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## appraising produce

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### *MSK Client Alert*

November 15, 2016

In July 2016, the Houston Regulatory Audit office sent a letter to a number of large importers cautioning them to be sure their value declarations were correct, underscoring CBP's position by pointing recipients to a long list of CBP informed compliance publications, and touting the advantages of correcting any errors by way of a prior disclosure.

Now we see Round 2. In early October 2016, the Agriculture and Prepared Products Center for Excellence and Expertise ("Center") sent a letter to many fruit and vegetable importers asking more value questions. Specifically, the Center wanted to know:

1. Was the importer purchasing his goods or receiving them on consignment?
2. Are the parties related?
3. From which suppliers is the importer purchasing?
4. From which suppliers are the goods received on consignment?
5. If on consignment, how are the goods being valued at time of entry?
6. Is reconciliation filed? If not, what actions does the company take to determine if the actual cost of goods is more or less than the value declared at time of entry?

It is this last question that ties right into the revenue collection role of Customs and Border Protection (CBP). Is CBP collecting the right amount at time of entry? If the value is too low at time of entry, it must be corrected. Similarly, if it is too high, it should also be corrected.

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### **attorneys**

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### **practice areas**

international trade  
regulatory