



DEPARTMENT OF THE TREASURY  
U.S. CUSTOMS SERVICE

# PORT OF CHICAGO PIPELINE

NO. 97-34

November 20, 1997

**TO** : Customhouse Brokers, Importers and Others Concerned

**SUBJECT**: NAFTA Duty Deferral Program Requirements

The purpose of this pipeline is to stress the requirements for the NAFTA Duty Deferral program as found in 19 CFR 181.53 and the requirements for filing NAFTA Duty Deferral entries. NAFTA Duty Deferral has been in effect for certain trade between Canada and the U.S. since January 1, 1996.

The NAFTA Duty Deferral provisions require that foreign merchandise imported using one of the three duty deferral programs, manufactured or changed in condition and subsequently exported to Canada, be treated as if the merchandise was entered for consumption. Upon exportation of the good(s) to Canada, Customs requires the filing of the NAFTA Duty Deferral entry along with the collection of regular customs duties and fees for withdrawals from the affected duty deferral programs for subsequent exportation to Canada.

The three affected duty deferral programs are: Foreign Trade Zones, Bonded Warehouses, and Temporary Importation under Bond (TIB) entries. For the purpose of advising your clients, the responsible parties for filing the NAFTA Duty Deferral entries (entry type 08) are as follows:

Foreign Trade Zone (FTZ) - the person with the right to make entry for goods withdrawn from the zone;

Bonded Warehouse - the person with the right to withdraw from the warehouse; and  
Temporary Importation under Bond - the importer of record.

Specific procedural and filing instructions were posted to the ABI administrative message board of June 4, 1996, ABI message number 96-0460, entitled, Updated NAFTA Duty Deferral Instructions, dated May 31, 1996. Attached for your information is a copy of 19 CFR 181.53, Collection and Waiver or Reduction of Duty Under Duty-Deferral Programs.

A more detailed information packet, including instructions on preparation of the CF 7501, may be obtained by contacting the entry specialist for the applicable industry group.

Kevin Weeks  
Port Director

Attachments