

Series 860  
October 24, 2018

**U.S. CUSTOMS AND BORDER PROTECTION**

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**Customs Broker License Examination**

**DIRECTIONS - READ CAREFULLY**

This examination consists of 80 questions. The minimum passing score is 75%. For each question, choose the letter representing your answer (**A, B, C, D, or E**). There is no penalty for guessing; therefore, you should attempt to answer every question. **Each question has a single best answer.**

You are responsible for having the following references:

- Harmonized Tariff Schedule of the United States (2018 Basic Edition, No Supplements)
- Title 19, Code of Federal Regulations (2017 Revised as of April 1, 2017)
- Instructions for Preparation of CBP Form 7501 (July 24, 2012)
- Right to Make Entry Directive 3530-002A
- Business Rules and Process Document (Trade – External) Ace Entry Summary (Version 9.0) (May 2018)

You have four and a half (4.5) hours to complete this examination.

In addition to the 80 exam questions, U.S. Customs and Border Protection (CBP) will be administering six **voluntary** process evaluation questions. The first three questions, located in Section 1, will take place before you begin the test. The last three survey questions, located in Section 3, will take place after you complete the test, but within the test timeframe. Each set of questions is expected to take no longer than 2 minutes each. The purpose of the survey questions is to inform future testing processes. These survey questions are voluntary and will have **NO** impact on your scores.

**DO NOT TURN THIS PAGE UNTIL TOLD TO DO SO BY THE EXAMINER.**

## Section 1: Pre-Examination Process Evaluation Survey

This survey is administered to collect information about the examination process. The survey is **voluntary** and your responses will have no impact on your score.


1. What is your background regarding Customs laws and regulations?
  - A. Former CBP employee
  - B. Currently works or has worked for a broker in the past
  - C. Currently works or has worked for an importer on trade issues in the past
  - D. No working experience with Customs laws and regulations
  - E. Currently works or has worked for both broker and importer in the past
  
2. How did you prepare for the Customs Broker Examination?
  - A. Took an in-person course through an educational institution
  - B. Took an online course through an educational institution
  - C. Self-prepared
  - D. Did not spend time preparing for the examination
  
3. Approximately how many hours did you spend preparing for the examination?
  - A. 1-10
  - B. 11-25
  - C. 26-100
  - D. More than 100
  - E. Did not spend time preparing for the examination

## Section 2: Customs Broker License Examination

<b>Category I – Practical Exercise</b>	<b>Questions 1 - 8</b>
<b>Category II – Power of Attorney</b>	<b>Questions 9 - 11</b>
<b>Category III – Marking</b>	<b>Questions 12 - 13</b>
<b>Category IV – Broker Compliance</b>	<b>Questions 14 - 21</b>
<b>Category V – Anti-Dumping/Countervailing Duties</b>	<b>Questions 22 - 26</b>
<b>Category VI – Bonds</b>	<b>Questions 27 - 30</b>
<b>Category VII – Fines and Penalties</b>	<b>Questions 31 - 35</b>
<b>Category VIII – Free Trade Agreements</b>	<b>Questions 36 - 39</b>
<b>Category IX – Classification</b>	<b>Questions 40 - 52</b>
<b>Category X – Entry</b>	<b>Questions 53 - 63</b>
<b>Category XI – Value</b>	<b>Questions 64 - 67</b>
<b>Category XII – Drawback</b>	<b>Questions 68 - 71</b>
<b>Category XIII – Intellectual Property Rights</b>	<b>Questions 72 – 75</b>
<b>Category XIV – Foreign Trade Zone/Warehouse</b>	<b>Questions 76 – 78</b>
<b>Category XV – ACE</b>	<b>Questions 79 - 80</b>

## Category I – Practical Exercise

Practical Exercise: Please answer questions 1- 3 using the 7501 form below:

 <b>DEPARTMENT OF HOMELAND SECURITY</b> U.S. Customs and Border Protection				OMB APPROVAL NO. 1651-0022 EXPIRATION DATE 01/31/2021 ESTIMATED BURDEN 10 MIN			
<b>ENTRY SUMMARY</b>				1. Filer Code/Entry No.	2. Entry Type	3. Summary Date	
8. Importing Carrier		9. Mode of Transport		10. Country of Origin		11. Import Date	
12. B/L or AWB No.		13. Manufacturer ID		14. Exporting Country		15. Export Date	
16. I.T. No.		17. I.T. Date	18. Missing Docs	19. Foreign Port of Lading		20. U.S. Port of Unlading	
21. Location of Goods/G.O. No.		22. Consignee No.		23. Importer No.		24. Reference No.	
25. Ultimate Consignee Name and Address				26. Importer of Record Name and Address			
City		State		Zip		City	
27.		28. Description of Merchandise		32.		33.	
Line No.		29. A. HTSUS No.	30. A. Grossweight	31. Net Quantity in HTSUS Units		A. Entered Value	B. ADA/CVD Rate
		B. ADA/CVD No.	B. Manifest Qty.			C. IRC Rate	D. Visa No.
						34. Duty and I.R. Tax	
						Dollars	Cents

- If an entry summary covers merchandise with more than one IT, where should the additional IT numbers and associated IT dates be placed?
  - Block 16
  - Block 17
  - Block 25
  - Block 28
  - Block 32
- In which Block would you record the IRS EIN, SSS, or CBP assigned number of the individual or firm to whom refunds, bills, or notices of extension or suspension of liquidation are sent?
  - Block 8
  - Block 22
  - Block 23
  - Block 24
  - Block 27

3. When reporting the HTSUS number in column 30 for sets, which are classifiable in accordance with GRI 3(b) or 3(c) of the Harmonized Tariff Schedule, the HTS must be preceded by which SPI?

