



## What Happens To Your Entry Once You Pay the Duty?

We talk a lot about the entry process, getting shipments released, paying duty, even making minor corrections but how often do you think about what happens after the duty is paid? Do you think about what responsibilities you may have "post" entry? After all of the import entry work, including any post summary corrections, etc. then CBP will review the entry.

**What is liquidation?** It is CBP's final acceptance of your entry "as entered" or with changes which either CBP has made or you have requested as part of the PSC program. Entry summary is submitted 10 days after release of the goods and a "deposit" of "estimated duties" is paid with CBP. Liquidation is the process where CBP either accepts the deposit as the final amount due or bills for additional duty or sets up a refund for any over-payment. CBP has 314 days to complete this process (this can be extended in certain circumstances). The final step in Customs review is Entry Liquidation. In the past, CBP mailed notices to importers and most were put in a file somewhere or piled on an unused desk because importers were not 100% sure what they should do with them. Since they have stopped mailing them, many importers have lost track of this important detail and could be missing opportunities to re-coup funds that may have been overpaid.

**Why is this important?** Liquidation starts the clock on the final opportunity for correction available to an importer. Once liquidation has taken place, an importer who disagrees with CBP's assessment or who has identified an error in their entry can now file a formal protest with CBP to make the change. The importer has 180 days from the date of liquidation to file a protest. In most cases, the goal of a protest is to obtain a refund for over-payment of duties but it can also be used to change a tariff to affect drawback or other processes. After the 180 days has passed without a formal protest, the entry cannot be changed. If an importer has filed a protest, monitoring the liquidation is still very important because CBP may either "re-liquidate" the entry and issue a refund or deny the request and an importer may need to take further action as a result of the denied protest.

**We recommend**, as a best practice, that our importers incorporate a liquidation review into their process. By monitoring liquidations, you can be assured that your entries are being accepted as entered or track refunds or bills that may be issued. As your broker, BDP can provide you with reports for this purpose or you can obtain them on your own through the ACE Portal. BDP is here to help if you would like to know more, please contact your account manager.