

# Duty Compliance services

## *Duty Drawback Consulting Services*

### U. S. Customs Brokerage Specializing in Duty Drawback

#### WHAT IS DUTY DRAWBACK?

To begin with, DUTY must be paid to U. S. Customs on the majority of goods imported into the United States. DRAWBACK is a refund of the duty paid (less 1% which is retained by Customs as a processing fee) which may be claimed if the imported merchandise is subsequently exported from the United States.

Although several types of drawback are available, the three most commonly claimed are:

- **MANUFACTURING**  
In accordance with Customs law, drawback may be claimed on an exported article that has been manufactured from imported merchandise. It is also possible to substitute domestically produced merchandise of the same kind and quality as imported duty-paid merchandise in the process of manufacture of and exported product being claimed for drawback.
- **UNUSED**  
In accordance with Customs regulations and law, drawback may be claimed on dutypaid merchandise that is exported from the U.S. without having been used in a process of manufacturing.
- **REJECTED MERCHANDISE**  
Customs law also provides the right to claim drawback on merchandise, which does not conform to sample or specification, if it is exported under Customs supervision.

#### WHAT ARE THE BENEFITS OF DRAWBACK?

Manufacturers and exporters who take advantage of drawback are able to compete more effectively in foreign markets. Cash flow and profits are substantially improved because drawback reduces the cost of imported materials by the amount of duty paid.

#### WHO QUALIFIES FOR DRAWBACK?

Any company which exports (or sells to a company which exports) is eligible for drawback. Potential claimants must submit a Manufacturer's Statement, if applicable (i.e.: an application which establishes all the parameters of the claimant's proposed drawback program,) an Application for Accelerated Payment and an Application for Waiver of Prior Notice for U. S. Customs approval before claims are liquidated or paid.

## WHAT ARE THE METHODS OF RECEIVING PAYMENT FOR DRAWBACK?

The liquidation of claims begins when all documentation for a drawback claim has been filed. The length of time before a filed claim is actually paid varies. To expedite receipt of payment, the Accelerated Payment of Drawback Claims Program should be used. To qualify for this program, claimants must be in good standing with U. S. Customs and have a compliance program in place. In addition, either a Single Entry Bond or a Term Bond must be filed with Customs. Once approved, Accelerated Payment Claims will be certified for payment. Filing with ABI will further expedite payment even quicker. Yes, Duty Compliance Services is ABI certified and files all drawback claims via ABI transmission to U. S. Customs.

## WHAT ARE THE TIME RESTRICTIONS ON DRAWBACK?

For unused drawback, the material must be exported within three years of the date of importation. In a manufacturing process, imported material must be used within three years of the date of importation. Domestic material of the same kind and quality as imported material must be used in a process of manufacturing within three years of the date of importation of the designated imported material.

The manufactured products must be exported within three years of the date of manufacture. However, the maximum combined allowable time frame for importing duty paid material and exporting it in a manufactured product is five years. All records pertinent to drawback claims must be retained for a minimum of three years after receipt of payment.

Potential drawback claimants need to estimate the dollar amount that will be refunded through drawback. If a claimant is unsure about how to arrive at this figure, Duty Compliance Services can help. If the total potential recovery is significant, you need to consider other factors including the availability of in-house knowledge of drawback and the number of man-hours required to establish and maintain a complaint drawback program. A good source of drawback information is the U.S. Customs Regulations. The government rules, regulations and paperwork involved are not overwhelmingly complicated once understood, but a strong, continual commitment of time is essential for the success of a drawback program.

## WHAT DRAWBACK SERVICES ARE PROVIDED BY DUTY COMPLIANCE SERVICES?

Companies that decide to take advantage of drawback may wish to enlist the services of Duty Compliance Services. The automated drawback system utilized by Duty Compliance Services (Drawback.NET) combined with our 30+ years in the drawback industry ensures expedient and successful filing of claims. Duty Compliance Services

**Drawback Services** include:

- Consultation with all appurtenant staff members regarding the capture of data
- Assistance with the development of a drawback compliance program
- Preparation and presentation of all necessary applications with U. S. Customs
- Compilation and processing of all necessary import and export data in preparation of all substantiating reports and claim forms for submission to U. S. Customs.
- In the event of a **Customs Audit**, Duty Compliance Services is available for **Audit Assistance**.

## **FIND OUT JUST HOW MUCH POTENTIAL DUTY REFUND YOU'RE ENTITLED TO:**

If your company is involved with worldwide trade of any kind, you should consider whether you are eligible for **duty drawback refunds**. Ask yourself these two simple questions:

- 1) Does my company import and pay duties?
- 2) Does my company export?

If you answered yes to both questions, your company could be eligible to receive **duty drawback refunds**.

To determine your potential **duty drawback refund**, complete the information in the **Dutycalc-ulator** available at [www.dutycalc.com](http://www.dutycalc.com).

**For a more in-depth evaluation of your company's duty drawback potential, please call us directly at 530.637.1036 in addition to filling out our Evaluation Sheet.**

For more information about our services and to discuss your duty drawback needs, please contact a Duty Compliance Services representative today.