- A. C
- B. F
- C. L
- D. N
- E. X

Please answer questions 4-8 using the commercial invoice below.

COMMERCIAL INVOICE			
<b>4. Shipper/Exporter</b> 20 <sup>th</sup> Century Technologies  5 Ricardo Munoz, Suite 5880  Caracas, Venezuela		<b>5. No. and Date of Invoice</b> US001836      Monday, January 13, 2017	
<b>7. For Account and Risk of Messer's</b> Barbara's Apparel Closet  714 Santa Road  New York, NY 10001		<b>6. No. and Date of L/C</b>	
<b>9. Notify Party</b> 10. Harriett Blonde (212) 123-4567		<b>8. L/C Issuing Bank</b>	
<b>12. Port of Lading</b> New York, NY	<b>13. Final Destination</b> New York, NY	<b>11. Remarks</b> P/O No.: TPS045  US Funds – duty included in selling price	
<b>14. Carrier</b> Venezuela Airlines	<b>15. Departure on or about</b> January 20, 2017	<b>Marks and Numbers of Pkgs.</b>  15 cartons, 14 dozens	
16. Description of Goods	17. Quantity	18. Unit Price	19. Amount
Country of Origin: Venezuela			
Women's body shaping girdle			
(100% man- made fiber polyester knitted fabric)	20 doz	37.50 USD ea.	\$9000.00
Worn boy's knitted pants			
(100% cotton fabric)	25 doz	24.80 USD ea.	\$7440.00
<b>TOTAL</b>			<b>\$16,440.00</b>
Master Bill: 001-63324833  House Bill: COSC56676406  Estimated Entry Date 01/20/2017			

4. What is the manufacturer identification code?
- A. VNCENTEC5 CAR
  - B. VACENTEC5VEN
  - C. VE20TCEN5CAR
  - D. VE20TCEN5880CAR
  - E. VECENTEC5CAR
5. What is the **CLASSIFICATION** of women's knitted body shaping garments made of 100% man-made fiber polyester?
- A. 6108.91.0015
  - B. 6108.92.0015
  - C. 6212.20.0010
  - D. 6212.20.0020
  - E. 6212.90.0030
6. What is the duty payable to CBP on women's body shaping girdles?
- A. \$594.00
  - B. \$765.00
  - C. \$1,440.00
  - D. \$1,495.60
  - E. \$1,800.00
7. What is the **CLASSIFICATION** of boys' knitted pants made of 100% cotton fabric?
- A. 6103.42.1040
  - B. 6103.43.1540
  - C. 6203.42.4546
  - D. 6203.43.1320
  - E. 6309.00.0010
8. What is the total duty and MPF due to CBP for the entire shipment?
- A. \$1547.18
  - B. \$1856.94
  - C. \$2019.78
  - D. \$3572.70
  - E. \$3623.75

## Category II – Power of Attorney

9. \_\_\_\_\_ is used for giving power of attorney to transact customs business.
- A. CBP Form 368
  - B. CBP Form 3347
  - C. CBP Form 4647
  - D. CBP Form 5291
  - E. CBP Form 7501
10. When may a power of attorney be revoked?
- A. At any time when the importer changes his address
  - B. At any time when the guarantor leaves the employment of the importer
  - C. At any time by written notice to the surety
  - D. At any time by written notice given to and received by the Port Director
  - E. It may not be revoked
11. Regulation \_\_\_\_\_ states that “All powers of attorney may be granted for an unlimited period of time with the exception of a partnership power of attorney which is limited to a period not to exceed 2 years from the date of execution.”
- A. 19 CFR 141.34
  - B. 19 CFR 141.35
  - C. 19 CFR 141.36
  - D. 19 CFR 141.40
  - E. 19 CFR 141.45



### Category III – Marking

12. There are specific examples of merchandise that are exempted from the marking rule. This merchandise is a part of what is called the “J” list. Although the merchandise is exempt from marking, the outermost container must be properly marked. Which of the following are **NOT** part of the “J” list?
- A. Eggs
  - B. Feathers
  - C. Christmas trees
  - D. Flowers
  - E. Automotive lug nuts
13. How much time does CBP have to make a demand for the return to CBP custody of a textile product that was determined after release to have a country of origin that was not accurately represented to CBP upon entry of the merchandise?
- A. 30 days following the date of release
  - B. CBP cannot demand redelivery once the textile merchandise has been released
  - C. 90 days following the date of release
  - D. 180 days following the date of release
  - E. 314 days following the date of entry

### Category IV – Broker Compliance

14. Which of the following persons is **NOT** required to maintain records and make them available for examination by CBP?
- A. A person who imports merchandise into the customs territory of the United States for commercial use
  - B. A person who files a drawback claim
  - C. A person who transports or stores merchandise carried or held under bond
  - D. A person who has cleared the CBP facility after making a declaration upon arrival in the United States with non-commercial merchandise within the traveler's personal exemptions or which is covered by a flat rate of duty
  - E. A person who knowingly causes the importation or transportation or storage of merchandise carried or held under bond into or from the customs territory of the United States
15. Each application for a district permit must set forth all the below, **EXCEPT**:
- A. The applicant's broker license number and date of issuance
  - B. A copy of a document which reserves the applicant's business name with the state or local government
  - C. A list of all other districts for which the applicant has a permit to transact customs business
  - D. The address where the applicant lives within the district and the telephone number
  - E. The place where the applicant's brokerage records will be retained
16. Which is **NOT** a condition of a basic importation and entry bond?
- A. An agreement to make or complete entry
  - B. An agreement to redeliver merchandise
  - C. An agreement for examination of merchandise
  - D. An agreement to retain records for at least 3 years
  - E. An agreement to pay duties, taxes, and charges
17. Which of the following statements is **TRUE**?
- A. A licensed broker who is the President of a customs brokerage must exercise responsible supervision and control over his company's transaction of customs business.
  - B. Payments received by brokers from clients after the due date must transmit payment to the government within 10 working days of receipt.
  - C. A broker may not compensate a freight forwarder for referring business to him.
  - D. A broker who holds a national permit does not need a filer code.
  - E. Powers of attorney must be retained for 5 years after date of entry.

