

TEXTILE VISA, QUOTA AND EXEMPTIONS:

REQUIREMENTS FOR TEXTILES TEXTILE VISA AND EXPORT LICENSE

REQUIREMENTS

A textile visa is an endorsement in the form of a stamp on an invoice or export control license that is executed by a foreign government. It is used to control the exportation of textiles and textile products to the United States and to prohibit the unauthorized entry of the merchandise into this country.

A visa system is the most effective way to prevent illegal transshipments and quota fraud. It also ensures that both the foreign government and the United States count merchandise and charge quotas in the same way so that over-shipments, incorrect quota charges and embargoes can be avoided. If a visa has an incorrect category, quantity or other incorrect or missing data, or a shipment arrives without a visa, the entry is rejected and the merchandise is not released until the importer reports the discrepancy to the foreign government and receives a new visa or visa waiver from the government. By issuing a new visa or visa waiver the foreign government is acknowledging that it has been advised of the category under which Customs is classifying the merchandise and charging the quota, if any, and/or the quantity that is being charged.

However, a visa does not guarantee entry of the merchandise into the U.S. If the quota closes between the time the visa is issued in the foreign country and the shipment's arrival in the U.S., the shipment will not be released to the importer until the quota opens again.

A visa may cover either quota or non-quota merchandise. Conversely, quota merchandise may or may not require a visa depending upon the country of origin. As of this date, the United States has entered into visa agreements with a number of countries but is enforcing quotas (administered by the U.S. Customs Service) on merchandise from additional countries with which the U.S. has no visa agreements. Therefore, shipments from the countries without a visa agreement do not require a visa but are charged to the appropriate quota. On occasion, when bilateral agreements lapse and quotas are not in force, the visa agreement, which is a separate agreement that remains in force, requires that shipments continue to be accompanied by a visa.

Each visa agreement is different. Most are comprehensive agreements. This means that all commercial shipments of textiles or textile products of vegetable fibers, wool, man-made fibers, and silk blends covered by a category number from a country with which the U.S. has such an agreement must be accompanied by a visa in order to enter the United States. However, other agreements cover only a specific, limited number of categories, (e.g., only cotton in categories 300-369).

Also, some agreements have exemptions for commercial shipments valued at \$250 or less (although this exemption is being phased out of all new or renegotiated agreements), or for traditional folklore cottage industry products. A further difference can be found in agreements which require the visa to show the exact category and quantity in the shipment while others do not.

To administer these agreements, textile products are grouped under 3-digit category numbers. The category numbers were developed by the Committee for the Implementation of Textile Agreements (CITA), an interagency committee comprised of representatives from the Departments of State, Commerce, Labor, and the Treasury and the Office of the United States Trade Representative. These category designations cover several thousand 10-digit legal/statistical item numbers under which the merchandise is classified in the Harmonized Tariff Schedule of the United States Annotated (HTSUSA).

The category system was developed to simplify the monitoring and control of textile imports and to facilitate the negotiation of bilateral agreements by AGGREGATING THE SEVERAL THOUSAND HTUSA ITEM NUMBERS INTO 167 MORE MANAGEABLE CATEGORIES. However, this effort to simplify the system has been hampered by the fact THAT THESE 167 CATEGORIES HAVE BEEN FURTHER SUBDIVIDED BY COUNTRY into Approximately 400-450 subcategories, sub-sub-categories and merged categories in order to establish quotas on a more narrow range of merchandise. Each of these subparts has a separate quota.

These narrow breakouts were made to protect specific segments of the market for U.S. domestic producers who are being affected by the large volume of foreign imports in these subcategories. When a shipment arrives at a port in the United States, the Customs import specialist reviews the visa documents for accuracy and completeness prior to release of the merchandise. The review ensures that the category number, quantity, signature, date, and visa number are correct and match the shipment involved. Only after this action is completed and the merchandise is charged to the quota (if required) is the shipment released to the importer.

PERSONAL USE SHIPMENTS

Merchandise imported for the personal use of the importer and not for resale, regardless of value, whether or not accompanying the traveler, except for tailor-made suits from Hong Kong, are exempt from quota, visa and exempt certification requirements. For Hong Kong, made-to-measure suits of wool, man-made fiber, silk blend and vegetable fibers other than cotton, regardless of value, not accompanying the traveler, will require visas (443/643/843[1] or 444/644/844[1]). Personal use shipments are defined in Chapter 98, Subchapters IV, V, VI, VII, and XVI of the HTSUSA, CFR 143.21 and Section 5.2 of the Customs Inspector's Handbook. To qualify as a personal shipment, the article must be for the personal or household use of the importer (including gifts) and not intended for resale or sale on commission.

