



Customs Bonds

A customs bond is an insurance policy that guarantees payment to U.S. Customs and Border Protection (CBP) of all duties, taxes and fees due on an import shipment. All import entries valued at \$2500 or more must be accompanied by a bond that sufficiently covers potential duties, taxes, and fees that may accrue.

There are two main types of customs bonds an importer can purchase, a **Continuous Bond** or a **Single Transaction Bond (STB)**.

A **Continuous Bond** (also known as an Annual Bond) covers all your import shipments for a 12-month period. The amount of the continuous bond is determined by 10% of duties, taxes and fees paid to CBP in a 12-month period. However, a continuous bond must be at least \$50,000. A continuous bond also fulfills an importer's obligations to have an Importer Security Filing (ISF) bond on file for ocean shipments.

A **STB** covers only one entry and the bond amount is determined by the value of the merchandise being imported plus the duties, taxes, and other fees. However, if the imported merchandise is regulated by other government agency (OGA), such as FDA, EPA etc. then the amount of the STB required will be three (3) times the value of the imported merchandise. **Importing an ocean shipment without a continuous bond on file also requires an Importer Security Filing (ISF) bond, regardless of the value of the merchandise being imported.**

Even if you are not a current LMB customer/business partner, we would be happy to help you determine the most cost-effective bond option for your particular situation.

[LMB Customs Brokers](#)