

## **CUSTOMS DIRECTIVE**

**ORIGINATING OFFICE:** FO:TP:Q

**DISTRIBUTION:** S-01

**CUSTOMS DIRECTIVE NO.** 3230-039A

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### **SUBJECT: QUOTA AND TEMPORARY IMPORTATION UNDER BOND (TIB)**

**1 PURPOSE.** The purpose of this directive is to provide national guidelines for handling quota-class merchandise entered into the United States under Temporary Importation Under Bond (TIB) provisions.

**2 POLICY.** The references and procedures outlined in this directive will be followed to ensure that quota-class merchandise entered on a TIB is accurately reported and correctly charged.

**3 AUTHORITIES/REFERENCES.** 19 U.S.C. 1202 (Section XXII, Chapter 98, Subchapter XIII of the Harmonized Tariff Schedule of the United States), 19 CFR 10.31 - 10.40, 19 CFR 132, Treasury Decisions 54802(53) and 54802(54), Ruling 306885, dated June 29, 1979, CIS HB 3200-08, dated March 1998, CIS HB 3500-03A, dated July 2000.

**4 RESPONSIBILITIES.** It is the responsibility of all Directors, Field Operations and all Port Directors to ensure compliance with this directive. The information contained in this directive should be made available to all Customs field officers responsible for the processing and reporting of quota-class merchandise.

**5 PROCEDURES.** The following procedures will be adhered to by all Customs officers who process TIB entry summaries presented to Customs with quota-class merchandise.

5.1 A filer is permitted to enter quota-class merchandise on a TIB, entry type 23, under the appropriate Chapter 98 Harmonized Tariff Schedule (HTS) numbers that cover TIB provisions. TIB entries (summaries) are considered to be consumption entries (summaries) for purposes of administering quotas [T.D. 54802(53) and (54)]. The rationale for so deeming TIB entries to be consumption entries for purposes of administering quota, is that to rule otherwise could allow the circumvention of the quota laws (i.e., otherwise merchandise subject to quota for which no visa could be obtained could be entered under a TIB entry and, if consumed in the United States, subject only to liquidated damages).

5.2 Customs personnel will process quota-class merchandise entered under TIB provisions through the quota module of ACS, using the function QSUP, once presented

to Customs in proper form. No merchandise subject to a quota that has been filled can be released to the importer under a TIB.

5.3 Harmonized Tariff Schedule numbers covering TIB provisions require alternate Chapters 1 through 97 numbers of the Harmonized Tariff Schedule. While this data may be transmitted to ACS by an ABI filer, this is not the case with non-ABI entry summaries. On non-ABI summaries, the Chapter 98 number requires manual input by Customs personnel and must occupy the first tariff field position on the QSUP screen when using two tariff numbers.

5.4 Ordinarily, non-statement, ACH statement as well as non-ACH statement processing are acceptable methods of payment for TIB entry summaries. However, payment of quota-class merchandise under TIB provisions using non-ACH statement processing is not acceptable.

5.5 Quota charges for quota-class merchandise entered under Chapter 98, Subchapter XIII of the Harmonized Tariff Schedule will remain unchanged in the quota module of ACS, whether or not the bond conditions have been met.

5.6 When quota-class merchandise entered under Chapter 98, Subchapter XIII of the Harmonized Tariff Schedule, is not timely exported or destroyed, Customs personnel will issue a demand for payment of liquidated damages equal to double the estimated duties applicable to such entry, unless a different amount is prescribed by 10.31(f) CR. The term "estimated duties" includes any merchandise processing fees applicable to such entry.

**6 MEASUREMENT.** Customs field offices will have successfully executed the requirements of this directive when all quota-class merchandise entered under TIB provisions is reported accurately and timely through the quota system.

Assistant Commissioner  
Office of Field Operations