Simplification of Customs Formalities

Communication received from the United States Government

The Government of the United States has submitted the following description of improvements in customs operations made by the United States since the Eighth Session:

Improvements by Legislative Action

Customs Simplification Act of 1953

The Customs Simplification Act of 1953 brought about many improvements in customs that affect foreign trade; chief among these are:

Relaxed entry requirements - Provisions of the Customs Simplification Act of 1953 made it possible for merchandise valued not in excess of $250 to be entered informally; prior to the enactment of that law, all merchandise valued at $100 or more had to be entered under formal entry procedures.

Relaxed invoice requirements - In view of the revision of the law as to certified (consular) invoices, such invoices are now only required for merchandise valued over $500 (over $1000 in the case of goods not for sale), and which are subject to an ad valorem rate of duty, or a rate of duty otherwise dependent on value. Formerly, the exemption limit was $100.

Relaxed marking requirements - This law repealed special marking requirements for a wide range of articles and made them eligible for marking after importation and for normal exemptions from marking. This is affecting sizeable savings for foreign exporters and American importers in the marking costs for those articles.

Duties and taxes found to be due upon liquidation - One provision of the law is that the liquidation of entries is to be made on the basis of the appraised value without regard to the entered value, even though the entered value may be higher. This makes it unnecessary for importers to file amendments to their original entries in order to avoid the payment of additional duties or to obtain refunds when the entered value differs from the appraised value.
Improved auditing procedures - Another provision of the law has permitted customs to adopt more modern auditing and accounting procedures that are expediting the liquidation of entries. This is materially benefiting importers by giving them more timely notices of the final determination of the duties and taxes due or to be refunded on their importations.

Touring permit for automobiles eliminated - The requirement for touring permits for automobiles brought into the United States for non-commercial purposes by non-residents has been eliminated by a provision of the law that allows the automobiles to be admitted free of duty as personal effects.

Gifts exempted from duties and taxes up to $10 - Under the law, bona fide gifts not exceeding $10 in value, from persons in foreign countries to persons in the United States, are exempted from the payment of duties and taxes.

Free entry for vessel and aircraft supplies - The law has extended free entry provisions to repair material for foreign vessels and to ground equipment for foreign aircraft engaged in trade with the United States; this has served to facilitate operations for foreign carriers.

Correction of errors, mistakes, and inadvertences permitted - Section 20 of this act has greatly extended the authority for customs collectors to correct clerical errors, mistakes of fact, and inadvertences in any entry, liquidation, appraisement, or other customs transaction under certain conditions. Previously, the conditions under which this could be done were greatly restricted.

Temporary entry permitted for many additional articles - Certain provision of the law now permit the temporary entry of many additional articles under bond without the payment of duty. These include containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation, articles for review purposes, including blueprints, plans, specifications, drawings, photographs, etc. Also, the initial bond period is now one year instead of six months and this initial one-year period, upon application, may be extended for a total of three years.

Oaths on customs documents eliminated - As a result of this law, practically all requirements for oaths on customs documents have been eliminated in order to facilitate the completion of these documents by persons transacting business with the United States Customs.

Reimportation of certain foreign merchandise

Public Law 595 of 16 August 1954, permits certain foreign merchandise to be exported under lease to a foreign manufacturer and reimported into this country without the payment of duties provided it is entered for the account of the person or firm which exported it.
Customs Simplification Act of 1954

The principal provision of the Customs Simplification Act of 1954 as it affects foreign trade is that which authorizes the United States Tariff Commission to prepare revised and simplified schedules of classification description and rates of duty for consideration by the President and the Congress.

Another provision simplifies the classification of unenumerated articles by similitude to enumerated articles, and repeals a provision for the classification of unenumerated articles composed of two or more materials which had occasioned considerable uncertainty.

IMPROVEMENTS BY ADMINISTRATIVE ACTION

Collectors of customs to refund excess payments of internal-revenue taxes

Collectors of customs have been delegated authority to refund excess payments of internal-revenue taxes on imported merchandise, as well as excess duties, in order to expedite the payments of refunds to importers. Before this change, it was necessary to obtain refunds of excess internal-revenue taxes paid on importations from the Internal Revenue Service while, in a separate transaction, customs handled the refund of excess duties.

Scientific weighing techniques implemented

Importers are receiving faster delivery of imported merchandise subject to weighing as the result of customs adopting statistically controlled weighing methods for certain commodities and spot-check weighing methods for most low-duty merchandise.

Merchandise entries being examined prior to the arrival of merchandise

Pending the issuance of regulations, collectors of customs have been authorized to accept entry documents in the customhouse for preliminary examination and processing prior to the arrival of merchandise within the limits of the port of entry. This expedites the issuance of permits and release of merchandise during periods of peak activity.

Customs examination by sample

An experimental programme has been instituted at the port of New York to facilitate the movement of shipments of a large variety of imported commodities from shipside to consignee. A sample or percentage of the shipment is set aside on the pier for customs purposes, and the importer can take delivery of the shipment as soon as it is made available by the steamship company. The sample may accompany the full shipment to the importer's premises, or be retained on the pier, and later a customs officer will visit the importer's establishment or the pier to examine it.