



**PORT OF SAN FRANCISCO
INFORMATION NOTICE**

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SUBJECT: Guidance for Drawback Claims & Common Errors

PURPOSE: To provide guidance to the trade when they submit drawback claims to the San Francisco Drawback Center.

BACKGROUND: In order to guide you in the preparation of drawback claims, 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 errors/issues we have observed at this Drawback Center.

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

Submission of Drawback claims:

Drawback claims may be filed at any of the four Drawback Centers.

Chicago Drawback Center
9915 Bryn Mawr
Rosemont, Illinois 60018

Houston Drawback Center
2350 N Sam Houston Pkwy East, # 900
Houston, Texas 77032

New York/Newark Drawback Center
1100 Raymond Boulevard – Suite 310
Newark, New Jersey 07102

San Francisco Drawback Center
555 Battery Street, Rm 109
San Francisco, California 94111

Most Common Drawback Type Filed and the statutory provision:

Type 41	Direct Identification Manufacturing, Title 19, United States Codes (USC), Section 1313 (a)
Type 42	Direct Unused Merchandise, 19 USC 1313 (j)(1)
Type 43	Rejected Merchandise, 19 USC 1313 (c)
Type 44	Substitution Manufacturing, 19 USC 1313 (b)
Type 45	Substitution Unused Merchandise, 19 USC 1313 (j)(2)

A complete claim must have the following:

- CBP Form 7551 – Drawback Entry
- CBP Form 7553 – Notice of Intent to Export or Destroy, or a Waiver of Prior Notice, as appropriate

- Coding sheets – for manual claims
- Evidence of Exportation: Chronological Summary of Exports or export documents (may use section IV of CBP Form 7551).
- Consumption Entry Numbers (import schedules)
- CBP Form 7552 – Certificate of Manufacturing & Delivery (CM&D) when required
- Entry Type 45 – except 1313(p) – a commercial interchangeability determination. We will accept claims without this but will not accelerate or liquidate.
- Entry Type 41 & 44 – ruling number in Block 8 of CBP Form 7551, unless claimant is not a manufacturer and a CM&D has been designated. Claims lacking a ruling may be accepted but will not receive accelerated payment.

If any of the above is missing, claims will be rejected.

CBP Form 7553 – Notice of Intent to Export or Destroy: Should be filed at the port of export.

For export: file with port of export at least 2 working days before export

For exports claiming 19 USC 1313(c): file with port of export at least 5 working days before export.

For destruction: file with port of destruction at least 7 working days before planned destruction. Retain a clocked in copy of the CBP Form 7553 to prove timely submission prior to export.

File the originally signed CBP Form 7553 with all attachments intact with your drawback claim.

MPF and HMF: Claims requesting refund of Merchandise Processing Fee (MPF) and Harbor Maintenance Fee (HMF) must include coding sheet and calculation worksheet in the drawback package. Due to the de minimus and maximum, when calculating MPF, refer to Title 19, Code of Federal Regulations (CFR), Section 191.51(b)(2) for instructions on calculating the prorated MPF value per line item or unit of merchandise.

Claim restructuring requirements: San Francisco Drawback Center requires claimants to restructure claims for administrative efficiency per 19 CFR 191.53. Failure to comply will result in rejection.

1. Claims should be submitted in straight cut, letter sized manila folders with the claim number clearly written on the right side of the tab and the claimant name on the left. Do not staple or write anything on the outside of the folder. Do not include carbon paper or extra copies of the claim. If you require a dated stamped receipt, include a clearly labeled “broker copy” CBP Form 7551 and a self-addressed, stamped envelope in the drawback package.
2. CBP Form 7551, Section II & IV: Four summaries should be included with the claim:

Section IV: export summaries sorted by date and part number, with subtotals and grand totals of quantity claimed.

Blocks and headings on all summaries must be enumerated to agree with the CBP Form 7551. Merchandise that can be broken down by color, style and size such as clothes, shoes or headphones must be broken down on the summaries.

3. Section III: Manufacturing report must include the following columns: Part no./Description of Merchandised Used, Dates of Manufacture or Production, Description of Manufactured Article including part no., Import Entry no., Import Date, Quantity of Component Used, Usage per Bill Of Materials, Quantity of Manufactured Article, Manufactured Date, Export Date, Export Unique Identifier. The report must have subtotal and grand total of components used and manufactured articles produced.
4. Standard 12 font size, minimum 10 font size with 1.5 or double spacing on all summaries.
5. Summaries exceeding 30 pages in total should not be printed. Instead, submit the first and last page of each report with the complete summaries on a compact disk.
6. Manual claims are limited to 24 designated import entries per claim.
7. Certificate of Manufacturing & Delivery are limited to 30 import entry designations.
8. Consolidate the number of claims filed - file claims monthly verses filing claims for one export or import.

