



hio
Global Summit



Concurrent Breakout Session 2

Room #1

Export Documentation

DOCUMENTATION FOR INTERNATIONAL SHIPMENTS

Ohio Global Summit
September 22, 2010



GENERAL REFERENCES

- Export.gov - Attachment A
- http://www.export.gov/logistics/eg_main_018121.asp lists all the potential shipping documents with samples
- BNA's Export Reference Library - <http://www.bna.com/products/corplaw/exgw.htm> Lists documents required per country
- U.S. Export Assistance Centers
 - Cleveland – 216 522-4750
 - Cincinnati – 513 684-2944
 - Columbus – 614 365-9510
- Global Markets Division, State Ohio – 614 466-5017

INCOTERMS

Terms of Sales – define the responsibility between buyer and seller

- “E” – Departure
- “F” – Main Carriage Unpaid
- “C” – Main Carriage Paid
- “D” – Arrival
- New Versions – Incoterms 2010 – Will go down to just 11 terms divided between omnimodal and marine-only groups
 - October 27th – Frank Reynolds –Cleveland
 - November 30 – Frank Reynolds - Cincinnati

<http://www.iccincoterms2010.org/>

Incoterms for Americans – Author – Frank Reynolds

BILL OF LADING

Bill of Lading – contract between the owner of the goods and the carrier

- Air Way Bills, air freight shipment
 - Never negotiable
- Bill of Lading, vessel shipments
 - Straight bill of lading – not negotiable, does not give title of goods
 - Negotiable bill of lading – can be bought, sold or traded while the goods are in transit
 - “Order of Shipper” in consignee field- the title and possession of goods once the carrier signs the b/l will go to seller

COMMERCIAL INVOICE

A commercial invoice is a bill for the goods from the buyer to the seller

- Many governments use the commercial invoice to determine the true value of goods when assessing customs duties.
 - some countries will have specific forms or may specify: content, number of copies, language to be used, and other characteristics
- Proforma Invoice – detailed quotation
 - Useful for buyers who open letter of credit
 - Seller shows the buyer all costs associated with the purchase
 - Helpful when deciding who can get better rate on insurance and freight

HS CLASSIFICATION

Harmonized Tariff Schedule of US – Import
Number Schedule B – Export Numbers

Tools Used to Classify

- Tariff Classification – US Customs and Border Patrol – Informed Compliance -
http://cbp.gov/linkhandler/cgov/trade/legal/informed_compliance_publications/icp017r2.ctt/icp017r2.pdf
- General Rules of Interpretation – Attachment B
<http://www.usitc.gov/publications/docs/tata/hts/bychapter/1000gn.pdf>
- Section Notes/Chapter Notes - <http://www.census.gov/foreign-trade/schedules/b/2010/index.html>
- Explanatory Notes -
http://www.wcoomd.org/home_online_services_hs_online.htm
- Customs Rulings Online Search System (CROSS) -
<http://rulings.cbp.gov/>

CERTIFICATE OF ORIGIN

Certificate of Origin – is a signed statement as to the origin of the export item

- All USA trade agreements are based on “substantial transformation” and not content
- If your goods do not qualify or there is a zero duty rate –then no need to complete the certificate of origin for preferential treatment
- All references to General Notes (GN) can be found
 - <http://www.usitc.gov/tata/hts/bychapter/index.htm>

CERTIFICATE OF ORIGIN CONTINUED

- Specific certificate of origins are sometimes required for countries involved in special trade agreements

- NAFTA – Mexico, Canada and USA (GN 12)

- Prepared by exporter
- Specific rules of origin

Example: Attachment C

A change to heading 1905 from any other chapter

Bread: 1905 – produced in the US (exported to Nafta country)

Flour: 1101 – European Flour (imported)

- Israel – (GN 8), Green form only

- Prepared by exporter
- Not less than 35% content and processing

CERTIFICATE OF ORIGIN CONTINUED

- Generic Certificate of Origins for other FTAs
 - Andean Trade Preference Act (Colombia, Ecuador and Peru) (GN 11)
 - Not less than 35% content and processing
 - Caribbean Basin Trade Partnership Act (Barbados, Belize, Guyana, Haiti, Jamaica, Panama, Saint Lucia, Trinidad and Tobago) (GN 17)
 - See the NAFTA rules of origin

CERTIFICATE OF ORIGIN CONTINUED

Generic Certificate of Origins for other FTAs - continued

- Jordan FTA (GN 18)
 - Prepared by exporter
 - Not less than 35% content and processing
- DR-CAFTA (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Dominican Republic) (GN 29)
 - Prepared by importer
 - Specific rules of origin

CERTIFICATE OF ORIGIN CONTINUED

Generic Certificate of Origins for other FTAs - continued

- Bahrain (GN 30)
 - Not less than 35% content and processing
- Oman (GN 31)
 - Not less than 35% content and processing

CERTIFICATE OF ORIGIN CONTINUED

Certificate of Origins – *Not Required*, but can be used, prepared by importer

- Chile FTA (GN 26)
 - Specific rules of origin
- Morocco FTA (GN 27)
 - Not less than 35% content and processing
- Australia FTA (GN 28)
 - Specific rules of origin
- Singapore FTA (GN 25)
 - Specific rules of origin

INSPECTION CERTIFICATE DOCK RECEIPTS

Inspection Certificate – required by some purchasers and countries to attest to the specifications of goods shipped

- Usually performed by a third party independent testing organization

Dock Receipt/Warehouse Receipt

- Used to transfer accountability when the domestic carrier moves the export time to the port of embarkation and leaves it to the shipping line to export

EXPORT PACKING LIST

It itemizes the material in each package and indicates the type of package.

