

**DEPARTMENT OF HOMELAND SECURITY**  
**U.S. Customs and Border Protection**

**CBP DIRECTIVE NO. 3230-037B**

**DATE: January 31, 2013**

**OFFICE OF ORIGATION: OT: QEA**

**SUPERSEDES: 3230-037A, 5/5/99**

**REVIEW DATE:**

**SUBJECT: QUOTA-CLASS MERCHANDISE: PROCESSING AND REPORTING**

**1 PURPOSE.** To provide guidance to the field offices on the processing and reporting of quota-class merchandise for consumption and withdrawal from warehouse for consumption. Specifically, to provide guidance on determining the time of presentation of the entry summary, which establishes quota priority and status.

**2 POLICY.** The references and procedures outlined in this directive will be followed to ensure that all quota-class merchandise released for consumption and withdrawn from warehouse for consumption is timely and accurately reported and correctly charged.

**3 AUTHORITIES/REFERENCES.** Section 204 of the Agriculture Act of 1956 (76 Stat. 104), as amended (7 U.S.C. 1854); Executive Order 11651 dated March 1972; Executive Order 12475 dated May 1984; Presidential Proclamation 6641, North American Free Trade Agreement (NAFTA) dated December 1993; Presidential Proclamation 6763, GATT Uruguay Round Agreements dated December 1994; Presidential Proclamation 6962, United States-Israel Agreement on Trade in Agricultural Products dated December 1996; Harmonized Tariff Schedule; 19 CFR 132; and 2008 Quota Visa Reference Handbook (internal document).

**4 DEFINITIONS.** Section 132.1 of the CBP Regulations (19 CFR) provides the appropriate definitions of terms involved in the reporting of quota-class merchandise. Appropriate sections are repeated in this directive for process facilitation.

**4.1 Absolute (or quantitative) quotas.** “Absolute (or quantitative) quotas” are those which permit a limited number of units of specified merchandise to be entered or withdrawn for consumption during specified periods. Once the quantity permitted under the quota is filled, no further entries or withdrawals for consumption of merchandise subject to quota are permitted. Some absolute quotas limit the entry or withdrawal of merchandise from particular countries (geographic quotas) while others are global quotas and limit the entry or withdrawal of merchandise not by source but by total quantity.

**4.2 Tariff-rate quotas.** “Tariff-rate quotas” permit a specified quantity of merchandise to be entered or withdrawn for consumption at a reduced rate during a specified period.

**4.3 Tariff preference level (TPL) quota.** “Tariff preference level” is similar to a tariff-rate quota and applies to certain textiles and apparel covered by free trade agreements or special trade programs. However, quantities imported in excess of the reduced duty rate for a TPL are subject

to the column one rate of duty in the Harmonized Tariff Schedule. Merchandise determined not to be eligible for the TPL becomes subject to any restrictions, such as quota restraint levels and visa requirements, in effect for nonqualifying shipments.

**4.4 Presentation.** “Presentation” is the delivery in proper form to the appropriate Customs and Border Protection Officer (CBPO) of:

**4.4.1** An entry summary for consumption, which shall serve as both the entry and the entry summary, with estimated duties attached (see Section 141.0a(b), 19 CFR), or

**4.4.2** An entry summary for consumption, which shall serve as both the entry and the entry summary, without estimated duties attached, if the entry/entry summary information and a valid scheduled statement date (pursuant to Section 24.25, 19 CFR) have been successfully received by CBP via the Automated Broker Interface; or

**4.4.3** A withdrawal for consumption, with estimated duties attached.

**4.5 Quota-class merchandise.** “Quota-class merchandise” is any imported merchandise subject to limitations under an absolute or a tariff-rate quota.

**4.6 Quota priority.** “Quota priority” is the precedence granted to one entry or withdrawal for consumption of quota-class merchandise over other entries or withdrawals of merchandise subject to the same quota.

**4.7 Quota status.** “Quota status” is the standing which entitles quota-class merchandise to admission under an absolute quota, or to a reduced rate of duty under a tariff-rate quota, or to any other quota benefit.

