

Information Notice

Customs and Border Protection, 477 Michigan Avenue, Detroit, MI 48226

Number: 3801-07-05
January 19, 2007

TO : Brokers, Importers, and Other Interested Parties

FROM : Port Director
Detroit, Michigan 48226

SUBJECT: Grace Period for 2007 Harmonized Tariff Schedule of the United States (HTSUS) Conversion

The purpose of this memorandum is to provide all interested parties clarification of the grace period granted to the Trade to assist in the 2007 Harmonized Tariff Schedule of the United States (HTSUS) conversion.

To facilitate the need for an easier transition to the World Customs Organization (WCO) 2007 HTSUS legislative changes, a 17-day grace period has been granted to the Trade to assist in the HTSUS conversion. The WCO HTSUS changes will be in effect on February 3, 2007 with no exceptions. The Trade advised CBP early on that depending on the complexity and the size of their import and export operations, reclassifying the products affected by these changes, along with the subsequent updating of their internal databases could take up to 45 days to accomplish. Legislation was passed giving 30 days for implementation of the WCO HTSUS changes once the Proclamation was signed and published. CBP is allowing the Trade an additional 17 days to finalize internal classification changes.

This grace period allows for the HTSUS legislative changes only and does not apply to any other filing error. The grace period begins on February 3, 2007 and ends COB February 20, 2007 and pertains to:

- Entries rejected by an Import Specialist or Entry Specialist either manually or electronically by RLF and returned to the filers for classification correction; and
- Post entry classification corrections

The grace period will also help prevent the possible assessment of penalties under Title 19, United States Code, Sections 1592 and 1621 for negligence or non-egregious errors.

Filers will be responsible for substantiating, in writing, the additional time used to make the necessary classification corrections.

CBP expectations of the Trade:

- February 3, 2007 ABI software updates installed and ready for use
- February 20, 2007 all internal classification related updates will be completed

Additionally, HQ granted Special Permit for Immediate Delivery (ID) procedures for those filers that want to take advantage of the HTSUS in effect on or after February 3, 2007. ID procedures allow filers to enter goods at the rate of duty in effect at the time of summary filing as set forth in Title 19, Section 142, Subpart C- Special Permit for Immediate Delivery. Please refer to HQ memo dated January 5, 2007, Immediate Delivery Procedures for 2007 Harmonized Tariff Schedule of the United States.

Questions regarding this policy from the Trade should be addressed to Entry Branch Director Carol Pilon at 313-442-0250. Questions regarding specific tariff classifications should be addressed to the responsible commodity team.

/S/
Robert E. Perez