

Quick Reference Guide

In-Bond Shipments between the US, Canada and Mexico

What is an In-Bond Shipment?

An "in-bond" shipment refers to goods that enter a country's port but bypass immediate customs clearance, instead being stored in a bonded warehouse or moved to another customs-controlled area.

Why would I need an In-Bond shipment?

When importing or exporting goods that must travel through a country that is not the final destination, you would declare the shipment In-Bond so that you do not pay duties to the ancillary country nor would the shipment undergo customs clearance until it reaches its destination country.

Can XPO provide In-Bond shipments in the US when originating in Mexico or Canada?

Yes. Contact [XPO Bonds Support](#) for assistance.

What is the process for an In-Bond Shipment?

You must submit an electronic in-bond application to the US Customs and Border Protection (CBP) via an electronic data interchange (EDI) system, accompanied by a customs bond, bill of lading and packing list.

What is a Customs Bond?

A customs bond is a legal contract between an importer, a surety company, and the Canada Border Services Agency (CBSA) that guarantees the importer will comply with customs regulations and pay any applicable duties and taxes, fines and penalties.

A customs bond is required when:

1. Importing goods valued at \$2,500 or more into the US.
2. Shipments move from Mexico to Canada and require in-bond transportation

Who creates the customs bond?

A licensed customs broker can assist with the process of applying for a Canada Customs Bond and ensure the correct activity code and bond type are used.

Is there a fee for moving bonded shipments?

Yes, the carrier will charge a fee to cover the expense of monitoring the freight while it's in their possession. The carrier is responsible for informing customs of the shipment location and transit while the shipment is in-bond.

What if my product is being sent to Canada or Mexico for rework or processing, and not a permanent delivery?

Temporary Importation is when merchandise is imported into Canada for a limited time. In these cases, the merchandise may qualify for full customs duty and tax relief. A Temporary Importation Canada Customs Bond may be posted as security to guarantee the merchandise will be re-exported from Canada. The bond is written as a continuous bond.

What information is needed to request a bond?

You'll need to provide business details, import volume, financial information, and the specific goods being imported.

If you're a new customer, and have not previously requested a bond with XPO, you'll need to supply the following details for new in-bond movements:

- Shipper name, address, and contact information
- Consignee name, address, and contact information
- Shipper's Broker name, address, and contact information (who will be providing the in bond)
- Consignee's Broker name, address, and contact information (who will clear or supersede the bond prior to delivery)
- What is the commodity being shipped?
- What is the approximate weight of the shipment?
- What class of in bond entry will the shipment be moving on?
- Do any special handling instructions apply?
- When will the shipment be tendered?
- How will the bond clear (as a superseding bond or a consumption entry) and the broker contact info who will clear the bond
- [CBP Form 7512](#) Transportation Entry and Manifest of Goods Subject to CBP Inspection and permit

What happens if the principal doesn't pay?

If the principal doesn't pay, the CBP will collect from the Surety company that issued the bond, and the Surety company can then use legal means to collect from the importer. When a bond is required, Customs will not release the goods until the bond is posted and regulatory requirements are met.

Types of bonds

There are two basic types of Customs bonds:

1. A single transaction bond (also known as a single-entry bond or SEB), which covers a one-time Customs entry.
2. A continuous bond (code 1), which covers multiple/ongoing entries made by an importer at all U.S. ports of entry. It is good for one year from the date it is issued.