

Liberty International, Inc.

The Power of Choice

Assists

US Customs duties are based on the value of the goods being imported; therefore, value is a very important factor for which Customs holds the Importer of Record responsible. Most importers use Transaction Value (TV) to figure the proper duty payment. TV is the price that was actually paid or payable. An assist is an item that you give your vendor that is not represented on the commercial invoice.

Duty rates can range from zero to 100% and more. Even if the duty rate is Free the correct TV must be declared on the Customs Entry. An entry that does not contain an assist value but is duty free can still result in penalties from Customs because it is not in compliance.

Some assists are duty free and some are dutiable. It is very important to make sure that ALL assists are represented on the invoice and that all questions are addressed with a Customs specialist.

The term “assist” is applied to items that are supplied directly or indirectly, and free of charge or at reduced cost, by the buyer of imported merchandise for use in connection with the article being imported into the United States.

An assist can be any of the following...

- Material, components, parts and similar items incorporated in the imported merchandise.
- Tools, dies, molds, and similar items used in the production of the imported merchandise.
- Engineering, development, artwork, design work, and plans and sketches that are undertaken **elsewhere than in the US**; and are necessary for the production or the imported merchandise.
- Merchandise consumed in the production of the imported merchandise.

An item that is purchased by the importer and supplied to the manufacturer without payment for the article is an assist.

The value should be indicated on the invoice or a separate declaration submitted along with the invoice. If the freight was paid to move the item to the country of manufacture the freight must be included in the value of the assist as well.

If the item is of US origin, exported in condition ready for assembly, having not lost its physical identity and having not been advanced in value or improved in condition abroad except by operations incidental to the assembly process – the value of the US Assist can be rated under 9802.00.XXXX and is processed as duty free. The balance of the article is rated as per the tariff number of the article.

- A Declaration by the Assembler should be supplied with each shipment indicating the items were assembled in part from components that were products of the US.
- An Endorsement by Importer should be supplied indicating the item, quantity and price of freight to send the US Goods to the supplier from the US. The freight is dutiable.

If the item is supplied to the manufacturer but is not a 9802.00 assist, the value of the assist is added to the item and processed under the HTS number and duty rate of the article.

An item purchased by the manufacturer is not an assist. An assist is only for items that are not represented in the value of the commercial invoice.

Value: The value of an assist is the acquisition or the cost of producing. The value of the assist also includes the cost of getting the assist to the place of production (freight charge to get the item overseas).

Paying duty against the assist: The value of the assist is added to the value of the commercial invoice. If the assist is used on multiple entries (ex. Mold or tool) it can be paid on the first entry or pro-rated over multiple entries. Which ever choice is made, the importer must ensure that the broker is aware of how the values will be processed.

Example: The importer's customer supplies a header card to the supplier and the supplier invoices the importer for the item as well as the labor to put the item on the card. Both the labor and the cards (along with the value of the freight to get the cards to the supplier) are dutiable with the item imported. Looking at this example what value would be missing upon evaluation? Answer, the card and the freight to get the cards to the supplier. These are the two values that the supplier did not invoice the importer for and therefore must be added to the entry.

Example: The importer sends a pendant to the supplier to finish a necklace and the supplier invoices the importer \$1.00 for the necklace. What is the first question a broker would need to ask? "Did the supplier buy the pendant or were they given the pendant

at no charge?” Then if they did not pay for the pendant, the broker would add the cost of the pendant and the cost of the freight to the invoice for duty purposes. Also keep in mind that the country of origin of the pendant may affect the assist (9802).

It is not necessarily the responsibility of every person to understand assist values and how to process them. It IS the responsibility of everyone in the importing industry to understand what an assist is and to know when to ask questions and get help.

Freight Assist: The value of the freight assist will include any charges that are incurred in getting the goods to the destination. This may include (but not be limited to) inland, terminal charges, and handling.