It also shows the individual net, tare and gross weights and measurements for each package in both U.S. and metric systems

INSURANCE CERTIFICATE

Is used to assure the consignee that insurance will cover the loss of or damage to the cargo during transit.

- If the terms of sale make you responsible for insurance, your company should either obtain its own policy or insure the cargo under a freight forwarder's policy for a fee
- If the foreign buyer is responsible, you should not assume or even take the buyer's word that adequate insurance has been obtained

AUTOMATED EXPORT SYSTEM (AES)

EEI - Electronic Export Information

- Shipment – Is merchandise shipped from on U.S. Principal Party in Interest (USPPI) to one consignee, to a single country of destination, on a single conveyance, on the same day, valued over \$2,500 per schedule B or when a license is required
 - USPPI – Is the person or entity in the U.S. that receives the primary benefit

- Dual Use
 - Statistical Purposes
 - Export Control and Enforcement

(AES) CONTINUED

EEI Reporting Requirements

- Shipped from United States to:
 - Canada (if a license is required), Foreign Countries, Puerto Rico, U.S. Virgin Islands
- Shipped from Puerto Rico to
 - United States, Foreign Countries, U.S. Virgin Islands
- Shipped from U.S. Virgin Islands to
 - Foreign Countries
- Shipped from U.S. Foreign Trade Zones to
 - Foreign Countries

(AES) CONTINUED

EEI Not Required

- Shipped from Other U.S. Territories to:
 - United States, Foreign Countries, Other U.S. Territories
 - Shipped from U.S., Puerto Rico, Virgin Islands to Other U.S. Territories (Guam Island, American Samoa, Wake Island, Midway Island and Northern Mariana Islands)

EXPORT COMPLIANCE

Destination Control Statement – placed on all shipping documents

- *“These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.”*
- OFAC Country List – Attachment D
 - <http://www.ustreas.gov/offices/enforcement/ofac/programs/index.shtml>
- Lists To Check – Attachment E
 - <http://www.bis.doc.gov/complianceand enforcement/liststocheck.htm>
- Red Flags – EAR, Part 732, Supplement 3 – Attachment F
- http://www.access.gpo.gov/bis/ear/ear_data.html

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FedEx[®] Electronic Trade Documents

Automating the flow of international trade documents.

Contents

- What Is FedEx® Electronic Trade Documents?
- Who Should Use FedEx Electronic Trade Documents?
- How Will FedEx Electronic Trade Documents Help My Business?
- How Do I Get Started?



What Is FedEx® Electronic Trade Documents ?

FedEx Electronic Trade Documents is an international shipping solution that allows you to submit your customs documentation electronically so you no longer need to print multiple copies – it's all automated.

FedEx Electronic Trade Documents helps you:

- Simplify and streamline your international shipping process
- Be more efficient by saving time and money
- Gain additional peace of mind by optimizing the preclearance process
- Minimize your environmental impact by providing a sustainable solution that lowers your carbon footprint

Who Should Use FedEx® Electronic Trade Documents?

FedEx Electronic Trade Documents is a great solution for people who ship nondocument or commodity shipments internationally, and is most beneficial for the following customers:

- Business-to-business shippers (manufacturing, wholesale freight and packages)
- Business-to-consumer shippers (retail packages, residential)
- LAN-based shippers*

*For the optimal experience, we recommend that shippers have a LAN-based connection, but FedEx Electronic Trade Documents will also work with dial-up networks.

How Will FedEx® Electronic Trade Documents Help My Business?

FedEx Electronic Trade Documents simplifies and enhances the international shipping process by:

- Automating the flow of trade documents
- Allowing you to choose to submit your own Commercial Invoices and other ancillary trade documents electronically (such as pro forma invoices, Certificates of Origin and packing lists), or to take advantage of FedEx generated documents
- Enabling you to customize your trade documents by adding your company letterhead and signature image to the documents

How Will FedEx® Electronic Trade Documents Help My Business? (cont'd)

FedEx Electronic Trade Documents increases operational efficiency by:

- Streamlining the shipment processing time for international shipments
- Eliminating manual signing, folding, stuffing and attaching customs documents to each shipment
- Reducing filing time and allowing you to save your documents online for quick and easy use on all future shipments
- Eliminating the need for manual paperwork – helping you save time and money
- Helping you save paper, trees, energy and printing costs

How Will FedEx® Electronic Trade Documents Help My Business? (cont'd)

FedEx Electronic Trade Documents provides additional peace of mind by:

- Optimizing the customs clearance process by allowing for earlier broker review of trade documents
- Notifying you sooner about missing information or if any additional documentation is required
- Reducing the risk of lost, missing or damaged documents
- Providing additional time to resolve potential shipment issues
- Reducing the risk of caged shipments

How Do I Get Started?

Want to streamline your international shipments? FedEx is here to help.

Go to **fedex.com/trade-documents** where you can:

- Learn more about the benefits of FedEx® Electronic Trade Documents
- View a demo video for more details on this solution
- Find out which countries accept electronic submission of customs documents