How to file claims: There are two options: Automated Broker Interface (ABI) & Manual

Filing ABI claims is the preferred method. This will give you priority processing, fast accelerated payment, access to information on line and less documentation errors. ABI Transmission can be done directly or through a service bureau. If you want a solid cash flow and stay competitive in this economic environment, get ABI certified or use a service bureau. A list of CBP approved service bureaus can be obtained from <http://www.cbp.gov/document/guidance/abi-software-vendors-list>

Manual claims are processed last. The procedure is to do the initial review and ACS input no sooner than 89 days after filing. We strongly encourage you to either use a service bureau to transmit these drawback claims or purchase drawback software and work with your ABI representative to become ABI certified for drawback.

Time Frames

Accelerated Payment:

ABI: If the claim is in proper form, it will be certified for payment by the third week from the date of submission. The check should be issued 4-6 weeks after certification.

Manual claim: 3 months, if the claim was filed in perfect form.

Liquidation of drawback claims: Claims cannot be worked for final liquidation until the liquidation of the underlying consumption entries is final and the protest period has expired – 180 days after the date of liquidation.

If you are not approved for accelerated payment, you must wait until the claim is liquidated to receive your refund.

Full Desk Review: There is no set time frame on when a full desk review must be completed. The usual time frame for the specialists to complete a full desk review is between 3 months to 1 year. The time frame depends on the specialist workload and on the complexity of the claim. It is unreasonable to expect a specialist to have completed the review documents submitted for a full desk review within 30 days.

Telephone calls for status checks: Unless your claim is outside the standard time frames, do not contact the drawback office for a status report.

MISTAKES TO AVOID ON DRAWBACK CLAIMS

COMMON ERRORS FOUND ON CODING SHEET

1. **No coding sheet.** *Coding sheets are required on all manual claims; this includes duty, MPF and HMF coding sheets. Coding sheets are not necessary on ABI claims.*
2. **Repeating import entry numbers.** *Import entries should be listed once with the total of 99% of the claim amount for each import entry*
3. **Listing 100% duty paid for each import entry, then totaling and subtracting 1%.** *List drawback requested (99% of duties paid) for each import entry*
4. **No "total drawback requested"** *Provide grand total refund requested*
5. **Missing or incorrect schedule b and tariff numbers.** *List schedule b and tariff number once. Please review SF coding sheet instruction.*
6. **More than 24 designated import entries.** *Manual claims are restricted to no more than 24 designated import entries*

COMMON ERRORS ON CBP FORM 7551 - version 07/08:

1. **Box 2 – Wrong drawback type.** *See first page of this information notice*

2. **Blank fields** - *Claim header information should not be left blank. Mark "N/A" on boxes that do not apply. Mark "see attachment" when attachments are provided for section II, III and IV.*
3. **Box 4 & 5 – Providing bond types, bond nos. of import entries. Incorrect surety code and bond type.** *This only applies for claimants with accelerated payment approvals. Provide drawback 1A bond type and surety code.*
4. **Box 7 – Inputting broker ID.** *Unless the broker has a CBP Form 4811 on file with CBP this box should be N/A. The Drawback Center does not process CBP Form 4811 requests. Please forward these request to the Entry Unit at your local port before submitting the claim.*
5. **Marking "yes" on box 17.** *A claim filed under direct ID same condition to Canada/Mexico is not a NAFTA drawback claim. Do not mark 'yes' in block 17.*
6. **Marking box 18 when not approved for privileges.** *Leave box blank when not applicable.*
7. **Box 19 – Wrong or missing statutory provision.** *See first page of this information notice.*
8. **Box 20 & 21 – Incorrect and incomplete broker and claimant contact information, i.e., name, address with zip code, email address and phone.** *This can create delays or even lead to an unnecessary claim denial where proposed notices of action do not reach the right person within the response time. The address entered on the CBP Form 7551 must match the address that is recorded with CBP. Refunds are sent to the address in the CBP records. If you want correspondence to be sent to a different location provide the address on the cover sheet. Provide full address, email addresses are helpful too.*
9. **Box 11 & 12 – Missing HMF and MPF information.** *HMF and MPF must be listed on box 11 & 12. Include calculation worksheet. For proper MPF calculation, refer to 19 CFR 19.51 (b)(2)*
10. **Box 28 – Vague description of designated merchandise.** *Imported merchandise needs to be specified on summaries by part, style, color and size. Import summaries must be sorted by import entry number and by part number and must include subtotals and totals of the quantity and duty claimed.*
11. **Not identifying import entries with Certificate of Delivery, CBP form 7552 when applicable.** *Indicate a "Y" in box 25 when a Certificate of Delivery applies.*
12. **Section IV – Vague description of exported articles and invalid export date.** *Exported articles needs to be specified on summaries by part, style, color and size. Export summaries must be sorted by export date and by part number and must include subtotals and totals of quantity. The export date is the date the goods left the US. Acceptable export dates are the laden on board date or flight date. For shipments to CA/MX the release date into the foreign country should be listed as the date of export.*
13. **Section V – Incomplete and incorrect declarations.** *Mark applicable boxes. Refer to 19 CFR 191 and 19 USC 1313.*
14. **Original signatures not submitted.** *Submit form with the original signature. The person authorized to sign shall be in accordance with 19 CFR 191.6.*

