Importing Motor Vehicles into the United States for Resale or Commercial Use

Presentation for the AAMVA, Region III

Shawn Nugent, Senior Import Specialist
Automotive Center of Excellence and Expertise
U.S. Customs and Border Protection (CBP)
Disclaimer

This information has been prepared for your convenience by U.S. Customs and Border Protection for the AAMVA, Region III. This material is intended to provide guidance. Recognizing that many complicated factors are involved in Customs matters, an importer may wish to obtain a binding ruling under 19 CFR Part 177. Reliance solely on this information may not be considered reasonable care. Importers are referred to Treasury Decision 97-96, which was published in the Federal Register of December 4, 1997, and in the Customs Bulletin of December 17, 1997, for in-depth information on the concept of reasonable care.
Background and Purpose

- Imported motor vehicles are subject to safety standards under:
  - The bumper standards under the Motor Vehicle Information and Cost Savings Act of 1972, which became effective in 1978;

- U.S. Customs and Border Protection (CBP) reviews all entry documentation for motor vehicles being imported into the United States to ensure the appropriate forms are submitted. Vehicles are examined on a random basis to ensure that proper vehicle requirements are met and imported vehicles are in compliance with all Federal regulations.

- The purpose of this presentation is to provide the CBP requirements for the importation of motor vehicles into the United States being imported for resale or commercial use.
Commercial Importations

- Motor vehicles being imported for resale or commercial use – CBP considers this a “commercial importation”.

- Dealer trade-ins are considered “commercial importations”.

U.S. Customs and Border Protection
Formal Entry Required for Commercial Importations

- Importer must file a Formal U.S. Customs Entry (CBP Form 7501) via a U.S. Customs Brokerage Firm.

- Importer may use any U.S. Customs Broker nationwide.
  - List of brokers can be found on www.cbp.gov

- All information is transferred electronically from the broker to CBP via the Automated Commercial Environment (ACE).
Document Requirements

1. CBP Form 7501 (U.S. Customs Entry Summary)

2. DOT HS-7 Declaration Form

3. EPA 3520-1 Form

4. In some cases, a contract with a Registered Importer (RI) or Independent Commercial Contractor (ICI)

5. Documents covering the vehicle: bill of lading, invoice, bill of sale, foreign registration/title, foreign export certificate, etc.
Importer of Record Responsibilities

- Since the passage of the Customs Modernization Act in 1993, the Importer of Record (IOR = Importer) is the responsible person for the Customs Entry.

- Importer of Record must maintain copies of all entry documentation for title and registration purposes at the appropriate State Department of Motor Vehicles (DMV).

- Importer of Record must request a “certified copy” of the entry summary package (CBP Form 7501, DOT HS-7, EPA 3520-1) from their U.S. Customs broker in order to provide it to the DMV.

- Importer of Record is responsible (not CBP) to provide the certified entry summary package to the DMV. By providing the entry summary package to the DMV, this will allow you to plate/register/title the vehicle.
Partner Government Agency (PGA) Requirements

- The Department of Transportation (DOT)/National Highway Traffic Safety Administration (NHTSA) is responsible for administering motor vehicle safety, bumper and theft prevention standards. The Environmental Protection Agency (EPA) is responsible for administering vehicle emission standards established under the Clean Air Act.

- Compliance with DOT and EPA requirements must be demonstrated prior to the importation of a motor vehicle into the United States.

- A completed DOT HS-7 Declaration form is required for all vehicle importations.

- A completed EPA 3520-1 form is required for all vehicle importations.
DOT Requirements: How to fill out the DOT HS-7 Declaration form

• The form has 14 boxes, one of which must be checked to identify a lawful means for importing the vehicle or equipment item.
Conforming Vehicles (Box 2A)

- Vehicles that are originally manufactured to conform to all applicable Federal motor vehicle safety, bumper, and theft prevention standards, and bear a label to that effect, permanently affixed by the original manufacturer, can be imported without restriction.

