

Increase in Merchandise Processing Fee

As of October 1st 2011, US Customs has raised the Merchandise Processing Fee (MPF) from .21% to .3464%. The MPF is a charge that is placed on all imports.

The higher MPF will be charged retroactively with a start date of October 1, 2011. Customs and Border Protection (CBP) will keep track of the difference between what you paid and what you should have paid and will send you an invoice for the difference. It should also be noted, Customs will not bill importers retroactively on imports where the difference in the MPF you paid and the MPF you should have paid is less than \$20.

These invoices will be sent to the importer, so please make sure that the party responsible for receiving your invoices and notices from CBP is aware and will be on the lookout for these bills.

Although the new MPF rates are 60% higher than the previous rates, the \$25.00 minimum and \$485 maximum remain in effect, so importers will not realize a 60% increase in MPF fees.

It has not yet been determined the exact date of when the Automated Broker Interface will be able to create entries using the new MPF rates, but CBP should provide notice of when this will occur.

To offset these increased costs, importers may want to explore using preferential trade agreements or duty deferral programs.

If you would like additional information, please contact Allyn International Services Inc at 239-489-9900 and choose Option 6 for the Global Trade Compliance Department.

Sincerely,

Matthew Dreckman

Trade Compliance Director

