

SECTION 321 PROCESSING

Information and Guidelines
for
Frontier North America, Inc.

Section 321 - Background

Section 321 of the Tariff Act of 1930, as amended (19 U.S.C. § 1321) addresses de minimis value exemption from duties and taxes. Until early 2016, the value threshold was \$200.00.

- On February 24, 2016, President Obama signed the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), strengthening the capabilities of the U.S. Customs and Border Protection (CBP) to enforce U.S. trade laws and regulations, streamline and facilitate the movement of legitimate trade, and interdict non-compliant trade. This increased the value exemption from duties and taxes from \$200 to \$800 and was implemented on March 10, 2016.

How are Section 321 shipments filed?

- Section 321 shipments (also referred to as De Minimis shipments) can be filed in one of 3 ways:
 - 1. Filer or self-filer presents hard copy documents to the local port for manual processing
 - 2. Broker filer processes electronically through CargoWise using Entry Type 86. ***This requires a Customs Power of Attorney to be on file for the importer, since a tariff classification must be entered.**
 - 3. For land border crossings, they can be released off of the electronic truck ACE Manifest.

Conditions of filing Section 321 shipments

- 1. Must be of fair retail value of \$800.00 or less
- 2. Shipments must be imported by one person on one day
- 3. Consolidated shipments addressed to one ultimate consignee are treated as one importation.

Q: How does US Customs validate the “one shipment, per person, per day, not to exceed \$800” requirement?

A: As a Customs broker, we must exercise reasonable care in complying with the statutory limitation of **one shipper, one consignee per day.**

CBP expects filers and self filers to fulfill their responsibility of complying with the statutory limitation for de minimis.

Which low value shipments do not qualify for Section 321?

- Currently there are shipments which do not qualify for Section 321 processing. They are as follows:
 - 1. Alcohol, perfume, cigars/cigarettes
 - 2. Tariff-rate quota goods
 - 3. Goods subject to Anti-Dumping and/or Countervailing duties
 - 4. Multiple lots covered by a single order for the express purpose of securing free entry and avoiding compliance

How does Partner Government Agency (PGA) reporting work with Section 321 shipments?

Manual filing at Port of Entry

- Goods subject to Partner Government Agency reporting are not eligible for Section 321 manual release because those agencies require specific information to fulfill their regulatory requirements.

Filing a Type 86 entry electronically through Cargowise

- Entries filed through Customs ABI will allow for most PGA reporting and disclaims. However, if a fee is required to be collected on behalf of CBP then type 86 cannot be used.

Entry Type 86

US Customs and Border Protection created Entry Type 86 to better assess what goods are entering the US. It allows for some PGA regulated goods to be filed as an electronic Section 321 through brokerage software. If there is a fee associated with the PGA then Entry Type 86 is not allowed.

Since filing entries electronically through ACE is considered Customs business, a Customs Power of Attorney is required between the broker and the US importer.

Are duties and taxes owed on Section 321 shipments?


- Section 321 shipments, because they are low value, are not subject to duties and taxes. No customs bond is required.
- They are filed with customs for security screening purposes, to better assess what goods are entering the US under this low value provision and in the interest of the safety and security of the US.


CBP Authority over Section 321 shipments

Even in the case of low value shipment, CBP has the right to require a formal entry on any shipment where additional information, bonding, or protection is required.

The administrative exemption may be denied if CBP believes that the shipment was sent as a low value shipment for the purpose of avoiding compliance with any pertinent law or regulation.

Generating an ACE Manifest in Borderconnect: Use shipment type 'Section 321' instead of 'PAPS'

Save Cancel 

Start New ACE Shipment 

Shipment Type:

Shipment Control Number:

Province of Loading:

Attached to Trip Number: (optional)

Shipper:

Consignee:

Broker: (optional)

PAPS ✓

Ace In-Bond

QP In-Bond

Section 321

Section 321 with FDA Considerations

BRASS C4 Line Release

BRASS Multiple C4 Line Releases