- 18.** When is a customs broker license required?
- A. When an employee of a broker acting solely for his employer, where the broker has authorized the employee to sign documents pertaining to customs business on his or her behalf, and has executed a power of attorney for that purpose
  - B. When a person is transacting business in connection with entry or clearance of vessels or other regulation of vessels under the navigation laws
  - C. When a carrier is bringing merchandise to the port of arrival, or any bonded carrier is transporting merchandise for another carrier, they may make entry for that merchandise for transportation in bond
  - D. When a person intends to transact customs business on behalf of others
  - E. When a foreign Trade zone operator engaging in activities within a zone that do not involve the transfer of merchandise to the customs territory of the United States
- 19.** How long does a successful examinee have to submit a license application to CBP?
- A. The application must be submitted within 6 months of the exam.
  - B. The application must be submitted within 1 year of the exam.
  - C. The application must be submitted within 1 year of passing the exam.
  - D. The application must be submitted within 3 years of exam.
  - E. The application must be submitted within 3 years of passing the exam.
- 20.** When a licensed broker hires a new employee, the broker must submit the required employee information to the port \_\_\_\_\_.
- A. Within 10 calendar days following completion of first 30 consecutive days of employment by the broker
  - B. Within 10 calendar days of fulltime employment by the broker
  - C. No later than at the annual update to the port director, or upon issuance of a permit for an additional district, whichever comes first
  - D. No later than within 30 calendar days of employment by the broker
  - E. Within 10 calendar days of the request by the port director, or designated representative

21. Which of the following timeframes is **INCORRECT**?

- A. Following the receipt of a broker application, the port director shall post a notice that the application has been filed. This notice will be posted for a least 2 consecutive weeks in the customhouse at the port and similarly at any other port where the applicant also proposes to maintain an office.
- B. An appeal of a failing grade on the Customs Broker Exam must be submitted within 30 working days after the date printed on the results notification letter.
- C. When merchandise is withdrawn from a bonded warehouse, a customs broker is required to retain records relating to the withdrawal for 5 years from the date of the last withdrawal under the entry.
- D. Payments received by a broker from a client after the due date must be transmitted to government within 5 working days from receipt by the broker.
- E. An application for an individual license must be submitted within the 3 year period after the applicant passed the customs broker examination.

## Category V – Anti-Dumping/Countervailing Duties

22. The Enforce and Protect Act of 2015 (EAPA) provides for:
- A. Formal procedures for evaluating an e-allegation of an IPR violation
  - B. Formal procedures for calculating the proper antidumping duty rates
  - C. Formal procedures for submitting and investigating antidumping or countervailing allegations of evasion against U.S. Importers
  - D. A determination as to what interim measures should be taken within 300 days from the date of initiation of the investigation
  - E. An increase in the *de minimis* value exemption
23. Blaster Corporation imported 8 ball bearings with integral shafts from Germany, which are classified under subheading 8482.10.1080, Harmonized Tariff Schedule of the United States. The duty rate for these bearings is 2.4% ad valorem. The bearings are also subject to antidumping duties. The ball bearings are shipped from Germany to the U.S. via ocean container and formally entered in Charleston, South Carolina. The total value of the shipment of ball bearings is \$7,785.00. The applicable antidumping duty cash deposit rate is 39.40%. What is the total amount of fees and estimated duties that should be reported on CBP Form 7501?
- A. \$186.84
  - B. \$213.81
  - C. \$3,067.29
  - D. \$3,281.10
  - E. \$3,290.83
24. Westbay Clothing Company imported 1200 wire hangers from China, which are classified under subheading 7326.20.0020, Harmonized Tariff Schedule of the United States, at a 3.9% ad valorem duty rate and are subject to antidumping duties. The wire hangers are shipped via air and formally entered at the port of John F. Kennedy International Airport. The total value of the shipment is \$9,655.00. The applicable antidumping duty cash deposit rate is 200%. What is the total amount of fees and estimated duties that Westbay should report on CBP Form 7501?
- A. \$424.48
  - B. \$19,686.55
  - C. \$19,701.03
  - D. \$19,719.99
  - E. \$20,102.55

- 25.** Baxter Brown imported sodium nitrate from Germany, which is classified under 2834.10.10 Harmonized Tariff Schedule of the United States, at a 5.5% ad valorem duty rate and is subject to antidumping duties under Antidumping Order A-428-841-000. The sodium nitrate is shipped by air and formally entered at the port of John F. Kennedy International Airport. The total value of the shipment is \$8,432.00. The applicable antidumping duty cash deposit is 150.82%. What is the total amount of estimated duties and fees that should be reported on CBP Form 7501?
- A. \$463.76
  - B. \$492.97
  - C. \$503.51
  - D. \$12,717.14
  - E. \$13,210.11
- 26.** Intergraded Circuits imported 10 solar cells from Argentina, which are classified under 8501.31.800 Harmonized Tariff Schedule of the United States, at a 2.5% ad valorem duty rate and are subject to antidumping duties and countervailing duties. The solar cells are shipped by ocean and formally entered at the port of Savannah, GA. The total value of the shipment is \$15,201.00. The applicable antidumping duty cash deposit is 28.25% and the applicable countervailing duties rate is 13.76%. What is the total amount of estimated duties and fees that should be reported on CBP Form 7501?
- A. \$451.69
  - B. \$4,674.31
  - C. \$6,385.94
  - D. \$6,818.63
  - E. \$6,837.63

