



# SCARBROUGH



## What is Duty Drawback?

Drawback is the refund, reduction or waiver in whole or in part of customs duties assessed or collected upon importation of an article or materials which are subsequently exported.

Under the NAFTA, the amount of customs duties that will be refunded, reduced or waived is the lesser of the total amount of customs duties paid or owed on the goods or materials when imported into a NAFTA country and the total amount of customs duties paid or owed on the finished good in the NAFTA country to which it is exported.

No NAFTA country, on condition of export, will refund, reduce or waive the following: antidumping or countervailing duties, premiums offered or collected pursuant to any tendering system with respect to the administration of quantitative import restrictions, tariff rate quotas or trade preference levels, or a fee pursuant to Section 22 of the U.S. Agricultural Adjustment Act. Moreover, same condition substitution drawback was eliminated effective January 1, 1994.

## Duty Deferral Programs (Inward Processing)

Duty deferral programs include foreign trade zones, temporary importations under bond, bonded warehouses, “maquiladoras,” and inward processing programs. The NAFTA provides a new method for duty deferral with respect to importations of goods under the duty deferral programs that are subsequently exported to another NAFTA country. Upon exportation, the goods will be treated as if withdrawn for domestic consumption, thus subject to the applicable customs duties.

The customs administration assessing such duties may waive or reduce them by an amount that does not exceed the total custom duties paid to the NAFTA country to which the goods are exported. Such reduction or waiver will be made when the claimant presents satisfactory evidence of the customs duties paid in the NAFTA country to which the article was exported.

The claimant has 60 days to present this satisfactory evidence, otherwise the customs administration of the exporting country will collect the duties. Should a claimant subsequently obtain satisfactory evidence, the duties may be refunded to the extent allowed, upon timely presentation of the evidence according to the laws and regulations of each NAFTA country.

Source: [www.cbp.gov](http://www.cbp.gov)



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**SCARBROUGH INTERNATIONAL, LTD. PROVIDES DUTY DRAWBACK SERVICES SO OUR CLIENTS MAY OBTAIN THE MAXIMUM REFUNDS ALLOWABLE IN A COMPLIANT AND TIMELY MANNER.**

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**CLIENT APPLICATION**

**DUTY DRAWBACK QUESTIONNAIRE**

**PROOF OF EXPORT**

**DOCUMENTS REQUIRED**

**COMPLIANCE PROCEDURES**

**SCARBROUGH AGREEMENT TO PROVIDE SERVICES**

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