

## **Practical Guide to Avoid Pitfalls When Exporting to the United States: 8 Unwritten Rules U.S. Customs Will Never Tell You**

Have you ever experienced this situation?

After your cargo finally crosses the ocean and arrives in the United States, your freight forwarder sends a message:

“Customs inspection – shipment on hold.”

Then comes a series of unfamiliar terms: ISF violation, missing BOND, HTS classification error...Behind each of these terms could mean losses ranging from thousands to hundreds of thousands of dollars.

The United States is the world's largest consumer market, but its customs gate has never been open to those who are unprepared.

This guide does not focus on theory, but on **real operational pitfalls that frequently occur in actual export practice—and how to avoid them.**



## **1 Choosing the Wrong Incoterm Means Taking All the Risk**

Many new exporters believe DDP sounds professional and customer-friendly, **so they promise “all-inclusive delivery”**.

However, the hidden meaning of **DDP (Delivered Duty Paid)** is:

You assume all responsibility and risk.

Under DDP, the seller must handle:

- \* International freight
- \* Import customs clearance
- \* Import duties and taxes
- \* Final delivery

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But if you do not have a U.S. Importer of Record (IOR), the shipment cannot be cleared through U.S. Customs.

Alternative terms:

**DAP (Delivered At Place)**

You deliver the cargo to the agreed destination, while the buyer handles customs clearance and import duties.

This significantly reduces your risk.

**FOB / CIF**

Your responsibility ends once the goods are loaded onboard the vessel or arrive at the destination port.

**Practical advice:**

For first-time cooperation with new clients, **start with DAP** instead of DDP.

Once the process becomes stable, you may consider upgrading service terms.

**2 Without a Customs Bond, Cargo Cannot Enter the U.S.**

What's the BOND?

A Customs Bond can be understood as a financial guarantee required by U.S. If duties are unpaid or violations occur, CBP can recover the amount from this bond.

Two common types:

**Single Entry Bond (SEB)**

Purchased per shipment based on cargo value.

For anti-dumping products, the cost may reach thousands of dollars.

**Annual Bond (Continuous Bond)**

Typically around USD 500 per year.

Cost-effective if importing more than two shipments per month.

Key issue:

**Chinese exporters cannot purchase a U.S. customs bond directly.**

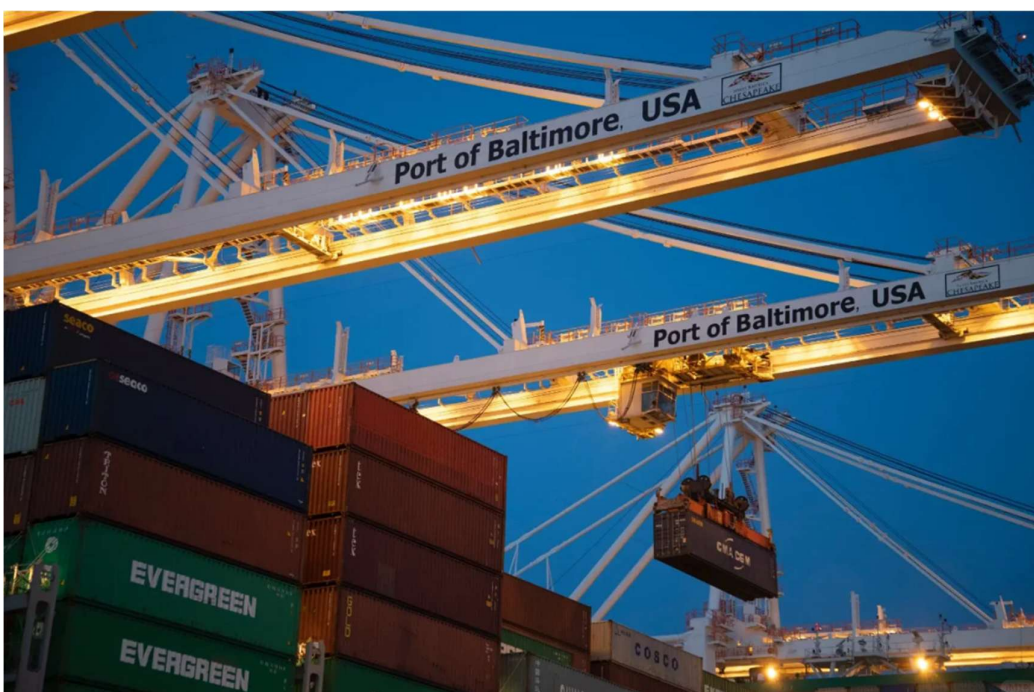
Solutions:

- \* The U.S. consignee provides the bond
- \* Register a U.S. company and purchase a continuous bond

Critical reminder:

If you are shipping under DDP terms, confirm in advance whether **the buyer is willing to use their bond for customs clearance.**

Many shipments fail because no valid bond is available after the cargo arrives at the port.



### **3 ISF Filing: Missing the Deadline Means a \$5,000 Fine**

The Importer Security Filing (ISF) is also known as the “**10+2 rule.**” It is a mandatory pre-loading declaration unique to the United States.

#### **Requirement:**

The ISF must be submitted **at least 72 hours** before the cargo is loaded onto the vessel.

#### **Information includes:**

\* Buyer and seller information

- \* Manufacturer
- \* HTS code
- \* Container stuffing location
- \* Consolidator
- \* Carrier details

**Total items:**

- \* 10 data elements provided by the importer
- \* 2 elements provided by the carrier

**Consequences of non-compliance:**

- \* Late filing
- \* Missing filing
- \* Incorrect information

**Minimum penalty: USD 5,000 per violation**

Severe cases may result in cargo refusal or intensive inspection.

