

**First Sale Declaration Requirement:  
CBP Issues Information Regarding 30-day “Grace Period;”  
Retroactive Entry Amendments Due by September 26**

Today CBP at the port of Great Falls, Montana issued an Information Notice (excerpt copied below) addressing retroactive reporting requirements applicable to entries subject to the First Sale Declaration requirement (See August 21 and 26, 2008 *NGJ International Trade Updates* at <http://www.ngjensen.com/itu.php> for additional details).

Although the Notice itself was issued by the port of Great Falls, we are advised that CBP Headquarters disseminated the information contained in the notice to all ports. We therefore expect the September 26 deadline referenced in the Notice will apply to entries filed at any U.S. port.

If you have questions, please contact us at [compliance.us@ngjensen.com](mailto:compliance.us@ngjensen.com).

[EXCERPT]

U. S. CUSTOMS & BORDER PROTECTION  
AREA PORT OF GREAT FALLS MT  
INFORMATION NOTICE

BULLETIN NUMBER: 2008-062

DATE: September 5, 2008

**SUBJECT: Retroactive Reporting Procedures for the First Sale Declaration.**

**DISTRIBUTION: Importers, Brokers, Other Interested Parties**

PLEASE PASS THIS INFORMATION TO PORT DIRECTORS, ASSISTANT PORT DIRECTORS FOR TRADE, IMPORT SPECIALISTS, ENTRY SPECIALISTS, CBP OFFICERS, IMPORTERS, BROKERS, AND INTERESTED PARTIES.

This memorandum outlines the process for retroactive reporting with regard to the implementation of the First Sale Declaration Requirement established under section 15422(a) in the Food, Conservation and Energy Act of 2008, commonly referred to as the Farm Bill.

**BACKGROUND:**

The First Sale Declaration Requirement mandates importers to declare to CBP, at the time of entry, when the transaction value of goods entered for consumption or withdrawn from warehouse was determined on the basis of the price paid by the buyer in a sale occurring earlier than the last sale prior to the introduction of the merchandise into the United States. The importer declares a “first sale” based transaction value by entering an "F" adjacent to the entered value at the line level on CBP Form 7501 (or the electronic filing equivalent at the line level). Under the Farm Bill, the first sale declaration applies to

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goods entered for a one-year period commencing on August 20, 2008; however, CBP has granted the trade a 30-day grace period, to provide ample time for the trade to make the necessary programming changes for electronic filing. Although CBP has announced an interim grace period to allow filers time in which to become system ready to transmit the new data element, CBP is mandated by law to collect this data for a one-year period beginning August 20, 2008. Therefore, CBP is requiring the trade to retroactively report the required data element that should have been declared during the grace period.

**REPORTING PROCESS**

Entry summaries for entries made between August 20, 2008 and September 19, 2008 are subject to the First Sale Declaration Requirement and must be amended if importers were unable to declare at time of filing. Importers or filers must submit a written request to the respective CBP ports of entry to amend affected entry summaries. The letter should be accompanied by a spreadsheet listing the entry summaries with line numbers that require the “F” indicator. An electronic version of the spreadsheet saved on a CD-“read only” is preferable for large submissions. (Please reference the [below] sample spreadsheet template.) CBP will consider this submission as a declaration of “first sale” for the subject entry summaries and will update the summary record in the Automated Commercial System (ACS).

**Retroactive reporting of the “first sale” declaration for entry summaries filed during the grace period must be presented to CBP by close of business September 26, 2008.**

Post Entry Amendment’s (PEA) are not the authorized vehicle for this one-time administrative reconciliation of entry summary data. Further, this declaration must be made by the importer at the time of filing a consumption entry and does not meet the criteria for submission via a single or quarterly PEA.

\* \* \*

PORT CODE	ENTRY DATE	FILER CODE/ ENTRY NUMBER	LINE #	TARIFF NUMBER	VALUE	MISC IND (F)
10211	080822	FFF 01010101	001	6401929030	1234	F

*Sample Template*