## Category VI - Bonds

27. The \_\_\_\_\_, as well as the principal, remains liable on a terminated bond for obligations incurred prior to termination.
- A. Broker
  - B. Consignee
  - C. Customs Port
  - D. Nominal Consignee
  - E. Surety
28. Whose bond is liable when merchandise is in the process of delivery directly from an importing carrier (boat, plane, train, or truck) directly to a container station?
- A. Importer
  - B. Broker
  - C. Container Station
  - D. Importing Carrier
  - E. Bonded Warehouse
29. A basic importation and entry bond must contain each agreement below, **EXCEPT**:
- A. An agreement to pay duties, taxes, and charges, including all additional duties, taxes, and charges assessed by U.S. Customs and Border Protection (CBP)
  - B. An agreement to timely redeliver released merchandise upon demand by CBP
  - C. An agreement to file documentation to enable CBP to collect accurate statistics with respect to the merchandise
  - D. An agreement to transfer the merchandise to a place on receipt of instructions from CBP, before release, to allow examination of the merchandise
  - E. An agreement to file timely any report required by CBP Regulations

30. Which scenario regarding Customs Bond processing timeframes is **NOT** correct?
- A. A continuous bond, and any associated application, or rider, may be filed up to 60 days prior to the effective date requested for the continuous bond or rider.
  - B. A written request by a principal or co-principal to terminate a bond must be mailed, faxed, or emailed to the Revenue Division or, in the case of a bond relating to repayment of erroneous drawback payment, to the drawback office where the bond was approved. The termination will take effect on the date requested if that date is at least 10 business days after the date CBP receives the request.
  - C. Corporate surety powers of attorney will continue in force and effect until revoked. Any surety desiring that a designated agent or attorney be divested of a power of attorney must execute a revocation on CBP Form 5297. The revocation will take effect on the close of business on the date requested provided the corporate surety power of attorney is received 5 days before the date requested; otherwise the revocation will be effective at the close of business 5 days after the request is received at the port office.
  - D. Any decision not to accept a given surety's bond shall remain in effect for a minimum of five days or until all outstanding delinquencies are resolved, whichever is later.
  - E. CBP will periodically review each bond on file to determine whether the bond is adequate to protect the revenue and ensure compliance with applicable law and regulations. If CBP determines that a bond is inadequate, the principal and surety will be promptly notified in writing. The principal will have 30 days from the date of notification to remedy the deficiency.



## Category VII – Fines and Penalties

- 31.** Petition for relief on seizure cases must be filed within:
- A. 10 days from the date of mailing of the Notice of Detention
  - B. 10 days from the date of mailing of the Notice of Seizure
  - C. 30 days from the date of mailing of the Notice of Detention
  - D. 30 days from the date of mailing of the Notice of Seizure
  - E. 60 days from the date of mailing of the Notice of Seizure
- 32.** A petition for restoration of proceeds of sale under section 613, Tariff Act of 1930, as amended (19 U.S.C. 1613) must be filed within \_\_\_\_\_ after the date of sale.
- A. One month
  - B. Two months
  - C. Three months
  - D. Six months
  - E. One year
- 33.** What is the regulation that defines matters subject to protest?
- A. 19 CFR 101.1
  - B. 19 CFR 146.0
  - C. 19 CFR 171.0
  - D. 19 CFR 174.11
  - E. 19 CFR 191.0
- 34.** What is the monetary penalty per transaction when a broker fails to properly instruct employees, resulting in the filing of incorrect entries or the mishandling of transactions related to Customs business?
- A. \$1,000
  - B. \$5,000
  - C. \$10,000
  - D. \$50,000
  - E. \$25,000
- 35.** All of the following are considered “material” for the purposes of applying for a license, and may result in liability for a 19 U.S.C. 1641 penalty of \$5000 to \$30,000 if found to be false or omitted after the license is issued, EXCEPT:
- A. Legal name and date of birth
  - B. Citizenship status
  - C. Criminal history
  - D. License status of the officer qualifying the corporation
  - E. All of the above

### Category VIII – Free Trade Agreements

36. Which of the following is **NOT** one of the 4 originating criteria for NAFTA, as defined in Article 401 of the agreement?
- A. Goods wholly obtained or produced entirely in the territory of Canada, Mexico, and/or the United States contains no foreign materials or parts from outside the NAFTA territory
  - B. Goods that meet origin criterion such as Tariff shift
  - C. Goods that meet origin criterion such as regional value content
  - D. Goods produced in the NAFTA territory wholly of originating materials
  - E. Goods marked as Made in Canada or Mexico of wholly originating materials and produced in China
37. For textile goods classified in Chapters 50 through 63, the NAFTA de minimis provision allows for non-originating fibers or yarns that are used in the production of a component of the good that determines the tariff classification of the good and do not undergo the required tariff shift as a result of the production occurring entirely in the territory of one or more of the NAFTA countries, to be disregarded when determining whether the good is eligible for preference under NAFTA if:
- A. The value of the non-originating fibers or yarns is not more than 7% of the value of the good.
  - B. The total weight of the non-originating fibers or yarns is not more than 7% of the total weight of that component.
  - C. The value of the non-originating fibers or yarns is more than 7% of the value of the good.
  - D. The total weight of the component incorporating the non-originating fibers or yarns is more than 7% of the total weight of the good.
  - E. The value of the non-originating fibers or yarns is more than 15% of the value of the good.
38. Merchandise processing fees are **NOT** collected from which one of these Free Trade Agreements?
- A. Jordan JOFTA
  - B. Australia AUFTA
  - C. Morocco MAFTA
  - D. China CHFTA
  - E. Egypt QIZ

