



**PORT OF SAN FRANCISCO
INFORMATION NOTICE**

Distribution: Claimants, Brokers, Trade Community

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SUBJECT: Guidance on Preparation of San Francisco Drawback Applications

PURPOSE: To provide guidance to the Trade on how to properly file Drawback Applications.

BACKGROUND: In order to guide you in preparation of drawback applications, the San Francisco Drawback Center has put together this list of tips and key points. This is not all inclusive, but does address some of the most frequent issues we have observed. A careful review of the sample forms and application of the relevant points in this document may speed up the approval process.

ACTION: Please follow guidance below when filing drawback applications at the San Francisco Drawback Center.

Application Format for Privileges:

This guidance only applies to the San Francisco Drawback Center. Sample applications are available on the Customs and Border Protection (CBP) website. The current URL is: <http://www.cbp.gov/trade/entry-summary/drawback>

When using these samples, please eliminate the material in italics, as well as the instructional guidance. For example, don't restate the instructions. The key issue with some applications is the lack of appropriate content as well as extraneous information.

Frequent Problem Areas: (see the sample accelerated payment application referenced above to follow along with these numbers).

1. Detailed description and uses of the imported merchandise and exported articles: This should be an in depth description of the imported/exported articles as well as the manufacturing process that may have occurred. State whether the number or name of the imported merchandise is replaced or modified or otherwise differs from that of the exporting merchandise. If the part number changes from import to export provide an explanation as well as a conversion sheet for all parts. Supplementary materials may be included, such as company issuances, such as pamphlets, catalogs, annual reports, etc. Screen prints of the company webpage are not considered an integral part of the application and may be omitted. If the information on the website is pertinent to the application, include the information in the body of the application.

2. Record storage: Include a specific location, including the address of where records will be stored.
3. Procedures and controls in place: Include an in-depth narrative describing exactly what procedures are in place and what controls are used. Specify who is responsible for imports, exports and drawback entries. Do personnel responsible for drawback functions have adequate knowledge and training? Are internal controls periodically reviewed (including drawback claims post entry reviews), tested, and results documented? Are internal controls in place to avoid duplicate claims on import, export, and production? Merely stating that procedures and controls are in place or using a drawback broker is not sufficient. If the company has no procedures or controls in place, part of the broker's service can be to help the client develop them – before submitting the application.
4. Annual review procedures: Include the actual process/procedures used to perform the annual review. Stating that an annual review will be conducted is not sufficient. Companies should have written internal procedures/controls written in their company manual. The company's physical manual for procedures/controls for example, can be included in the application package.
5. Sample documents: Sample documents should be representative of the documents that will be used for actual claims. Trace the sample from purchase order to export, with labeled documents, and highlight the connecting elements. Tabbed pages are also helpful. In addition to the sample documents, provide a narrative describing how the product moves through all the phases of the process. Separate supporting documentation must be submitted for each type of drawback provision.

Inventory: A thorough description of the exact inventory system used is required, including how products enter into inventory, how they leave it, and what paper or electronic systems are in place to document this movement. Documentation must substantiate the approved accounting method you are using to identify merchandise claimed under Title 19, United States Code (U.S.C.), Section 1313 (a) or (j) (1).

Qualifying or limiting language: Language such as “to our knowledge the information in this application is correct” is not what we want to see on an application. The signer of the application should have direct knowledge of the facts being attested to, and should sign the application.

Privilege applications submitted with Non-Binding Commercial Interchangeability Determination Request submissions (CI) or General Ruling request: Privilege approvals will be pending the approval of the CI or the general ruling request.

Time Frames

Privilege Application: This includes accelerated payment, one time waiver of prior notice, and waiver of prior notice. In accordance with Title 19, Code of Federal

Regulations (CFR), Section 191.91 (c), CBP will notify the applicant in writing within 90 days of receipt of the application of its decision to approve or deny the application, or of CBP's inability to approve, deny, or act on the application and the reason therefore. If additional information is required, the applicant will be given 30 days to provide a response and a new 90 day period for notification of decision to approve or deny will begin.

Non-Binding Commercial Interchangeability Determination Request: Unlike Waiver of Prior Notice and Accelerated Payment, there is not a 90-day time frame for action mandated in the regulations. This is because commercial interchangeability requests may require further action by the field laboratories or Office of Rulings and Regulations (OR&R). This can take some time in order for us to fully research the ruling request. Normally this will not take more than six months. As with other applications, any rejections will slow down this process.

General Manufacturing Ruling: There is no established time standard for this. This can take some time for us to fully research the ruling request.

Filing claims pending approvals: Drawback entries may be submitted while claimants are waiting for approval for special privileges, commercial interchangeability determinations and manufacturing rulings. The claimant must demonstrate to CBP that the application was submitted prior to the filing of the claim. The claimant must include evidence of submission, such as, a copy of a stamped broker's copy of the application's first page or a copy of receipt from HQ when their drawback entries are filed. They must also, indicate on the Drawback Entry CBP Form 7551 that the claim is pending approval. Any claims filed prior to the submission of the application for one-time waiver, waiver of prior notice, commercial interchangeability determination and manufacturing will be considered incomplete.

In summary, applications should provide thorough answers to all elements on the sample applications. For general manufacturing ruling, refer to 19 CFR 191.7 and appendix A of Part 191. For non-binding commercial interchangeability, refer to the San Francisco sample application. The more relevant and complete information applicants provide upfront, the faster the review of the applications may go.

Any questions or concerns regarding this information notice, please contact the San Francisco Drawback Center at (415) 782-9245 or via email to sanfranciscodrawback@cbp.dhs.gov.



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