

Customs and International Trade

October 24, 2011

MPF Rate Increases by More Than 60%; Customs to Issue Retroactive Bills to October 1

On October 21, President Obama signed into law legislation that increases the Merchandise Processing Fee (MPF) from .21% to .3464% for formal entries. The higher MPF rate is effective for the period of October 1, 2011, to June 30, 2021.

In order to pay the difference between the old and new MPF rates, U.S. Customs and Border Protection (CBP) will generate bills for October 1, 2011, through the day before the higher rate is implemented electronically via the agency's Automated Commercial System (ACS) or Automated Commercial Environment (ACE). CBP is not expected to bill any difference in the MPF rate that is less than \$20. CBP will also provide one week's notice before the agency begins to require the higher MPF rate electronically.

The new law did not change the minimum MPF of \$25 for formal entries, and the maximum MPF of \$485 for formal entries. However, under the new rate schedule a greater number of lower value imports will fall above the minimum assessment, and a greater number of higher value imports will fall above the maximum assessment.

If you have any questions about the impact of these changes, please contact one of the Katten Muchin Rosenman LLP **Customs and International Trade** attorneys or professionals listed below.

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