**4.8 Date of importation.** “Date of importation” means, in the case of merchandise imported otherwise than by vessel, the date on which the merchandise arrives within the customs territory of the United States. In the case of merchandise imported by vessel, “date of importation” means the date on which the vessel arrives within the limits of a port in the United States with intent then and there to unlade such merchandise. Section 101.1, 19 CFR.

**4.9 Liability of importer for duties.** (a) *Time duties accrue.* Duties and the liability for their payment accrue upon imported merchandise on arrival of the importing vessel within a customs port with the intent then and there to unlade, or at the time of arrival within the customs territory of the United States if the merchandise arrives otherwise than by vessel, unless otherwise specially provided for by law. Section 141.1, 19 CFR

**4.10** Subpart B, Section 132.11 and Section 132.11a of CBP Regulations (19 CFR) are provided below. Section 132.11 addresses quota priority and status and Section 132.11a addresses time of presentation.

**4.10.1 132.11 Quota priority and status.**

**4.10.2** Determination of quota priority and status. Quota priority and status are determined as of the time of presentation of the entry summary for consumption, or withdrawal for consumption, in proper form in accordance with Section 132.1(d), 19 CFR.

**4.10.3** Documentation and deposit of duties in proper form required. Merchandise covered by an entry summary for consumption, which serves as both the entry and entry summary, or by a withdrawal for consumption, shall be regarded as entered for purposes of quota priority and shall acquire quota status if:

**4.10.3.1** The entry summary or withdrawal for consumption is in proper form, and duties have been attached to the entry summary or withdrawal for consumption in proper form; or

**4.10.3.2** The entry summary for consumption is in proper form, and the entry/entry summary information and a valid scheduled statement date (pursuant to Section 24.25, 19 CFR) have been successfully received by CBP via the Automated Broker Interface.

**4.10.4** Informal entries. Mail entries or informal entries shall be regarded as presented for purposes of quota priority when all requirements have been met for the preparation of such an entry.

**4.10.5** Premature presentation of entry or withdrawal. Quota status will not attach to merchandise in a quota period by reason of the presentation of an entry or withdrawal for consumption at any time prior to the opening of that period.

**4.10.6 132.11a Time of presentation.**

**4.10.7** General rule. Except as provided in paragraph b of Section 132.11a, 19 CFR (4.4.2), the time of presentation of an entry/entry summary for quota purposes shall be the time of delivery in proper form of:

**4.10.7.1** An entry summary for consumption, which serves as both the entry and the entry summary, with estimated duties attached submitted at the port where the entry is to be made (for vessels, this would be where the merchandise is intended to be offloaded (section 101.1 of 19 CFR)); or

**4.10.7.2** An entry summary for consumption, which shall serve as both the entry and the entry summary without estimated duties attached submitted at the port where the entry is to be made (for vessels, this would be where the merchandise is intended to be offloaded (section 101.1 of 19 CFR)), if the entry/entry summary information and a valid scheduled statement date have been successfully received by CBP via the Automated Broker Interface (see Section 132.1(d)(2), 19 CFR) (4.10.8); payment must be subsequently made by the statement processing method as set forth in Section 24.25, 19 CFR; or

**4.10.7.3** A withdrawal for consumption with estimated duties attached.

**4.10.8** Quota merchandise will not be authorized for release, nor will an entry/entry summary

with estimated duties attached be considered filed or presented, until after the date of importation. See 19 CFR 141.68(e). Intent to unlade at the port of arrival may be established by the importer through manifest, entry or other information. Merchandise that is the subject of a quota entry at the port of arrival but is manifested for or is to be discharged at another port shall be presumed to have arrived within the port limits without the intent to unlade.

**4.10.8** Before arrival of merchandise. The entry summary for consumption, without estimated duties attached, may be submitted for preliminary review before the merchandise arrives within the limits of the port where entry is to be made (for vessels, this is the port where the merchandise is intended to be offloaded). In that case, the time of presentation of the entry summary for consumption shall be the time estimated duties are deposited after the importing carrier arrives within the port limits.

