



South East World Wide (Chicago) Ltd.

HMF and MPF Explained

HMF, Harbor Maintenance Fee, was mandated by the Water Resource Development Act of 1986. It has been in effect since April of 1987. It will be used for improvements to and maintenance of ports and harbors. Generally, it applies to imported waterborne commercial cargo.

HMF is calculated at 0.125 percent of the entered value of the imported cargo. The party shown as the Importer of Record is liable for paying HMF. Although the fee accrues from the date of importation (the date the vessel arrives in the US with the intent to unload), it is paid when the entry summary is filed. HMF is not assessed on exports from the United States. The fee is collected on all formal entries (incl. Warehouse etc.). If the HMF is less than \$3 and no other duties, taxes or fees are due, the HMF is waived.

All entries are subject to a Merchandise Processing Fee (MPF). 19 USC 1401 requires the importer of record to pay the fee to Customs and Border Protection (CBP) at the time of presenting the entry summary. Formal entries are required for imports of commercial goods valued at \$2,000 or more, with the exception of certain commercial imports valued at \$250.00.

Effective October 1, 2011, the MPF for formal entries is an ad valorem fee of 0.3464 percent. The fee is based on the value of the merchandise being imported, not including duty, freight, and insurance charges. The maximum amount of the fee shall not exceed \$485 and shall not be less than \$25. For example, if .3464 percent of the amount of your merchandise is greater than the maximum amount of \$485, the importer is only required to pay the maximum amount of \$485.00.

For entries filed on or after October 1, 2011, until the CBP system changes take effect with the 0.3464% rate, CBP will bill the importer for the increase in MPF. CBP will disregard differences of less than \$20