EXEMPT CERTIFICATION REQUIREMENTS FOR TEXTILES COMMERCIAL SAMPLES

PROPERLY MARKED COMMERCIAL SAMPLE SHIPMENTS, VALUED AT \$800 OR LESS

from certain countries do not require a visa or exempt certification and are not subject to quota. These shipments may also be entered under the informal entry procedures. The guidelines for what would qualify as "properly marked commercial samples" can be found in paragraph 4a-h, of Customs Directive Number 3500-07, dated February 28, 1986, or in telex #11061, dated August 3, 1988. The guidelines are quoted, in part, as follows:

- a. The invoice for these shipments must contain the statement "Marked Sample - Not for Resale".
- b. The inside of the article must be indelibly stamped with the word "Sample". This stamping must be in contrasting color to the article, near the country of origin label, in one (1) inch or greater letters and physically placed on the article itself.
- c. Articles which are transparent or incapable of being marked (such as briefs, bikinis, hosiery, blouses without collars, sheer or very thin scarves or garments, etc.) and for which the stamping of "Sample" would render the article unsuitable for use as a trade sample, the following guidelines are provided: 1. Fabric labels, not smaller than 2 1/2" by 1/2" containing the words "SAMPLE-Not to be sold", must be conspicuously and permanently affixed to the article in close proximity to the country of origin label.

(Please note that paragraphs d, e and h of the directive are not pertinent to this section and have been omitted.)

- f. The invoice must have been annotated with the notation required in paragraph 4a above and the article marked in accordance with the provisions of 4b and c above, prior to importation into the U.S. The importer will not be allowed to do this after importation.
- g. Although these "samples" may be entered under the informal entry procedures (and are exempt from quota, visa and exempt certification requirements) they do not qualify for entry under item 9811.00.60, HTSUSA. Accordingly, they are subject to duty under the appropriate HTSUSA item number.

MUTILATED SAMPLES

HTSUSA 9811.00.60: Samples classified under HTSUSA 9811.00.60 are duty-free, do not require a visa or exempt certification and are exempt from quota requirements. See HEADQUARTERS TELEX #VBT-88-103 DATED, JANUARY 1988 FOR THE MUTILATION guidelines.

STANDARDIZED VISA NUMBER

Visa numbers are required for all visas and export licenses. Certain countries use the standard nine digit number (e.g., 9IN123456) which is reported to the Quota Section. If a country is not on the standardized system, do not report the visa number to the Quota Section. Prior to the effective dates for countries using the standard number, report the standardized dummy number when reporting shipments (i.e. yr., country code, 3 zeros, and then the category number, 9IN000348).

The standardized visa number is included in reports sent to each foreign government. A government can then verify the categories and quantities they authorized for export to the U.S. against the categories and quantities charged by U.S. Customs at the time of entry. This can reduce the re-verification of discrepancies to the specific shipments at variance rather than having to review all entries covering a particular category as had been the case before the creation of the standardized visa number. It is expected that more countries will adopt the standardized visa number in the future.

VISA NUMBER REQUIRED ON CF 7501

Under the authority of paragraph 34 D of Customs Directive No. 3550-03, dated September 28, 1984, the visa number (whether or not it is the standard nine digit number) must be reported in column 34 on the CF 7501 Entry Summary for shipments which require a textile visa or export license (including Hong Kong). The number must be shown for each line item covering each separate category number. Failure to report this number will result in rejection of the entry summary and if it is a "live entry" (entry/entry summary) the shipment will not be released until the entry summary is in proper form. The statistical copy of the CF 7501 or the statistical information reported by the broker under the ABI program must include this number prior to transmittal of this information to the Census Bureau. Exempt certification numbers will not be reported on the CF 7501 or in ABI. Only one visa number may apply to a single line. If a line could have more than one visa number, then separate lines must be provided for each visa number.

DATE OF EXPORT FROM COUNTRY OF ORIGIN REQUIRED ON CF 7501

Under the authority of section 12.130(i) of the Customs Regulations, and paragraph 14 of Change No. 1, dated July 23, 1985 to Customs Directive No. 3550-03, dated September 28, 1984, for quota, visa or export license requirements, and statistical purposes, if the country of exportation is different from the country of origin, THE DATE OF EXPORT FROM THE COUNTRY OF ORIGIN MUST BE REPORTED ON THE CF 7501 in column 34, for all textiles and textile products classified in Chapters 50-63, plus Chapters 42 and 94 of the Harmonized Tariff Schedule of the United States Annotated (HTSUSA), regardless of whether or not the merchandise requires a visa or is subject to quota restraints. As in the case of the visa number, failure to report this date will result in rejection of the entry summary and may delay release of the shipment.

EXEMPT CERTIFICATION REQUIREMENTS FOR TEXTILES FOLKLORE PRODUCTS DESIGNATION "F" REQUIRED ON CF 7501

Shipments of handloomed fabric, hand-made articles made of handloomed fabric and traditional folklore products of the cottage industry, are exempt from quota and visa requirements if they are a product of a country with which the U.S. has both a bilateral and a visa agreement which specifically exempts such products, provided the foreign government has issued a proper and correct exempt certification. These agreements only waive the quota and visa requirements. They do not waive the duty.

The merchandise must be reported in column 34 of the CF 7501 by placing the symbol "F" as a prefix to the appropriate 11-digit HTSUSA item number in accordance with statistical headnote (1) of Section 11, HTUSA and paragraph 30 of Customs Directive 3550-03, dated September 28, 1984. With the exception of the HTSUSA numbers for certified folklore products shown below in the discussion of GSP exemptions for certain rug and wall hangings, these numbers will be the regular HTSUSA item numbers for the articles in question. As in the visa number and date of export requirements, failure to provide the folklore prefix will result in rejection of the entry summary.