- The safety label states, “This vehicle complies with all applicable U.S. Federal Motor Vehicle Safety Standards (FMVSS) in effect on the date of manufacture shown above.”

- Location of Label
  1. For passenger cars, multi-purpose vehicles (MPV), trucks and buses, the label must be in the area of the driver’s door.
  2. For motorcycles, the label must be affixed to a permanent member of the vehicle, as close as possible to intersection of the steering post and the handlebar so it can be easily read.
  3. For trailers, the label must be affixed to forward half of the vehicle, on the left side.
  4. For equipment, certification is generally manifested by the letters “DOT” inscribed on the item in a prescribed location.

U.S. Customs and Border Protection
MANUFACTURED BY:
USA TRAILER MANUFACTURERS, INC.

September 1997

GVWR 8,164 KG (18,000 LB)
GAWR FRONT 4,354 KG (9,600 LB)
TIRES 11R17.5HC(H)
RIMS 17.5X8.25HC
COLD TIRE INFL 827 kPa (120 PSI) SINGLE
GAWR REAR 4,354 KG (9,600 LB)
TIRES 11R17.5HC(H)
RIMS 17.5X8.25HC
COLD TIRE INFL 827 kPa (120 PSI) SINGLE

THIS VEHICLE CONFORMS TO ALL APPLICABLE US FEDERAL MOTOR VEHICLE SAFETY STANDARDS IN EFFECT ON THE DATE OF MANUFACTURE SHOWN ABOVE.

VIN WMIXXXXXXXXXXXXXX

TYPE: TRAILER
Personal Imports of Canadian Certified Vehicles (Box 2b)

• Vehicle must be imported by an individual for personal use, and not for resale.

• Vehicle must bear a label certifying its compliance with all applicable Canadian Motor Vehicle Safety Standards (CMVSS).

• Importer must furnish a letter from the vehicle’s original manufacturer stating that the vehicle complies with all applicable safety, bumper, and theft prevention standards, with the possible exception of the labeling requirements of Standards 101 Controls and Displays, and 110 or 120 Tires and Rims, or the daytime running lamp requirements of Standard 108 Lamps, Reflective Devices, and Associated Equipment.
Personal Imports of Canadian Certified Vehicles (Box 2b), cont’d

- If the manufacturer’s letter states that vehicle does not meet the parts marking requirements of the Theft Prevention Standard at 49 CFR Part 541, or is not equipped with an FMVSS No. 138-compliant Tire Pressure Monitoring System (TPMS), the importer must produce an invoice showing that the required parts have been marked or that an original vehicle manufacturer’s or OEM TPMS (and not an aftermarket off-the-shelf system) has been installed.

- Vehicle must not be salvage, repaired salvage, or reconstructed.
Non-Conforming Vehicle Imports (Box 3)

• Vehicles under 25 years old that are not originally manufactured to conform to all applicable FMVSS can only be lawfully imported into the United States if:

1. They are determined eligible for importation by NHTSA, based on their capability of being modified to conform to all applicable FMVSS; and

2. They are imported by a registered importer (RI), or by a person who has a contract with an RI to bring the vehicle into compliance with all applicable FMVSS.
NHTSA Eligibility Decisions

- NHTSA makes import eligibility decisions on its own initiative, or on the basis of a petition submitted by a registered importer.

- List of vehicles determined eligible can be found in 49 CFR Part 593 Appendix A or at www.nhtsa.gov/cars/rules/import.

- For other than Canadian certified vehicles, decisions are made on a make, model and model year basis.

- Based on the similarity of the FMVSS and CMVSS, NHTSA makes blanket eligibility decisions for Canadian certified vehicles.
Non-conforming Vehicle Imports

- If determined eligible for importation, the vehicle may only be imported by a registered importer (RI) or by a person who has a contract with an RI to conform the vehicle.

- The vehicle must be imported under bond to ensure that it is brought into conformity within 120 days of entry or is exported from or abandoned to the United States.

