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## Duty Savings Opportunity on Imported Scientific Instruments for Research Institutions

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US research hospitals and other research institutions that import scientific instruments should take advantage of a US customs procedure that allows foreign instruments to enter duty-free if imported by such institutions, providing significant savings for the importer.

The **Agreement on the Importation of Educational, Scientific and Cultural Materials** (known as the Florence Agreement) is a multinational treaty which seeks to further the cause of peace through the freer exchange of ideas and knowledge across national boundaries.

- Of primary interest to health care and other research institutions, the Florence Agreement provides that scientific instruments and apparatus intended exclusively for educational purposes or pure scientific research use by qualified nonprofit institutions shall enjoy duty-free entry if instruments or apparatus of equivalent scientific value are not being manufactured in the country of importation.
- The Florence Agreement and the procedures for obtaining the duty-free treatment for eligible imports are implemented in US law and regulations at 15 CFR Part 301. Imports of instruments that qualify are entered duty-free upon classification in Subchapter X, Chapter 98, of the Harmonized Tariff Schedule of the United States (HTSUS).

An institution wishing to enter an instrument or apparatus under subheading 9810.00.60 of the HTSUS must file an application with US Customs and Border Protection (CBP).

- When a valid application is received, notice of the application is published in the Federal Register to provide an opportunity for interested persons and government agencies to present views.
- The application is reviewed by the US Secretary of Commerce (Director, Statutory Import Programs Staff), who decides whether duty-free entry may be accorded the instrument and publishes the decision in the Federal Register.
- An appeal of the final decision may be filed with the US Court of Appeals for the Federal Circuit, on questions of law only, within 20 days after publication in the Federal Register.

Articles entered under these provisions must be exclusively for the use of the institutions involved and not for distribution, sale, or other commercial use within five years after entry. These articles may be transferred to another qualified nonprofit institution, but any commercial use within five years of entry would result in the assessment of applicable duties.

- Repair components for instruments or apparatus admitted duty-free under these provisions require no application and may be entered duty-free under tariff subheading 9810.00.65, HTSUS.
- Likewise, tools specifically designed to be used for the maintenance, checking, gauging or repair of instruments or apparatus admitted under these provisions require no application and may be entered duty-free under tariff subheading 9810.00.67, HTSUS.



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