MERGED AND PART CATEGORIES

Because of the proliferation of merged and part categories in textile agreements signed over the past several years, it has become necessary to consolidate this information into a single issuance. This report includes the merged categories permitted, both for visa and Special Access Program exempt certification, as well as the part category designations required to be present on visas from those countries requiring correct categories. Countries omitted presently have no merged or part categories for visa or exempt certification purposes. As such categories become part of future agreements, this guide will be updated. More recent agreements contain language specifying that any merged or part categories for quota purposes are automatically applicable for visa purposes as well. As additional countries agree to this condition, you will be notified through this report.

Previously, visa and quota agreements had been signed separately and at different times, so that in some cases, merged and part categories for visa purposes are not the same as those for quota purposes. Therefore, for countries other than those indicated in this report, along with visa book telegrams and other issuances relating solely to visa requirements, may be used to determine the correct merged and part categories for visa purposes. Agreements have provided a "basket" category (e.g. 659-O) for HTS numbers remaining after specific part categories (e.g. 659-H) have been blocked off. However, in some agreements this was not done. In those cases where a "basket" or "other" category is not shown, only the basic category number (without any suffix) is required, even though there are suffixes for the specific parts in the category.

EXEMPT CERTIFICATION REQUIREMENTS FOR TEXTILES

Certain merged categories apply to exempt certifications for the Special Access Program. They are listed separately where applicable. For example, look at the merged categories for Haiti. The list is the same for visa and SAP purposes, except for categories 349/649 in the SAP list. This means that the categories 349/649 may be merged for the purpose of the SAP exempt certification, but they may not be merged on a textile visa.

DESCRIPTIVE LANGUAGE APPEARS IN THE GUIDE, FOR EASE OF REFERENCE, BUT IS NOT EXHAUSTIVE. ONLY THE HTS NUMBERS COMPLETELY REPRESENT THE PART CATEGORIES

There are visa requirements for the following countries not listed in the quota status report. Those countries are:

- **JAPAN** Categories: 200-239, 300-369, 400-469, 600-670, 800-899. 604-A PLIED ACRYLIC YARN IN HTS # 5509.32.0000 604-O ALL REMAINIG HTS #S IN CATEGORY 604 659 (1) ONLY HTS NOS 6103.23.0055 6103.43.2020 6103.43.2025 6103.49.2000 6103.49.3038 6104.63.1020 6104.63.1030 6104.69.1000 6104.69.3014 6114.30.3044 6114.30.3054 6203.43.2010 6203.43.2090 6203.49.1010 6203.49.1090 6204.63.1510 6204.69.1010 6210.10.4015 6211.33.0010 6211.33.0017 6211.43.0010 659-O ALL REMAINING HTS NUMBERS IN CATEGORY 659.
- **LEBANON:** 200-239, 300-369, 400-469, 600-670, 800-899
- **MALDIVES** Categories: 239, 330-359, 431-459, AND 630-659.
- **PERU** Categories: 200-239, 300-369, 400-469, 600-670.
- **TRINIDAD AND TOBAGO** Categories: 200-239, 300-369, 400-469, 600-670, 800-899
- **LESOTHO** Categories: 200-239, 300-369, 400-469, 600-670, AND 800-899
- **MERGED CATEGORIES:** 338-B/339-B/638-B/639-B AND 347/348 338-B: ONLY HTS #S: 6103.22.0050 6105.10.0010 6105.10.0030 6105.90.8010 6109.10.0027 6110.20.1025 6110.20.2065 6110.90.9068 6114.20.0005

EXEMPT CERTIFICATION REQUIREMENTS FOR TEXTILES 339-B:

ONLY HTS #S: 6104.22.0060 6104.29.2049 6106.10.0010 6106.10.0030 6106.90.2510 6106.90.3010 6109.10.0070 6110.20.1030 6110.20.2075 6110.90.9070 6114.20.0010 6117.90.9020 638-B: ONLY HTS #S: 6103.23.0075 6103.29.1050 6105.20.2010 6105.20.2030 6105.90.8030 6109.90.1049 6110.30.1050 6110.30.2050 6110.30.3050 6110.90.9076 6114.30.1010 639-B: ONLY HTS #S: 6104.23.0036 6104.29.1050 6104.29.2055 6106.20.2010 6106.20.2030 6106.90.2530 6106.90.3030 6109.90.1090 6110.30.1060 6110.30.2060 6110.30.3055 6110.90.9078 6114.30.1020 6117.90.9030 .

TO OBTAIN A LISTING OF HTS AND/OR CATEGORY NUMBERS INTEGRATED INTO GATT 1994 IN THE 2ND STAGE, PLEASE REFER TO ADMINISTRATIVE MESSAGE #99-0040, 9/30/98. THESE HTS NUMBERS NO LONGER REQUIRE AN EXPORT VISA ON AND AFTER JANUARY 1,1998.