- The vehicle must not be salvage or reconstructed.
Registered Importers

- 80 currently registered with the agency.

- All RIs in active status are listed on the agency’s website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import)

- 64 principally handle the importation of Canadian certified vehicles, which are almost fully compliant with the FMVSS.

- Approximately 16 handle the importation of vehicles manufactured for other markets (referred to as “gray market vehicles”), which require more significant modifications to meet the FMVSS.
Statement of Conformity

• After the RI completes all modifications needed to conform an imported non-conforming vehicle to all applicable FMVSS, the Registered Importer submits to NHTSA a Statement of Conformity, supported by documentary and photographic evidence of the modifications made to achieve conformity. NHTSA refers to this as a “conformity package”.

• Under the DOT conformance bond, the conformity package must be submitted to NHTSA no later than 120 days from the vehicle’s date of entry.

• If the NHTSA is satisfied of its review of the conformity package that the vehicle has been successfully modified to conform, they will issue the RI a letter releasing the DOT conformance bond, which entitles the RI to release custody of the vehicle so that it can be titled and registered for on road use.
Sample NHTSA Bond Release Letter

U.S. Department of Transportation
National Highway Traffic Safety Administration

JAN 25, 2016

BLUE WATER IMPORTERS, INC
2441 R. BRISTOL ROAD
BURTON, MI 48529

In Reply Reference To:
1510-0972

Dear Importer:

The National Highway Traffic Safety Administration (NHTSA) acknowledges receipt of a certificate of compliance and payment of the bond processing cost for the vehicle imported on the following Customs entry:

- Customs Entry No. & Date: 18679851404 OCT-02-2015
- Post code: 2802
- Vehicle Make & Model: FORD EXPLORER
- Vehicle Identification No.: 1FMZU1660E897229

The bond issued pursuant to 49 CFR 591.6(c) to ensure that the vehicle is brought into compliance with all applicable Federal motor vehicle safety standards may be released. This bond release does not constitute agreement by NHTSA that the vehicle, in fact, is in conformance with all applicable Federal motor vehicle safety standards since actual conformance with many requirements is determinable only by compliance testing. Please be advised that NHTSA reserves the right to make an actual compliance inspection of the vehicle at a future date to verify the accuracy of the Registered Importer's certificate.

Sincerely,

Coleman R. Sachs, Chief
Import and Certification Division

G19768

CCK

U.S. Customs and Border Protection
Registered Importers Potential Violations

The vehicle must be shipped by the Registered Importer to the Registered Importer premises only.

1. The RI (with whom the Importer has a contract) must personally take possession of the vehicle at the port or have contracted with a CBP bonded carrier to deliver the vehicle to the RI’s facility. If the RI has contracted with an Importer to do the delivery, then the Importer must provide to CBP (at the time of importation) a copy of the contract with an RI pursuant to 49 CFR 591.6(d).

2. By shipping a vehicle directly to a dealership, auction site or straight to the consignee, the RI is violating the requirement that the vehicle be held for at least 30 days from the date the RI submits conformity data to the NHTSA.

3. CBP has authority to take enforcement action on vehicles that are destined for locations other than ones that the RI has identified to NHTSA in its application to become a RI or in a subsequent amendment to the information NHTSA has on file.
EPA Requirements: How to fill out the EPA 3520-1 Form

- The form has 21 boxes, one of which must be checked to identify a lawful means for importing the vehicle or equipment item.
Conforming Vehicles (Code B)

- Vehicles that are originally manufactured to conform to all United States EPA federal emissions standards.

- The emission label states, “This Vehicle Conforms to U.S. EPA Regulations Applicable to xxxx Model Year New Motor Vehicles”.

- Location of Label:
  1. For light duty vehicles and light duty trucks, the label is located under the hood or in the engine compartment.