**39.** The Request for Basis of Adverse Marking Decision letter shall set forth the following information, **EXCEPT**:

- A. The name and address of the exporter or producer of the merchandise and the name and address of any authorized agent filing the request on behalf of such principal
- B. A statement that the inquirer is the exporter or producer of the merchandise that was the subject of the adverse marking decision
- C. The number and date of each entry involved in the request
- D. A specific description of the merchandise which is the subject of the adverse marking decision
- E. In the case of the U.S. exporter or producer, the employer number assigned by Revenue Canada, Customs and Excise

### Category IX – Classification

40. What is the **CLASSIFICATION** of Latex condoms with spermicide or lubricant? Condoms are individually wrapped in foil and packed in small boxes of 12. These two enhancements serve different purposes. The spermicide enhances the contraceptive quality of the condom while the lubricant gives it a smoother surface. The spermicide and lubricant add value to the condoms.
- A. 3926.90.2100
  - B. 4014.10.0000
  - C. 4016.99.3550
  - D. 4016.99.6050
  - E. 9505.90.2000
41. What is the **CLASSIFICATION** of a 35 mm format film-style camera with a multi-viewfinder, which has the ability to capture and record both moving images and still images internally onto semiconductor media, such as smart cards and flash drives?
- A. 8525.80.40
  - B. 8525.80.50
  - C. 9006.30.00
  - D. 9006.40.60
  - E. 9006.52.91
42. What is the **CLASSIFICATION** of an assembled, multilayer, wood flooring panel with a 2mm- thick face ply of oak wood and a substrate of poplar plywood? Both oak and poplar are non-coniferous, non-tropical woods. The complete panel meets the Explanatory Notes definition of plywood, and consists of five plies, none exceeding 6mm in thickness. The panel is sanded, but is not finished with any coating or other covering. The panel is tongued and grooved on its edges and ends.
- A. 4412.31.0640
  - B. 4412.32.3225
  - C. 4412.32.5700
  - D. 4418.73.4000
  - E. 4418.75.7000
43. What is the **CLASSIFICATION** of shrimp that are peeled, headless, of count size (headless weight) 33-45 per kilogram, “dusted” with wheat flour, and immediately quick frozen?
- A. 0306.16.0006
  - B. 0306.35.0040
  - C. 1605.20.0500
  - D. 1605.21.1030
  - E. 1605.69.0000

44. What is the **CLASSIFICATION** for a U.S. origin hanger, designed not for repetitive use, shipped to a foreign country and imported with knitted infant garment sets hung on them under 6111.20.6020?
- A. 3923.90.0080
  - B. 6111.20.6020
  - C. 9801.00.1098
  - D. 9802.00.8068
  - E. 9803.00.50
45. A “leaky coaxial sensor cable” consists of a central conductor surrounded by an insulator, which is then surrounded by a secondary conductor. A low voltage power wire is located within the assembly. The secondary conductor has apertures that allow radio frequency (RF) energy to escape from one of the cables and are received by the corresponding parallel cable. This leaky cable device creates an electromagnetic detection field, which activates an audible and visual alarm when the amount of RF energy is disturbed. What is the **CLASSIFICATION** of this “Leaky coaxial sensor cable”, which functions as an outdoor intrusion detection sensor?
- A. 8504.40.9580
  - B. 8518.21.0000
  - C. 8531.10.0035
  - D. 8531.90.9001
  - E. 8544.20.0000
46. What is the **CLASSIFICATION** of an electrically-powered tabletop machine used to count and stack U.S. Dollar bills? The machine also incorporates magnetic and infrared ink detection sensors for identifying counterfeit bills.
- A. 8205.59.8000
  - B. 8472.90.9040
  - C. 8479.89.9499
  - D. 8543.70.4500
  - E. 9031.49.9000
47. What is the **CLASSIFICATION** of petroleum based lubricating (cutting) oil for use on aluminum tubes consisting of 84.8% mineral oil and 15.2% additives?
- A. 2710.19.3070
  - B. 2712.10.0000
  - C. 3304.99.1000
  - D. 3403.19.0000
  - E. 3403.99.0000

48. What is the **CLASSIFICATION** and duty rate for pigment green 7, CAS # 1328-53-6, made in Malaysia and retail packaged and exported out of South Korea?
- A. 3204.17.9010/free with “L” preference claim
  - B. 3204.17.9010/free with “KR” preference claim
  - C. 3204.17.9010/2.6% with “KR” preference claim
  - D. 3204.17.9010/free with “MA” preference claim
  - E. 3204.17.9010/6.5%
49. What is the best **CLASSIFICATION** of a men’s woven solid color dress shirt composed of 45% cotton, 40% polyester and 15% spandex?
- A. 6205.20.2026
  - B. 6205.30.2010
  - C. 6205.30.2030
  - D. 6205.90.4010
  - E. 6205.90.4030
50. What is the **CLASSIFICATION** of a men’s knit two-button polo shirt composed of 100% cotton with 8 stitches per linear centimeter in each direction?
- A. 6105.10
  - B. 6105.20
  - C. 6105.90
  - D. 6110.20
  - E. 6110.90
51. What is the **CLASSIFICATION** of a single dinnerware plate that is made of stoneware, measures 15.3 cm in diameter, is offered for sale in the same pattern as all of the other articles listed in Chapter 69 Additional U.S. Note 6(b), with the aggregate value of all those articles listed in that note being \$37?
- A. 6911.10.3710
  - B. 6911.10.5200
  - C. 6912.00.3510
  - D. 6912.00.4500
  - E. 6912.00.4810