**4.10.9** Failure to use statement processing method. If presentation is chosen to be made pursuant to Section 132.11a(a)(2), 19 CFR (4.10.7.2), and payment is not made as required through the statement processing method, the Port Director may require filing of an entry summary for consumption with estimated duties attached as described in 132.11(a)(1), 19 CFR (4.10.3.1), for future filings.

**4.11** Section 132.12, 19 CFR, deals with the procedures to be followed when it is anticipated that a quota may fill at the opening moment. The following additional instructions apply:

**4.11.1** When it is anticipated that a quota may fill at opening, Headquarters Quota issues instructions to CBPOs as well as other interested parties such as brokers and importers indicating that it may fill at opening and that only those entry/entry summaries which were presented for the opening (12 noon Eastern Standard Time in all time zones) are to be reported to Headquarters Quota through the ACS Quota Module (using function code QSUP).

**4.11.2** Since this type of a quota opening may result in a prorated percentage being allotted to all presenters, ABI participants are requested to not use statement processing since quantities and duty will probably change from what was presented.

**5 RESPONSIBILITIES.** It is the responsibility of all Directors, Field Operations, and all Port Directors to ensure compliance with this directive. The information in this directive should be made available to all CBPOs who do the processing and reporting of entry summaries and warehouse withdrawals for consumption of quota-class merchandise.

**6 PROCEDURES.** The following procedures will be adhered to when CBPOs process and report entry summaries for consumption and warehouse withdrawals for consumption for quota-class merchandise.

**6.1** Each port of entry will provide a location or specific procedure for the official presentation of quota class entry/entry summaries during "official office hours" of 8:30 a.m. to 4:30 p.m. in all time zones.

**6.2** Quota-class entry/entry summaries must be reviewed to determine whether they are in

proper form (with checks attached, or on statement processing) and ensure that quota lines are input through the ACS Quota Module (using function code QSUP) within 6 hours or less of the official time of presentation.

**6.3** If, at the time of review, it is determined that the entry/entry summary or withdrawal is not in proper form, the time of presentation should be disregarded. If and when the entry/entry summary is corrected and resubmitted, a new time of presentation is required for input through the ACS Quota Module.

**6.4** If it is discovered that quota-class merchandise was released without being reported or charged to quota, the appropriate line(s) must be input (using the function code QSUP) through the ACS Quota Module as soon as possible. If this action results in quotas prematurely filling or overfilling, Headquarters Quota will require written documentation from the Port Director involved in the transaction. This documentation should cover the circumstances surrounding the actions that caused the premature filling or overfilling and the specific preventive measures implemented to avoid reoccurrence. The documentation will be retained as part of the quota file and provide reasons for the overfilling of the quota to the other agencies overseeing the quotas that Customs administers. The memorandum should be addressed to the Executive Director, Trade Policy and Programs, Office of International Trade and copy HQ Quota.

**6.5** All corrections to quota lines should be input into the ACS Quota Module as soon as possible using function code QSUP. Designated CBPOs have been authorized the QSCO (quota correction/delete) function. All quota line deletions should be performed by designated CBPOs except for those lines which are "on-hold" or quota filled. If the field is unable to delete the desired quota lines, these deletions should be referred to Headquarters Quota via E-Mail to HQ QUOTA or fax to (202) 863-6540. The message should contain the complete information on the line item including the entry number, the port code, as well as a contact point.

**7 MEASUREMENT.** CBP field offices will have successfully executed the requirements of this directive when all quota-class merchandise is reported accurately, timely and validated through the following activities: through the running of appropriate data queries to detect unreported quota, through reviewing the ACS Q15 Report to detect untimely quota reporting, and through the review of selected entry summaries for compliance with the quota requirements and the appropriate ACE Validation Activity input to reflect any corrected action.



Assistant Commissioner  
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