  2. For motorcycles, the label is located in a readily accessible location (under the seat, on the frame, or in the glove compartment) of the motorcycle or motor scooter.
Non-Conforming Vehicle Imports/Independent Commercial Importers (Code A, C, J, Z)

- In order to import a vehicle that does not conform to United States emission standards you must engage an Independent Commercial Importer (ICI) to modify, test, and certify the vehicle.

- 6 ICI’s currently registered with the agency (none are located in NY).

- All ICI’s in active status are listed on the agency’s website at: https://www.epa.gov/importing-vehicles-and-engines/independent-commercial-importers-icis
Exceptions

A non-conforming vehicle can be imported if:

1. For EPA requirements, if it is at least 21 years old (code 2).

2. For DOT requirements, if it is at least 25 years old (box 1), based on its month and year of manufacture.

• For example, a non-conforming Japanese Domestic Market right hand drive vehicle manufactured in September 1992 may be lawfully imported in September 2017.
Importer’s Burden to Prove Vehicle Age

It is the importer’s burden to prove to CBP and the NHTSA that the vehicle is at least 25 years old.

Acceptable Documentation Includes:

1. An original invoice showing the date that the vehicle was first sold or a registration document showing that vehicle was registered at least 25 years ago.

2. Absent such information, a statement from a recognized vehicle historical society identifying the age of the vehicle.

3. A Japanese Export or De-registration certificate (for Japanese domestic market right hand drive vehicles).
   - Typically provided for the vehicles exported from Japan.
Classification

Foreign-made vehicles imported into the U.S., whether new or used, are generally dutiable at the following rates:

- **Automobiles**: 2.5%
- **Trucks**: 25%
- **Motorcycles**: 2.4%
Claiming NAFTA

A commercial importation requires a formal entry in the following form:

1. A NAFTA claim is made by placing a Canadian or Mexican special program indicator (spi) before the Harmonized Tariff Schedule of the United States (HTSUS) number on the entry summary.

2. The Importer of Record must have an original NAFTA Certificate of Origin in their possession at the time of the claim.
Internet Resources

• **CBP**
  - For a list of U.S. Customs Brokers phone numbers by Port: [www.cbp.gov/contact/ports/ny](http://www.cbp.gov/contact/ports/ny) (click on the Port name you are interested in, then scroll down and click on the blue hyperlink listed as “brokers”).
  - For basic CBP vehicle import requirements: [www.cbp.gov](http://www.cbp.gov) (click on “trade”, then click on “importing a car”).
  - For a searchable database of CBP rulings consult the Customs Ruling Online Search System (CROSS): [https://rulings.cbp.gov/](https://rulings.cbp.gov/).
  - To request a CBP electronic binding ruling: [https://www.cbp.gov/trade/rulings/eruling-requirements](https://www.cbp.gov/trade/rulings/eruling-requirements).

• **DOT**
  - For information on NHTSA’s importation program: [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). Information on that site includes a detailed list of answers to frequently asked questions.
  - The database identifying all manufactures who have registered with NHTSA and given VIN-deciphering information is at: [https://vpic.nhtsa.dot.gov/mid/](https://vpic.nhtsa.dot.gov/mid/).

• **EPA**
  - For EPA vehicle importing requirements: [https://www.epa.gov/importing-vehicles-and-engines](https://www.epa.gov/importing-vehicles-and-engines).
Contacts:

• **CBP:**
  • **Automotive Center for Excellence & Expertise**
  • telephone: (313) 442-0354
  • e-mail: CEE-automotive@cbp.dhs.gov

• **DOT/NHTSA:**
  • **Import and Certification Division**
  • telephone: (202) 366-5291
  • fax: (202) 493-0073
  • e-mail: importcertification@dot.gov

• **EPA:**
  • telephone: (734) 214-4100
  • e-mail: imports@epa.gov
QUESTIONS?

Shawn Nugent
(Senior Import Specialist)

Shawn.Nugent@cbp.dhs.gov

Phone: (716) 843-8358

www.cbp.gov