52. A men's lightweight upper body garment is cut and sewn from 45% cotton, 35% polyester, 20% linen, pique knitted fabric. The fabric measures 12 stitches per linear centimeter counted in the horizontal direction and 14 stitches per linear centimeter counted in the vertical direction. The garment is designed for wear over the skin or underwear and has a rib knit spread collar. It has a partial front opening at the neck with a three button placket, short sleeves with rib knit cuffs, and a ribbed knit waistband. What is the **CLASSIFICATION** of this garment?
- A. 6105.10.0010
  - B. 6106.10.0010
  - C. 6109.10.0004
  - D. 6110.20.2067
  - E. 6110.20.2069

## Category X – Entry

53. Which of the following records may the broker dispose of prior to 5 years from date of entry?
- A. Packing lists
  - B. An Informal entry
  - C. CBPF 7501
  - D. A Partnership POA
  - E. Commercial Invoice
54. When may a \$10,000 recordkeeping penalty be assessed?
- A. When the broker has been involved in larceny, theft, robbery, extortion, forgery, counterfeiting fraudulent concealment, embezzlement, or misappropriation of funds
  - B. When the failure to comply with a CBP records request is a result of negligence in maintaining, storing, or retrieving the demanded record
  - C. When the failure to comply with a CBP records request is a result of an Act of God
  - D. When the entry is not filed within 10 days of importation
  - E. When the broker does not maintain the record of the POA on a corporation for 5 years after the date of written separation
55. Under subheading 9802.00.80 HTSUS, the following operation may be performed to allow fabricated components, the product of the United States, to be deducted from the full value of articles assembled abroad:
- A. Trimming small amounts of excess materials
  - B. Cutting arms for a blouse
  - C. Showerproofing
  - D. Case hardening
  - E. Melting of exported ingots & pouring of metal into molds to produce cast metal parts
56. Which of the following entries and withdrawals may **NOT** be made for merchandise to be transported in bond?
- A. Entry for immediate transportation without appraisement
  - B. Entry for consumption
  - C. Warehouse or re-warehouse withdrawal for exportation or for transportation and exportation
  - D. Entry for transportation and exportation
  - E. Entry for exportation



- 57.** What is the result of CBP's failure to make a final determination with respect to the admissibility of detained merchandise within 30 days after it has been presented for CBP exam (or such longer period, if authorized by law)?
- A. The detained merchandise is deemed excluded.
  - B. The detained merchandise is automatically forfeited.
  - C. The detained merchandise is redelivered.
  - D. The detained merchandise is released.
  - E. The detained merchandise is conditionally released.
- 58.** Excessive deposits of Alcohol or Tobacco taxes cannot be refunded in cases where:
- A. The tax was paid or collected on an imported article seized and forfeited, or destroyed as contraband.
  - B. The tax was paid or collected on an article imported for the personal or household use of the importer.
  - C. The tax was paid or collected on an article refused admission to Customs territory and exported or destroyed in accordance with section 558, Tariff Act of 1930, as amended.
  - D. The tax was over paid due to misclassification of the article.
  - E. The refund of tax is pursuant to a claim based solely on errors of computation of the quantity of the imported article, or on mathematical errors in computation of the tax due.

**59.** Under which situation below would HTSUS General Notes 3(e)(v) apply?

- A. Merchandise was exported from Houston, TX on December 30, 2014, and arrived in Panama City, Republic of Panama, on January 10, 2015. The merchandise was released by the Panamanian National Customs Authority and moved to the consignee's warehouse, where the sale was canceled by the purchaser. The merchandise was returned to the carrier and returned to Houston, TX on January 25, 2015.
- B. Merchandise was exported from Houston, TX on December 30, 2014, and arrived in Panama City, Republic of Panama, on January 10, 2015. The merchandise remained in possession of the carrier at the shipping terminal where the sale was canceled. The merchandise was returned to Houston, TX on February 20, 2015.
- C. Merchandise was exported from Houston, TX on December 30, 2014, and arrived in Panama City, Republic of Panama, on January 10, 2015. The merchandise remained in possession of the carrier at the shipping terminal where the sale was canceled. The merchandise was returned to Houston, TX on February 6, 2015.
- D. Merchandise was exported from Houston, TX on December 30, 2014, and arrived in Panama City, Republic of Panama, on January 10, 2015. The merchandise was released by the Panamanian National Customs Authority and delivered to the buyer at the buyer's storage facility. The carrier realized that the wrong merchandise was delivered to the buyer and immediately notified the buyer of the error. The buyer returned the merchandise to the carrier with the original seal intact. The carrier shipped the merchandise back to Houston, TX on February 6, 2015.
- E. Merchandise was exported from Houston, TX on December 30, 2014, and arrived in Panama City, Republic of Panama, on January 10, 2015. The merchandise was held by Panamanian National Customs Authority and determined to be inadmissible into Panama. The container was returned by Panamanian Customs directly to the carrier and shipped back to Houston, TX on February 26, 2015.

**60.** Which of the following is the correct Manufacturer Identification Code for commercial importations of textile garments manufactured in the following factory?

