Bonds and Definitions

C-1 Continuous Customs Bond - A continuous customs bond covers all imported shipments for one year from the date of issue.

C-2 Custodian Bond - A C-2 custodian bond ensures that cargo is handled according to regulations while it is still "in-bond." In-bond cargo is cargo that has not yet been officially entered into U.S. commerce, and for which duties are still due.

Who Needs a C-2 Bond?

- Bonded warehouses
- Domestic common carriers
- Cartmen
- Lightermen
- Container freight station operators
- Centralized examination station operators

C-3 International Carrier Bond - An international carrier bond ensures that international carriers follow regulations when transporting passengers, cargo, and crew. It is also known as an Activity Code 3 bond.

What It Guarantees

- Carriers properly manifest all cargo and passengers
- Carriers pay overtime to customs officers
- Carriers comply with regulations for clearing vehicles
- Carriers pay passenger user fees
- Carriers pay for vessel repair duty
- Carriers meet airport security requirements
- Carriers meet ISF requirements

Who Needs It?

- Operators of ships, airlines, and other conveyors of international merchandise
- Commercial air carriers
- Marine terminal operators

C-4 Foreign Trade Zone - There are three types of foreign trade:

1. Import trade: The purchase of goods and services by one country from another
2. Export trade: The selling of goods and services to another country
3. Entrepot trade: Also known as re-export

BMC-84 Bond - A BMC-84 bond ensures freight brokers and forwarders comply with regulations and pay their bills. It is also known as a freight broker bond, property broker bond, or ICC bond.

Purpose

- Ensure brokers follow FMCSA regulations
- Ensure brokers pay shippers and carriers on time
- Protects shippers and carriers if brokers do not pay or violate contracts
- Promotes trust and reliability in the freight brokerage industry

How It Works

- Brokers partner with a surety company
- Brokers pay a premium, which is a percentage of the $75,000 bond amount
- The premium varies based on creditworthiness and financial history
- If a broker does not pay, the bond provides a way for affected parties to recover their losses

Who Needs It?

- All freight brokers and forwarders need a BMC-84 bond to obtain brokerage authority

Single-Entry Bonds - Single-entry bonds cover one import or shipment only. If you are planning a one-off shipment or intend to make only one shipment within a given year, this is the type of bond you will need. You must have a file code to purchase this type of bond.

Ocean Freight Forwarder Bond (OFF) & Non-Vessel-Operating Common Carriers (NVOCCs) -

Purpose

- To guarantee an OTI will meet all FMC regulations and fulfill financial responsibilities.

Who Needs It?

- All ocean transportation intermediaries operating in the U.S.

Regulating Body

- The Federal Maritime Commission.

Required Amount

- $50,000 for OFFs and $75,000 for NVOCCs.