

What is a Continuous Customs Bond?

Function

1. When goods are imported to the U.S., the importer is responsible to make the goods available to the U.S. Customs service. There are many charges, levies, penalties and duties assessed by U.S. customs under law before permitting imported goods to pass into the country. A continuous customs surety bond helps the importer guarantee payment of these assessments for the period of one year and the bond is valid for goods entering the U.S. at different ports. These bonds are given by surety companies who pay the assessed amounts to the customs in case of default by the importer.

Effects

2. Continuous customs surety bonds do not protect the importer nor are they intended to exempt the importer from any payment obligations as required by U.S. Customs. These bonds ensure that the assessed charges by the customs are paid in case the importer fails to fulfill the payment obligations required by U.S. customs. A customs surety bond is required to be given by all importers under law for protecting the government and the customs department ensuring that all import financial obligations is met even by defaulting importers.

Features

3. A continuous customs surety bond must be in writing and signed by the importer who gives the bond through a surety company. To ensure there are no errors, the signature should be witnessed by signatures of two witnesses. Importers could be large corporations and in the case of corporations, an authorized person holding a power of attorney from the corporation can sign the bond. These bonds signed by authorized staff of a corporation do not require witnesses. Some States require the signature of the authorized official to be accompanied by the seal of the company. The continuous bond is valid for a year and is automatically renewable annually. The bond is valid till it is terminated by the importer.



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Benefits

4. The bond is continuous and therefore convenient to the importer. The importer can fulfill obligations for a large number of import entries at different times during the year and through different ports of entry. A continuous surety bond saves on premium and importers can bring in goods of high value and the bond will also cover several shipments. Shipments will be passed by customs as paperless transactions and these paperless transactions will hasten the release of goods.

Significance

5. A continuous custom surety bond is a paper and time saver for both the importer and the customs. Several entries of goods through different ports can be imported. It is used by importers who do large transactions. International carriers who frequently arrive or depart from many ports require continuous surety bonds. Custodians of merchandise who hold shipments to be put for sale at a later date require continuous custom surety bonds

How and Where

6. Any Licensed Customs Broker can and will sell continuous bonds through an insurance/bonding company that broker cooperates with for their own bonding needs. Bond rates vary and depend on the amount of duties estimated to be accrued by the importer during the 1 year period the bond will be valid for.

Siman Logistics will gladly present bonding cost and options to you, custom designed to your specific need and situation.

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