Factory Name: Fabrica de Artigos de Vestuario JUMP HIGH Limited

Address: 232 Main Street, Suite 1234

City-state: Macau

Country: Macau

- A. MOFABDE232MAC
- B. MOFABART232MAC
- C. MOFABART1234MAC
- D. MOJUMHIG1234MAC
- E. MOJUMHIG232MAC

61. A motor vehicle or item of motor vehicle equipment, manufactured on or after January 1, 1968, is not permitted entry into the Customs territory of the United States unless it is in conformity with applicable safety standards in effect at the time the vehicle or equipment was manufactured *and* falls under which of the following exceptions?
- A. The vehicle or equipment item was manufactured on a date when no applicable safety standards were in effect.
  - B. The vehicle was not manufactured in conformity to all applicable safety standards, but it has been or will be brought into conformity within the regulatory time limit.
  - C. The vehicle or equipment item is intended solely for export, and the vehicle or equipment item, and the outside of the container of the equipment item, if any, bears a label or tag to that effect.
  - D. The vehicle is an “incomplete vehicle.”
  - E. All of the above.
62. Which of the following is **NOT** subject to the provisions of the Harmonized Tariff Schedule of the United States?
- A. Postage stamps
  - B. Human hair
  - C. Feathers
  - D. Telecommunication transmissions
  - E. Spent electric storage batteries
63. When is offsetting of overpayments **NOT** allowed?
- A. When the overpayments or over-declarations were not made by the same acts, statements, or omissions that caused the underpayments or under-declarations, and is not limited to the same entries that evidence the underpayments or under-declarations, provided they are within the time period and scope of the audit
  - B. When specific overpayments or over-declarations are made for the purpose of violating any provision of law, including laws other than customs laws
  - C. When a private party submits a prior disclosure, provided that the prior disclosure is in accordance with 19 CFR 162163.11(d)(6).74 and CBP approves the private party’s self-review, including its execution and results
  - D. When self-testing is conducted by an audited person under CBP supervision, and, CBP approves the self-testing in advance and, upon review of the self-testing, CBP approves its execution and results
  - E. All of the above

### Category XI – Value

64. A U.S. importer purchased automobile tires from a manufacturer located in Seoul, South Korea. The importer paid \$47,780 ex-factory. The price does not include U.S. duty (2.5 % ad valorem for the tires), MPF (.3464%), HMF (.125%), and inland freight from Seoul to the Port of Busan, South Korea (\$3,075). What is the entered value?
- A. \$ 43,285
  - B. \$ 44,705
  - C. \$ 46,360
  - D. \$ 47,780
  - E. \$ 50,855
65. Mary's Motor speedway in Buffalo, NY purchased 1 BMW car from Everything Foreign Auto dealers in London. The invoice that was prepared for the sale and the shipment of the car listed the total price paid or payable of 100,000 British pounds. The sales contract did not include an agreed upon currency exchange rate. The car was shipped by vessel from Liverpool, England on March 25, 2018 and arrived in Newark, NJ on April 3, 2018. The certified quarterly rate of exchange for the British pound on March 25, 2018 was \$1.50. However, the certified quarterly rate of exchange for the pound on April 3, 2018 was \$2.00. Which of the following is the value to be declared for entry purposes?
- A. \$100,000
  - B. \$150,000
  - C. \$200,000
  - D. \$250,000
  - E. \$300,000

66. Which of the following statements concerning customs valuation is **FALSE**?
- A. Imported merchandise will be appraised on the basis of transaction value, unless transaction value cannot be determined, or can be determined but cannot be used because of the limitations provided for in § 152.103(j).
  - B. The word “payable” refers to a situation in which the price has been agreed upon, but actual payment has not been made at the time of importation. Payment may be made by letters of credit or negotiable instruments and may be made directly or indirectly.
  - C. If the Center director believes that the entered rate or value of any merchandise is too low, or if he finds that the quantity imported exceeds the entered quantity, and the estimated aggregate of the increase in duties on that entry exceeds \$15, he shall promptly notify the importer on Customs Form 28.
  - D. Any rebate of, or other decrease in, the price actually paid or payable made or otherwise effected between the buyer and seller after the date of importation of the merchandise will be disregarded in determining the transaction value.
  - E. When appraising imported merchandise on the basis of the transaction value of similar merchandise, the quality of the merchandise, its reputation, and the existence of a trademark will be factors considered to determine whether merchandise is “similar.”
67. Which of the following is **NOT** an acceptable basis of appraisement for imported merchandise?
- A. Contract value
  - B. Computed value
  - C. Value of identical merchandise
  - D. Transaction value of similar merchandise
  - E. Deductive value

## Category XII – Drawback

68. Which of the following documents is an acceptable proof of export for drawback purposes?
- A. Notice of Intent to Export
  - B. Certificate of Delivery
  - C. Certificate of Manufacture and Delivery
  - D. Bill of lading with laden on board date
  - E. Waiver of Prior Notice of Intent to Export
69. Drawback claimants are required to provide HTSUS numbers or schedule B commodity numbers on all drawback claims filed. The HTSUS numbers and Schedule B commodity numbers must be stated to at least \_\_\_\_ digits.
- A. Two
  - B. Four
  - C. Six
  - D. Eight
  - E. Ten
70. To obtain a general manufacturing drawback ruling, an applicant may submit a letter of notification of intent (“LOI”) to the drawback office where drawback entries will be filed and liquidated. A variety of information concerning the applicant’s identity and the manufacturing or production process must be included in the LOI. Which of the following information is **NOT** required to be included in the LOI?
- A. The name and address of the manufacturer or producer
  - B. The locations of the factories which will operate under the LOI
  - C. A description of the merchandise and articles, unless they are specifically described in the general manufacturing drawback ruling
  - D. The origin of the imported merchandise used in manufacturing or production
  - E. A description of the manufacturing or production process, unless it is specifically described in the general manufacturing drawback ruling

71. Which Drawback timeframe is correct?

- A. The claimant, or the exporter, must file at the port of intended examination a Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback on Customs Form 7553 at least 5 working days prior to the date of intended exportation unless Customs approves another filing period or the claimant has been granted a waiver of prior notice.
- B. If Customs gives timely notice of its decision to examine the export merchandise, the merchandise to be examined shall be promptly presented to Customs. Customs shall examine the merchandise within seven (7) working days after presentation of the merchandise.
- C. If Customs denies the drawback application, the applicant may file a written appeal with the drawback office which issued the denial, provided that the applicant files this appeal within 30 days of the date of denial.
- D. At least 60 working days before the intended date of destruction of merchandise or articles upon which drawback is intended to be claimed, a Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback on Customs Form 7553 shall be filed by the claimant with the Customs port where the destruction is to take place, giving notification of the date and specific location where the destruction is to occur.
- E. Merchandise not exported or destroyed within 120 days from the date of notification of acceptance of the drawback entry shall be considered unclaimed, unless upon written request by the importer, prior to the expiration of the 120-day period, the drawback office grants an extension of not more than 120 days.

