

# The E-Commerce and *De Minimis* Framework in the U.S.

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- CBP generally defines e-commerce as high-volume, low-value shipments entering the port limits of the United States.
- 79% of U.S. retailers use some form of an e-commerce platform.
- The FY22 volume for small packages entering the U.S. is nearing 1 billion.
- As of 2022, 90% of all shipments imported into the U.S. are <\$800.

## Types of Entry:

- Formal – For shipments valued in excess of \$2,500.
- Informal – For shipments valued between \$800-\$2,500.
- *De Minimis* – For shipments valued up-to \$800.

# Formal Entry: shipments valued at \$2500+



**Entry:** the documentation required to secure the release of imported merchandise.

- CBP Form 3461
- Bond is required to secure payment of duties, taxes, fees, and compliance with all legal requirements.

**Entry Summary:** any other documentation necessary to assess duties, taxes and fees; collect statistics; and determine compliance with other legal requirements.

- CBP Form 7501
- Requires payment of estimated duties, taxes and fees.

# Informal Entry: shipments valued up-to \$2500



**Informal:** generally, refers to shipments valued between \$800-\$2500.

- CBP Form 7501, or electronic equivalent, for shipments subject to duties, taxes and fees.
- CBP Form 7523, for shipments free of duty and not subject to any quota or internal revenue tax.
- No bond is required.
- Estimated duties, taxes, and fees, must be submitted at the time of entry filing. The final computation generally occurs within 24 hours of the entry filing date.

# *De Minimis*: shipments up to \$800



- Shipments valued up-to \$800 which are admitted free of duty and tax “in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected.”
- There has been a 354% increase in *de minimis* shipments since 2016, when the ceiling was raised to \$800 from \$200.

## **Basic Criteria:**

- Aggregate fair retail value in the country of shipment does not exceed \$800 on a single day for a single importer;
- Fair retail value is evidenced by a shipping document such as a bill of lading, manifest, or oral declaration;
- Shipment was not broken down into several lots and sent separately in order to secure duty-free entry.



## “Release from Manifest”

- Entry occurs by “presenting” a bill of lading, or manifest listing individual bills, which contains all the data required for entry.
- Data is transmitted electronically or provided to an officer in person.
- Does not require a separate entry filing.

## Clearance

- Shipments are generally cleared within 3-8 days of arrival at a port of entry by an officer, either electronically or in person, authorizing release of a shipment.
- Shipments deemed ineligible for *de minimis* entry are held until an informal or formal entry is filed.



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