

Yusen Air & Sea Service (USA) Inc.
Customs Brokerage Division

Dear Business Partners:

CBP (Customs & Border Protection) issued instructions to implement the first sale declaration reporting requirements as mandated by the Food, Conservation and Energy Act of 2008, more commonly called “the Farm Bill”. Under this new requirement, any entries involving first sale transactions must be flagged with an “F” at the line item level to indicate that the entered value is based upon the first sale for export. If the entered value is based upon the last sale, then no indication is required.

According to CBP, the first sale declaration is an importer requirement. Importers will usually rely on their customs brokers to make the correct declaration at the time of entry. Yusen will only be able to properly disclose this information if we are advised in advance of the existence of a first sale transaction. In order to comply with CBP, we encourage you to review your existing valuations and advise us if you participate in first sale.

Will you please notify Yusen Air & Sea Service, your broker, of the “first sale declaration” in order for us to flag entry transactions properly? If we are not notified of the existence of first sale, we will transmit entries as last sale. Failure to disclose the existence of first sale transaction may cause CBP to reject the entry and may result in penalties against both the importer and broker.

The definition of first sale, as required under this new declaration, is “the price paid by the buyer in the first or earlier sale occurring prior to introduction of the merchandise into the United States.” Shipments involving non-resident importers of record, delivered duty paid shipments and similarly structured transactions may be included in this new reporting requirement.

The new reporting requirements are effective for all entries made on or after August 20, 2008. Please make sure that Yusen is aware if your company participates in first sale.

If you have any questions, please feel free to contact the below staff.

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