



FedEx Regulatory Alerts & Updates

Regulatory Alert: Setting Up a Customs Bond for FedEx Express Imports into the USA

December 21, 2017

BACKGROUND INFORMATION

FedEx Express (FXE) is an express carrier and appointed FedEx Trade Networks (FTN) as its broker to clear all express consigned shipments, unless otherwise selected. FTN serves as the importer of record (IOR) for the vast majority of FXE import shipments.

For certain shipment types, companies may benefit from submitting their own bond and acting as the IOR themselves. These shipment types can include U.S. Goods Returned (USGR), Anti-Dumping Countervailing Duty (AD/CVD), and shipments exceeding a given value threshold.

There are two types of bonds U.S. Customs and Border Protection (CBP) would accept as per 19 CFR 113:

1. Single Transaction Bond (STB) – effective for a single transaction (shipment)
2. Continuous Bond (CB) – effective for a full year from the effective date listed on the Customs Form 301

WHAT HAS CHANGED?

CBP clearance requirements for some types of shipments often require extra time and paperwork to clear in an expeditious fashion. FTN also chooses not to clear certain shipments that may impact their bond. Some U.S. import companies have already set up their bond to allow FTN to provide the import clearance of the shipment(s) but under the customer bond.

FXE and FTN have collaborated on a process for U.S. based import companies that might benefit from having their own bond with FTN. The process for the customer to apply for the bond is:

1. Submit Power of Attorney (POA) for FTN to prepare and process the bond request
2. Agree to bond fee – minimum \$60 for a single transaction bond (STB) or \$300 annually for a continuous bond (CB)
3. Obtain the approved bond through the FTN Bond team.

Q&A

What are the responsibilities of the IOR in the USA?

FTN would still serve as the designated broker for the importer in the FXE clearance hub. Those duties include adhering to regulatory guidelines when clearing shipments, filing entry records to include the entry summary, and issue advance payment for duty/taxes (D&T) to CBP.

The U.S. importer would be providing the bond to provide a surety against the potential loss of duty and taxes, or penalties that could be assessed for specific types of transactions.

How much does obtaining a Customs bond cost?

The STB is \$60 (per single transaction) and the continuous bond is \$300 (effective for a full year from effective date).

Does obtaining a Customs bond impact the actual clearance of the shipment?

Some shipment types require the U.S. importer to put up their own bond today. An example are articles imported that fall into the purview of anti-dumping or countervailing duty. If the U.S. importer knows their items do NOT fall into the scope of AD/CVD (and thus are NOT in violation), they can set up their own bond and have the shipments cleared quickly by FTN.

So, the impact can be to remove delays from the U.S. import clearance of certain shipment types.

How will an importer bond impact the actual D&T billing?

The D&T are still assessed to the party designated on the FXE international air waybill (IAWB). FTN will still clear the shipment and prepare the CF 7501 for formal entry shipments, and advance the duty payment to CBP for the shipment.

Does FXE require that my company become a Customized Processing Account (CPA) to arrange a Customs Bond?

No. While one of the CPA benefit options is for importers to put up their own bond, this “bond option” is on a separate process and approval track than applying for CPA service.

Who at FedEx can I send bond questions to?

The team at FTN that arranges Customs Bonds for customers is the FTN Bond Team arranges Customs Bonds for importers. Specific inquiries on the bond process can be sent to should sent to the team at FTN_Bond@ftn.fedex.com .

General FedEx Express shipping questions on U.S. import or export issues can be directed to RCG (rcg@fedex.com).

General brokerage questions can be routed to the FTN Customer Contact Center (1-800-249-2953) from 700am – 700pm Monday through Friday. The call will be routed according to the inquiry.

Timeline for Implementation: Immediate

Reference:

19 CFR Customs Bonds

<https://www.gpo.gov/fdsys/pkg/CFR-2012-title19-vol1/xml/CFR-2012-title19-vol1-part113.xml>