



U.S. Customs and  
Border Protection

JUL 28 2009

MEMORANDUM FOR: DIRECTORS, FIELD OPERATIONS

FROM: Executive Director, Trade Policy and Programs  
Office of International Trade

SUBJECT: Guidance: Merchandise Processing Fee and Duty Preference  
Programs

The attached Merchandise Processing Fee (MPF) and Duty Preference Programs table highlights how MPF is treated by the various duty preference programs. In some cases, a duty preference program claim entitles an importer to an MPF exemption on that entry line.

Please note that an importer may use a Special Program Indicator (SPI) to claim an MPF exemption on unconditionally free goods. A good with a General column duty rate of Free will not have an SPI indicator in the Special column of the HTSUS, because no claim for duty preference is needed. However, the SPI can still be used on the entry summary line to claim the MPF exemption. The good must meet the appropriate rule of origin and all other requirements of the duty preference program being claimed in order to qualify for the MPF exemption.

Copies of this memorandum should be made available to Port Directors, Assistant Port Directors, Import and Entry Specialists, CBP Officers, Brokers, Importers and other interested parties. It will also be posted on [www.cbp.gov](http://www.cbp.gov).

Questions regarding this memo or document should be directed to Mr. Seth Mazze, International Trade Specialist, International Coordination Branch, at [seth.mazze@dhs.gov](mailto:seth.mazze@dhs.gov).

A handwritten signature in cursive script that reads "Brenda B. Smith".

Brenda B. Smith

Attachment

## MPF and Duty Preference Programs

### Preferential Trade Legislation and Other

	Duty Preference Program	SPI	Country	MPF	Citation and Notes
1	AGOA	D	GN 16 (a) for country list	Not Exempt / Exempt	Exempt only when products of an LDBDC, per 19 CFR 24.23(c)(1)(iv), or when entered under HTS 9819, per 19 CFR 24.23(c)(1)(i).
2	ATPA	J, J*	GN 11(a)	Not Exempt	Not exempted by 19 CFR 24.23(c).
3	ATPDEA	J+	GN 11(d) for country list	Not Exempt / Exempt	Exempt only when HTS 9821 is claimed, per 19 CFR 24.23(c)(1)(i).
4	CBERA	E	GN 7 (a) for country list	Exempt	Exempt irrespective of whether CBERA is claimed, per 19 CFR 24.23(c)(1)(iii).
5	CBTPA	R	GN 17(a) for country list	Exempt	Exempt irrespective of whether CBTPA is claimed because they are a subset of CBERA, above. See 19 CFR 24.23(c)(1)(iii).
6	Civil Aircraft	C		Not Exempt	Not exempted by 19 CFR 24.23(c).
7	DCMAO (DCASR)			Exempt	Per 19 CFR 24.23(c)(1)(i).
8	Freely Associated States (FAS)	Z	Marshall Islands, Micronesia, Palau	Not Exempt	Not exempted by 19 CFR 24.23(c).
9	GSP	A, A*	GN 4(a) for GSP countries and 4(b) for LDBDCs	Not Exempt / Exempt	Although products of a GSP country are not exempt, products of an LDBDC (a subset) are exempt, irrespective of whether GSP is claimed. See 19 CFR 24.23(c)(1)(iv).
10	Insular Possessions	Y	U.S. Virgin Islands, Guam, American Samoa, Northern Mariana Islands	Exempt	Products of insular possessions are exempt irrespective of whether preference is claimed, per 19 CFR 24.23(c)(1)(ii).
11	Intermediate Chemicals for Dyes	L		Not Exempt	Not exempted by 19 CFR 24.23(c).
12	Pharma. Products	K		Not Exempt	Not exempted by 19 CFR 24.23(c).

DISCLAIMER: THIS INFORMATION IS FOR COMPARATIVE PURPOSES AND IS NOT LEGALLY BINDING

## MPF and Duty Preference Programs

Free Trade Agreements					
	Duty Preference Program	SPI	Country	MPF	Citation and Notes
1	AFTA	AU	Australia	Exempt	Per Article 2.12 of the AFTA. However, TPL goods are not exempt.
2	BFTA	BH	Bahrain	Exempt	Per 19 CFR 24.23(c)(8). However, TPL goods are not exempt.
3	CFTA	CL	Chile	Exempt	Per 19 CFR 24.23(c)(7). However, TPL goods are not exempt.
4	CAFTA-DR	P, P+	El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Costa Rica	Exempt	Per 19 CFR 24.23(c). However, TPL goods are not exempt.
5	ILFTA	IL	Israel	Exempt	Products of Israel are exempt irrespective of whether ILFTA is claimed, per 19 CFR 24.23(c)(5).
6	JFTA	JO	Jordan	<b>Not Exempt</b>	Not exempted by 19 CFR 24.23(c).
7	MFTA	MA	Morocco	<b>Not Exempt</b>	Not exempted by 19 CFR 24.23(c).
8	NAFTA	CA MX	Canada, Mexico	Exempt	Per 19 CFR 24.23 (c)(3). However, TPL goods are not exempt. E criterion goods (Annex 308.1) are not exempt unless eligible to be marked as products of Canada or Mexico.
9	OFTA	OM	Oman	Exempt	Per 19 CFR 24.23(c)
10	PTPA	PE	Peru	Exempt	Per 19 CFR 24.23(c)
11	QIZ	N	Jordan	<b>Not Exempt</b>	Per 19 CFR 24.23(c)
12	QIZ	N	Egypt	<b>Not Exempt</b>	Per 19 CFR 24.23(c)
13	QIZ	N	West Bank, Gaza	<b>Not Exempt</b>	However, exempt if marked "Israel," per 19 CFR 24.23(c)(5).
14	SFTA	SG	Singapore	Exempt	Integrated Sourcing Initiative (ISI) goods also originate, so also exempt, per 19 CFR 24.23(c)(6). TPL goods are not exempt.