

## 52.225-8 Duty-Free Entry.

As prescribed in 25.1101(e), insert the following clause:

Duty-Free Entry (Oct 2010)

(a) *Definition.* "Customs territory of the United States" means the States, the District of Columbia, and Puerto Rico.

(b) Except as otherwise approved by the *Contracting Officer*, the Contractor *shall* not include in the contract price any amount for duties on *supplies* specifically identified in the Schedule to be accorded duty-free entry.

(c) Except as provided in paragraph (d) of this clause or elsewhere in this contract, the following procedures apply to *supplies* not identified in the Schedule to be accorded duty-free entry:

(1) The Contractor *shall* notify the *Contracting Officer* in writing of any purchase of foreign *supplies* (including, without limitation, raw materials, *components*, and intermediate assemblies) in excess of \$15,000 that are to be imported into the *customs territory of the United States* for delivery to the Government under this contract, either as *end products* or for incorporation into *end products*. The Contractor *shall* furnish the notice to the *Contracting Officer* at least 20 calendar days before the importation. The notice *shall* identify the-

(i) Foreign *supplies*;

(ii) Estimated amount of duty; and

(iii) Country of origin.

(2) The *Contracting Officer* will determine whether any of these *supplies* *should* be accorded duty-free entry and will notify the Contractor within 10 calendar days after receipt of the Contractor's notification.

(3) Except as otherwise approved by the *Contracting Officer*, the contract price *shall* be reduced by (or the allowable cost *shall* not include) the amount of duty that would be payable if the *supplies* were not entered duty-free.

(d) The Contractor is not required to provide the notification under paragraph (c) of this clause for purchases of foreign *supplies* if-

(1) The *supplies* are identical in nature to items purchased by the Contractor or any subcontractor in connection with its commercial business; and

(2) Segregation of these *supplies* to ensure use only on Government contracts containing duty-free entry provisions is not economical or feasible.

(e) The Contractor *shall* claim duty-free entry only for *supplies* to be delivered to the Government under this contract, either as *end products* or incorporated into *end products*, and *shall* pay duty on *supplies*, or any portion of them, other than *scrap*, salvage, or competitive sale authorized by the *Contracting Officer*, diverted to nongovernmental use.

(f) The Government will execute any required duty-free entry certificates for *supplies* to be accorded duty-free entry and will assist the Contractor in obtaining duty-free entry for these *supplies*.

(g) Shipping documents for *supplies* to be accorded duty-free entry shall consign the *shipments* to the *contracting* agency in care of the Contractor and shall include the-

(1) Delivery address of the Contractor (or *contracting* agency, if appropriate);

(2) Government prime contract number;

(3) Identification of carrier;

(4) Notation "*UNITED STATES* GOVERNMENT, \_\_\_\_ [*agency*] \_\_\_\_, Duty-free entry to be claimed pursuant to Item No(s) \_\_\_\_ [*from Tariff Schedules*] \_\_\_\_, Harmonized Tariff Schedules of the *United States*. Upon arrival of *shipment* at port of entry, District Director of Customs, please release *shipment* under 19 CFR Part 142 and notify [*cognizant contract administration office*] for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates.";

(5) Gross weight in pounds (if *freight* is based on space tonnage, state cubic feet in addition to gross shipping weight); and

(6) Estimated value in *United States* dollars.

(h) The Contractor shall instruct the foreign supplier to-

(1) Consign the *shipment* as specified in paragraph (g) of this clause;

(2) Mark all packages with the words "*UNITED STATES* GOVERNMENT" and the title of the *contracting* agency; and

(3) Include with the *shipment* at least two copies of the bill of lading (or other shipping document) for use by the District Director of Customs at the port of entry.

(i) The Contractor shall provide written notice to the *cognizant contract administration office* immediately after notification by the *Contracting Officer* that duty-free entry will be accorded foreign *supplies* or, for duty-free *supplies* identified in the Schedule, upon award by the Contractor to the overseas supplier. The notice shall identify the-

(1) Foreign *supplies*;

(2) Country of origin;

(3) Contract number; and

(4) Scheduled delivery date(s).

(j) The Contractor shall include the substance of this clause in any subcontract if-

(1) *Supplies* identified in the Schedule to be accorded duty-free entry will be imported into the *customs territory of the United States*; or

(2) Other foreign *supplies* in excess of \$15,000 may be imported into the *customs territory of the United States*.

(End of clause)

**Parent topic:** [52.225 \[Reserved\]](#)