15. **Submitting Compact Disk (CD) with full summaries.** *Please use CD sleeves not the CD cases. CD sleeves are less bulky and adhere to the folder. Also, label the CD with the claim number for ease of reference.*

COMMON ERRORS FOUND ON PROOF OF EXPORTS ON FULL DESK REVIEWS:

1. **Insufficient proof of export.** *Supporting documents must establish the fact/date of exportation, quantity and description of merchandise, identity of the exporter, and intent to enter the commerce of a foreign country. The quantity and description of the exported merchandise as well as the identity of the exporter must support the claim for drawback. The exporting vessel or carrier, the date of export, port of lading, and ultimate destination of the goods exported must also be shown. Any unidentified third parties appearing on the documents must be clearly explained and clarifying/supporting documentation submitted. Proof of export must include the laden on board date, the airline flight date or release date into Canada or Mexico. The pick-up date on a truck bill of lading may not be used as the export date.*
2. **Original bill of lading not provided for claims subject for full desk review.** *Proof of export must be originally signed or originally certified by the exporting carrier or the carrier's agent. Copies certified by a party other than the exporting carrier or their agents are not acceptable for this verification. The party certifying the document must be clearly identified by name, title, and affiliation with the exporting carrier. The certifying official's signature must be original; a photocopy signature is not acceptable.*
3. **Providing only a house bill of lading as proof of export.** *The bill of lading issued or signed by the ocean or air carrier (master bill) should be provided (need to show merchandise was laden on board).*
4. **Providing only a master bill when consolidation of cargo occurs.** *Master bill does not reflect consignee, quantities, or descriptions pertaining to drawback claim). Additional documentation, such as the cargo manifest or delivery documents, may be necessary.*
5. **Missing proof of processing on Canadian and Mexican Export.** *The trucker's bill of lading may not be acceptable proof of export as it contains the date the cargo was picked up from the warehouse and not the date of export.*

CA: Provide a copy of a complete Canadian B-3. In order for the Canadian B-3 to be complete the following must be present: The release date box must be completed. The declaration box must contain the name of the Canadian broker, the name of the Canadian brokerage firm and the date. The B-3 must be certified as true and accurate by a U.S. entity. Please note that in the absence of the release date or the declaration by the Canadian broker, a K-84 statement is required. The K-84 must be certified as true and accurate by a U.S. entity. In lieu of a complete Canadian B-3, you must provide alternative documentary evident to support the exportation and receipt of the exported merchandise by the foreign purchaser.

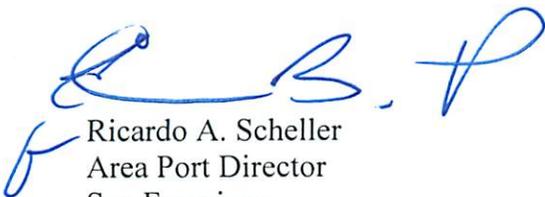
***MX:** Proof of export to Mexico requires the following to establish the date and fact of exportation: 1) A bill of lading (original not required); 2) An export invoice from and American seller to the Mexican buyer; 3) A complete Pedimento certified as true and accurate by US entity (US broker or claimant). A release stamp, Desaduanamiento Libre, and a duty stamp must be present on the document. In lieu of a complete Mexican Pedimento, you must provide alternative documentary evidence to support the exportation and receipt of the exported merchandise by the foreign purchaser.*

6. **Missing Export invoice.** *Export invoices should be submitted as part of the proof of export submission. Must be able to link the export invoice to the export bill of lading.*
7. **Insufficient proof of destruction:** *Evidence of destruction must be issued by a disinterested third party. The type of evidence depends on the method and place of destruction, but must establish that the merchandise was in fact, destroyed within the meaning of "destruction" in 191.2(g) of the CFR (i.e., that no articles of commercial value remained after destruction).*

COMMON MISCELLANEOUS ERRORS:

1. **Calculating duty paid based on invoice unit values without consideration of entered values.** *Refunds are calculated on the entered unit value. Dutiable unit values may be invoice unit values less any prorated non-dutiable charges (NDCs).*
2. **Exporter is not the claimant.** *If the drawback claimant is anyone other than the exporter, submit a waiver letter executed by the exporter waiving his or her drawback rights.*
3. **Missing CBP Form 7553.** *CBP Form 7553 is required for claimants who have no Waiver of Prior Notice (WPN) approval. CBP Form 7553 should be filed at the port of export.*
4. **Illegible documents.** *All supporting documents should be legible.*
5. **Missing required documents for type 43 claim.** *Refer to 19 CFR 191 subpart D.*
6. **Chile exports-** *Chile exports must be filed separately from other exports per memo from HQ. if you need a copy of the memo, please a request to SANFRANCISCODRAWBACK@cbp.dhs.gov*

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



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