**Operational tip:**

ISF is normally filed by the importer or customs broker.

If shipping under DDP, the **responsibility falls on you.**

Always **prepare documentation 3–5 days before** the vessel cutoff to allow time for review.

#### **4 One Wrong HS Code Digit Can Increase Duties by 10 Times**

China uses HS codes (8 digits), while the United States uses **HTSUS codes (10 digits)** with stricter classification.

A single digit difference may change the duty rate from 3% to 25% or more.

Sensitive industries include:

- \* Furniture
- \* Steel products
- \* Solar equipment

If U.S. Customs suspects misclassification, they may:

- \* Detain the shipment
- \* Request laboratory testing
- \* Require technical documentation

The result could be weeks of delay and high storage charges.

#### **Best practice:**

- \* Apply for binding tariff classification rulings from U.S. Customs before shipping
- \* Or consult an experienced customs broker with detailed product specifications



## **5 Product Compliance: “Works Fine” Is Not Enough in the U.S.**

The U.S. market does not accept products that are simply functional.

**No certification means the product cannot be sold.**

Examples:

**Children’s products** (toys, baby bottles): Must have CPC certificate + ASTM F963 / CPSIA testing

**Electronic products:** Must comply with FCC certification

**Lithium battery products:** Require UN38.3 test report + MSDS + Dangerous Goods certification

**Food contact materials** (tableware, water bottles): Require FDA compliance testing

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**Textiles:** Must include English composition labels and country-of-origin labels (“Made in China”)

**Real case:**

A shipment of children's sleepwear was seized due to missing CPC certification and ultimately destroyed by customs authorities.

The exporter not only lost the goods but also had to pay storage and destruction costs.

## **6 Anti-Dumping and Countervailing Duties (AD/CVD)**

These are hidden “tax bombs” in international trade.

Certain Chinese products face combined anti-dumping and countervailing duties exceeding 200%

**High-risk industries include:**

- \* Furniture
- \* Steel products
- \* Aluminum foil
- \* Chemical products
- \* Electric scooters
- \* Bicycles

What you should do:

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Check whether the product's HTS code appears on the U.S. International Trade Commission (USITC) AD/CVD list.

If affected, possible solutions include:

Third-country manufacturing or processing (e.g., Vietnam, Malaysia)

However:

The product must undergo **substantial transformation and obtain a new certificate of origin.**

Otherwise, it will be treated as tariff circumvention, which carries even heavier penalties.

## **7 Document Fraud Is a Serious Crime**

Common risky practices include:

- \* Under-invoicing
- \* Misdeclaring product names
- \* Falsifying certificates of origin

In the eyes of U.S. Customs, these are **intentional fraud.**

CBP maintains a global trade database and knows the typical value of products.

If fraud is confirmed, consequences include:

- \* Additional duties
- \* Heavy penalties
- \* **Placement on the Denied Persons List**
- \* Permanent export restrictions to the United States

\* Account suspension by platforms such as Amazon or Walmart

**The correct approach:**

Declare truthfully and optimize costs through legal means, such as:

- \* Reasonable SKU structuring
- \* Duty optimization strategies
- \* Alternative product materials with lower tariff rates



## 8 Logistics Does Not End When Cargo Is Shipped

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The United States has a vast territory and a sparse population, so the delivery distance for water is quite long. DDP/DAP may seem to mean "delivered to the door", but **there are actually many hidden costs.**

**Hidden costs include:**

**Demurrage:** Free terminal storage usually 5 days\*. After that, charges may reach USD 300 per day.

**Detention:** Holding containers beyond free time may cost USD 100 per day or more.

**Warehouse appointments:** During peak seasons in Los Angeles / Long Beach, appointments may take 3–7 days.

**Last-mile delivery:** Remote areas require surcharges, and some carriers may refuse delivery.

**Practical advice:**

- \* Work with freight forwarders offering fast transpacific services (e.g., Matson or ZIM routes)
- \* Arrange customs clearance and trucking appointments **in advance**
- \* **Purchase full cargo insurance coverage**

**Final Thoughts**

After years of exporting to the United States, one conclusion stands out:

**70% of success comes from compliance preparation.**

**20% depends on logistics management.**

**Only 10% relies on price competitiveness.**

Do not rely on assumptions or hearsay.

The U.S. market opens its doors only to those who are well prepared and fully compliant.

At **Yiwu Yida**, we firmly believe that **in the United States, compliance is not a cost, but a competitive advantage.**

Not only do we offer you stable and reliable US line logistics services, but we also, with our profound understanding of US customs, product compliance and supply chain operations, become your professional guide on the export journey:

**1.Compliance Pre-Review:** Before shipment, we assist in reviewing your product certifications, HTS classification, and document completeness to proactively **avoid potential pitfalls.**

**2.Customs clearance support:** Relying on the network of licensed customs clearance agencies in the United States, whether it is DDP or DAP, we can provide professional customs clearance solutions and BOND services.

**3.Logistics Optimization:** By integrating high-quality ocean freight vessels, overseas warehouses, and end-destination trucks, we design a full-chain solution that optimally balances **cost and timeliness** for your shipment.

**4.Risk Warning:** Real-time tracking of US trade policies, anti-dumping dynamics and port conditions, providing you with **forward-looking market intelligence.**