



SAVINO DEL BENE U.S.A. INC.

INTERNATIONAL FREIGHT FORWARDERS
CUSTOMS HOUSE BROKER

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**** SDB CUSTOMER NOTICE ****

Date: November 7, 2005

Subject: **Textile Import MID Requirements** .

As previously advised, US Customs and Border Protection (CBP) recently published interim amendments to the Customs Regulations relating to the country of origin of textile and apparel products. These amendments place new obligations on importers of such products that, if not complied with, may result in rejected entries and the assessment of monetary penalties. In particular, as of October 5, importers must identify the manufacturer whose processes confer country of origin on the article through the Manufacturer Identification Code (MID) required on the entry.

However, CBP has announced a **grace period until November 18** for enforcement of this requirement. During this period, CBP will not reject entries or assess penalties on brokers or importers for submitting incorrect MIDs. However, for all textile and apparel goods covered under 19 CFR 102.21(b)(5) and entered on or after November 19, CBP will fully enforce the requirements of this new regulation.

- The MID should be constructed from the name and address of *the entity performing the origin-conferring operations*. It is important to note that the operations that confer origin differ depending on the applicable rule of origin for each specific textile or apparel article. For example, the manufacturer of knit-to-shape apparel is the panel knitter, the manufacturer of bedding is the fabric mill, and the manufacturer of cut and sew garments is the company that wholly assembled the garment or, if multiple manufacturers are involved (OPA), the manufacturer is the company that performed the most import assembly operations. However, there are exceptions to these general rules. *Trading companies, agents, sellers other than manufacturers, etc. cannot be used to create the MID for textile or apparel articles.*
- The MID must be accurately constructed using *the methodology set forth in the new Appendix to Part 102 of the Customs Regulations*, including the use of the correct two-letter International Organization for Standardization (ISO) code for the country of origin.
- When a single entry is filed for products of more than one manufacturer, the *products of each manufacturer must be separately identified.*

The interim amendments also provide that importers must be able to demonstrate their use of reasonable care in determining the origin-conferring manufacturer. If an entry of textile or apparel products fails to include the MID properly constructed from the name and address of the manufacturer, the port director may reject the entry or take other appropriate action (e.g.,



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assessment of a penalty).

It is important to note that the origin-conferring manufacturer may not be the same party who actually sells the merchandise to you. Therefore, you must exercise reasonable care to ensure not only that your MID is constructed properly, but that your customs broker has the correct "manufacturer" information.

Savino Del Bene will construct your MID , provided that actual and factual manufacturer information is listed on the commercial Invoice. This will require coordination with your supplier or whomever provides your commercial documentation.

Please make sure that your supplier is aware of and complies with above documentation requirements in order to avoid merchandise being held by customs.

For further information on the textile ruling requirements contact your local SDB brokerage office, see the following website <http://www.cbp.gov> or contact Mickey Diaz at mdiaz@nyc.sdbusa.com

Savino Del Bene is an International Freight Forwarder and Customs House Broker providing Air, Ocean, and Ground Freight Forwarding Services, Customs Brokerage, Warehousing and Distribution Solutions since the early 1900's. Savino Del Bene USA is C-TPAT Certified and an active ACE Participant.

Regards,
Mickey Diaz
Vice President Operations USA
SDB USA INC.
As Strong as the Biggest
As Flexible as the Smallest!

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