of the Harmonized Tariff Schedule of the U.S. (HTSUS).

However, if the goods covered by these subheadings are being brought into the country for sale, or for sale-on-approval (i.e., a boat), they would not be eligible under the TIB provision. If the intent to sell is made after entry, then the importer's liability would be limited to the bond obligation.

Merchandise sold in the U.S. for exportation to a foreign purchaser is not considered "imported for sale or sale on approval" within the meaning of the law.

The following subheadings are listed as they appear in the fourteen HTSUS article descriptions.



Note: Theatrical props and scenery no longer require a TIB for duty free entry. "Theatrical scenery, properties, and apparel (9817.00.98) brought into the US by proprietors or managers of theatrical, ballet, opera or similar productions arriving from abroad for temporary use by them in such productions" are now DUTY FREE unless from a column 2 country. Since this is not a TIB provision, there is no 1year export (with extensions up to 3 years) requirement. In other words, these types of theatrical items can make a duty free entry.

The Fourteen TIB Subheadings

1 Articles to be repaired, altered or processed (including processes which result in an article's being manufactured or produced in the United States.)
Subheading 9813.00.05.

2 Models of women's wearing apparel imported by manufacturers for use solely as models in their own establishments. *Subheading 9813.00.10.*

3 Articles imported by illustrators and photographers for use solely as models in their own establishments, in the illustrating of catalogues, pamphlets or advertising materials. *Subheading 9813.00.15.*

4 Samples solely for use in taking orders for merchandise. *Subheading 9813.00.20.*

5 Articles solely for examination with a view to reproduction, or for such examination and reproduction (except photoengraved printing plates for examination and reproduction) and motion picture advertising films. *Subheading 9813.00.25.*

6 Articles intended solely for testing, experimental or review purposes, including specification, photographs and similar articles for use in connection with experiments or for study. *Subheading 9813.00.30.*

7 Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests. *Subheading 9813.00.35.*

8 Locomotives and other railroad equipment brought temporarily into the United States for use in clearing obstructions, fighting fires or making emergency repairs on railroads within the United States, or for use in transportation otherwise than in international traffic when the Secretary of the Treasury finds that the temporary use of foreign railroad equipment is necessary to meet an emergency. *Subheading 9813.00.40.*

9 Containers for compressed gasses, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose. *Subheading 9813.00.45.*

10 Professional equipment, tools of trade, repair components for equipment or tools admitted under this heading, and camping equipment; all the foregoing imported by or for nonresidents sojourning temporarily in the United States and for the use of nonresidents. *Subheading 9813.00.50.*

11 Articles of special design for temporary use exclusively in connection with the manufacture or production of articles for export. *Subheading 9813.00.55.*

12 Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes and the usual equipment therefor. *Subheading 9813.00.60.*

13 Works of the free fine arts, engravings, photographic pictures and philosophical and scientific apparatus brought into the United States by professional artists, lecturers or scientists arriving from abroad for use by them for exhibition and in illustration, promotion and encouragement of art, science or industry in the United States. *Subheading 9813.00.70.*

14 Automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, finished, unfinished or cutaway, when intended solely for show purposes. *Subheading 9813.00.75*