



Regulatory News Alerts & Updates

Regulatory Alert: US Customs Merchandise Processing Fee Increase

July 24, 2025

Background

In accordance with 19 CFR 24.22, US Customs and Border Protection (CBP) must determine annually whether the fees and limitations must be adjusted to reflect inflation. CBP issued a General Notice on July 23, 2025, which announced the customs user fee increases for Fiscal Year (FY) 2026 required by the Fixing America's Surface Transportation Act (FAST Act).

The FAST Act mandates that the various customs fees are increased for inflation each fiscal year, based on Consumer Price Index (CPI) data.

The new user fee amounts cited below will become effective on October 1, 2025.

What has changed?

There will be an increase to the Merchandise Processing Fee (MPF) limitations for formal entries:

- New minimum MPF is \$33.58 (increased from \$32.71)
- New maximum MPF is \$651.50 (increased from \$634.62)

Q&A

Q 1: At what value thresholds do the MPF minimum and maximum fees for formal entries apply?

A 1: The new minimum MPF fee of \$33.58 will apply to all formal entry shipments valued \$9,694.00 or less.

The new maximum MPF fee of \$651.50 will apply to all shipments valued \$188,077.37 or higher.

Q 2: Does this MPF increase apply for values between the minimum and maximum?

A 2: No, the increase is applied only for the minimum and maximum fee assessment. All other MPF fees for shipments between those two values are calculated at the established ad valorem rate (0.3464%).

Example: A shipment valued at \$15,000USD would warrant an MPF fee of \$51.96 USD.

Q 3: Are there any exemptions to the MPF assessment?

A 3: The CBP regulations, 19 CFR 24.23(c), provide a list of exemptions from the MPF. Here are a few examples:

- Articles entered under provisions of most preferential trade agreements, e.g., US-IL, US-CO, US-SG, USMCA, etc.
- Articles entered under the Special Classification Provisions of Chapter 98 of the Harmonized Tariff Schedule of the United States (HTSUS)
- Products of insular possessions of the US (General Note 3(a)iv of the HTSUS)

References:

General Notice - COBRA Fees to be Adjusted for Inflation in Fiscal Year 2026

<https://www.federalregister.gov/documents/2025/07/23/2025-13869/customs-user-fees-to-be-adjusted-for-inflation-in-fiscal-year-2026-cbp-dec-25-10>

19 CFR 24.22 Fees for Certain Services

<http://federal.elaws.us/cfr/title19.part24.section24.22>

19 CFR 24.23(c) Fees for Processing Merchandise - Exemptions and Limitations

<http://federal.elaws.us/cfr/title19.part24.section24.23>

November 1, 2017, CBP Final Rule -CBP Procedures to Adjust Customs COBRA User Fees to Reflect Inflation

<https://www.govinfo.gov/content/pkg/FR-2017-11-01/pdf/2017-23878.pdf>

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