

International Import / Export: Glossary of Terms

The following is a list of frequently used terms that may help you understand the international import / export process.

Bond

U.S. Customs entries must be accompanied by evidence that a surety bond is posted with Customs to cover any potential duties, taxes and penalties which may accrue. In the event that a customs broker is employed for the purpose of making entry, the broker may permit the use of his or her bond to provide the required coverage.

Bonded

Goods stored under supervision of customs until the import duties are paid or the goods are exported.

Customs Broker

An individual or firm licensed by the U.S. Customs Service to act for importers in handling the sequence of custom formalities and other details critical to the legal and speedy exporting and importing of goods. The University currently uses Schenker International.

Customs Power of Attorney

A written legal document by which one person authorizes another person to perform stated acts on the principal's behalf. For example: to enter into contracts, to sign documents, to sign checks, and spend money, etc. Importers often give a limited power of attorney to their customs broker to conduct business with U.S. Customs on their behalf.

Duty

A tax levied by a government on the import, export or consumption of goods. Usually a tax imposed on imports by the customs authority of a country. Duties are generally based on the value of the goods, some other factors such as weight or quantity, or a combination of value and other factors.

Entry

The process of, and documentation required for, securing the release of imported merchandise from Customs.

Entry for Consumption

The process of effecting entry of goods into the United States for use in the United States.

Fraud on Revenues

An international deception or false representation made to induce another person to act in reliance on that representation with the result that the person incurs damages. A buyer acts fraudulently, for example, by promising to pay for goods on delivery even though the buyer does not have the funds needed, accepting the goods as satisfactory, but not paying for them.

Harmonized Code

An organized listing of goods and their duty rates which is used by U.S. Customs as the basis for classifying imported products and therefore establishing the duty to be charged and providing the U.S. Census with statistical information about imports and exports.

Import

(a) To receive goods and services from abroad. (b) An imported item.

INCO

These are universally recognized definitions of international trade terms, defining the respective roles of the buyer and seller, and clarifying the ownership of merchandise.

Liquidated Entry

The final review of a U.S. Customs entry, and determination of the rate of duty and amount of duty by Customs Liquidation is accomplished by Customs posting a notice on a public bulletin board at the customshouse.

Port of Entry

Any place designated by act of U.S. Congress, executive order of the President of the United States, or order of the U.S. Secretary of the Treasury, at which a U.S. Customs officer is assigned with authority to accept entries of merchandise, to collect duties, and to enforce the various provisions of the U.S. Customs laws.

Pro Forma Invoice

An invoice provided by the importer in lieu of a commercial invoice when a commercial invoice is not available at the time of merchandise entry. In such cases the importer must present a bond to Customs guaranteeing production of the required commercial invoice not later than 120 days from the date of entry. If the invoice is needed by Customs for statistical purposes, it must generally be produced within 50 days from the date the entry summary is required to be filed. If the required commercial invoice is not presented to Customs before the expiration of the 120-day period, the importer incurs a liability under his bond for failure to file.

Surety

(insurance) A bond, guaranty, or other security that protects a person, corporation, or other legal entity in cases of another's default in the payment of a given obligation, improper performance of a given contract, and others.