

**HTSUS 9802.00.80 –
U.S. ARTICLES ASSEMBLED ABROAD
TECHNICAL INFORMATION FOR PRE-ASSESSMENT SURVEY (TIPS)**

PART 1 BACKGROUND

The objective of this document is to provide guidance in performing a Pre-Assessment Survey (PAS) of the company's internal controls for merchandise entered under HTSUS 9802.00.80 and evaluating the results.

Generally Accepted Government Auditing Standards require the PAS team to obtain a sufficient understanding of internal controls to plan the audit and determine the nature, timing, and extent of tests to be performed.

The guidelines and terms in this document are based on Assessing Internal Controls in Performance Audits, GAO/OP-4.1.4, published by the United States General Accounting Office, Office of Policy, September 1990, and the American Institute of Certified Public Accountants Statement on Auditing Standards No. 78.

PART 2 HTSUS 9802.00.80 GUIDANCE

Subheading 9802.00.80 provides a duty allowance for assembly abroad in whole or in part of fabricated components that are the product of the United States and that (a) were exported in condition ready for assembly without further fabrication; (b) have not lost their physical identity in such articles by change in form, shape, or otherwise; and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process, such as cleaning, lubricating and painting. The returned articles are dutiable on the full value of the imported article less the cost or, if no charge is made, the value of such products of the United States, provided the documentary requirements of 19 CFR 10.24 are met.

19 CFR 10.24 states, "The following documents shall be filed in connection with the entry of assembled articles claimed to be subject to the exemption under subheading 9802.00.80, Harmonized Tariff Schedule of the United States (HTSUS).... (1) A declaration by the person who performed the assembly operations abroad ...; and (2) an endorsement by the importer...." Section 10.24 also contains provisions for waiver of specific details and documents, as well as references to previously filed documents, in certain circumstances.

The fabricated components must be in condition ready for assembly without further fabrication at the time of their exportation from the United States to qualify for the exemption. Components will not lose their entitlement to the exemption by being subjected to operations incidental to the assembly (e.g., cleaning, trimming, or filing, but not chemical treatment of components or polishing) either before, during, or after their assembly with other components. Materials undefined in final dimensions and shapes, which are cut into specific shapes or patterns abroad, are not considered fabricated components.

Some assembly operations (e.g., mixing or combining of liquids or chemicals) are not significant enough to qualify.