### Category XIII – Intellectual Property Rights

72. How many days can CBP detain merchandise bearing a counterfeit version of a trademark prior to determination as whether or not it shall be seized?
- A. 5 days from the date on which the merchandise is presented for Customs examination
  - B. 15 days from the date of entry
  - C. 30 days from the date on which the merchandise is presented for Customs examination
  - D. 60 days from the date on which the merchandise is presented for Customs examination
  - E. 90 days from the date of entry
73. What is the fee for recording a trademark with CBP for a United States Patent and Trademark Office (USPTO) registration that includes four classes of goods?
- A. \$0
  - B. \$190
  - C. \$300
  - D. \$380
  - E. \$760
74. In regard to “prohibited or restricted importations” relative to “articles involved in unfair competition,” after the U.S. International Trade Commission issues an exclusion order pursuant to 19 U.S.C. 1337, an importer of record has the following option(s) with respect to the entry of merchandise subject to that exclusion order:
- A. The importer may enter merchandise subject to an exclusion order if the importer’s basic importation bond contains a provision authorizing such action.
  - B. The importer may enter merchandise subject to an exclusion order for thirty days after the exclusion order issues, at which point the Commission’s exclusion order becomes final and entry is no longer permitted.
  - C. Until the time the Commission’s exclusion order becomes final, the importer may enter merchandise subject to the exclusion order by filing a single entry bond with CBP in an amount determined by the U.S International Trade Commission to be sufficient to protect the complainant from any injury.
  - D. Until the time the Commission’s exclusion order becomes final, the importer may enter merchandise subject to the exclusion order by filing a single entry bond with CBP in an amount set by the port director to ensure compliance with the customs and related laws.
  - E. None of the above because an exclusion order is effective on the date it is issued and merchandise subject to that exclusion order cannot be entered lawfully after this point.



75. A mail shipment consisting of one handbag valued at \$900, bearing a spurious mark identical with, or substantially indistinguishable from, a mark registered on the Principal Register of the U.S. Patent and Trademark Office and recorded with CBP, is **NOT** subject to seizure under 19 C.F.R. § 133.21(e) because:
- A. The handbag is intended for personal use, and the exemption for the same type of article has not been taken within the 30-day detention period.
  - B. The handbag is intended for personal use, and the quantity does not exceed the exemption of one article of the type bearing the protected trademark.
  - C. The circumstances allowing trademark or trade name restriction(s) set forth in 19 C.F.R. § 133.22(c) or 19 C.F.R. § 133.23(d) are established.
  - D. The addressee appears in person at the appropriate CBP office and, at the time, removes or obliterates the mark on the handbag in a manner acceptable to CBP.
  - E. None of the above.

### Category XIV – Foreign Trade Zones/Warehouses

76. The operator of a Foreign Trade Zone shall record all shortages and overages as required on \_\_\_\_\_.
- A. The annual reconciliation report
  - B. A blanket application form for admission of merchandise
  - C. CBP Form 214
  - D. CBP Form 301
  - E. CBP Form 214-A
77. With regards to a Foreign Trade Zone, the term \_\_\_\_\_ refers to a person or firm using a zone or subzone for storage, handling, or processing of merchandise.
- A. Unique identifier
  - B. Guard service
  - C. User
  - D. Bonded carrier
  - E. Operator
78. \_\_\_\_\_ allows for delivery of merchandise to a Foreign Trade Zone without prior application and approval on CBP form 214.
- A. A Temporary Importation Bond
  - B. CBP Form 7501
  - C. A weekly permit
  - D. FIFO
  - E. Direct delivery

**Category XV – ACE**

79. The non-Reimbursement blanket statement allows up to \_\_\_\_\_Manufacturer Identification numbers.
- A. 10
  - B. 20
  - C. 30
  - D. 40
  - E. 50
80. Which statement is **TRUE** regarding Post Summary Correction?
- A. Brokers are permitted to file only 3 PSC per entry.
  - B. The entry summary can be included on a reconciliation entry.
  - C. If CBP rejects the PSC submission, the system will send the filer a rejection message. The filer has 10 business days to replace the rejected PSC by filing another PSC.
  - D. An entry summary must be paid in order for the PSC to be successfully submitted.
  - E. All entry types are eligible for PSC's.

**STOP**

**THIS IS THE END OF THE TEST.**

**You may use the remaining time to go back and check your answers.  
Please double check that your address is CORRECTLY bubbled in on your answer sheet.  
Your entire address must be filled in, including apartment numbers. Incorrect bubbling of your address will delay notifications of the results of the exam. If your address does not fit into the appropriate boxes, provide the Test Administrator with your full address AFTER the exam. If you have finished double checking your information and would like to participate in the survey, please turn the page and respond to the following questions.**

### Section 3: Post-Examination Process Evaluation Survey

This survey is administered to collect information about the examination process for the Customs Broker Exam. The survey is **voluntary** and your responses will have no impact on your scores for this exam.

1. How difficult was the examination?
  - A. Very easy
  - B. Easy
  - C. Moderate
  - D. Difficult
  - E. Very difficult
  
2. How clear were the examination questions?
  - A. Very clear
  - B. Clear
  - C. Neither clear nor difficult to understand
  - D. Difficult to understand
  - E. Very difficult to understand
  
3. Would you have liked more, less, or the same amount of time for this examination?
  - A. Less time – I finished early
  - B. Same amount of time – it was just right
  - C. Slightly more time – to consider or review my answers
  - D. More time – I did not finish the examination