

PREPARE TO SHIP

Webinar #3: May 23, 2018

World Trade Month
Go Global
Webinar Series



INTERNATIONAL
TRADE
ADMINISTRATION



Go Global Webinar Series

We are here to help you **Go Global**.

Get answers to your top questions on **Getting Started, Getting Paid, Preparing to Ship, and Managing Challenges.**

Brought to you by your federal trade partners: the U.S. Small Business Administration, the U.S. Export-Import Bank, and the U.S. Department of Commerce (U.S. Census Bureau, International Trade Administration, U.S. Commercial Service, and the Bureau of Industry and Security).

Access more international trade resources on www.export.gov.



Episode 3: Prepare to Ship

What's my role in an export transaction?

Who can help me as a small business to prepare my product to export?

What export regulations do I need to know about?

Today's Speakers

Host: Omari Wooden
U.S. Census Bureau

Presenters: Omari Wooden
Acting Chief
International Trade Management Division
U.S. Census Bureau

Deborah Dirr
Senior International Trade Specialist
U.S. Commercial Service

Dina Molaison
Senior International Trade Specialist
U.S. Commercial Service



Foreign Trade Regulations

15 CFR Part 30

The Foreign Trade Regulations (FTR) set forth roles and responsibilities for all parties involved in the export transaction, including:

- Information to be reported in the Automated Export System
- Definitions of terms
- Penalty provisions
- Reporting requirements based on method of transportation
- Exemptions and exclusions from reporting requirements

Learn more about the FTR at:

www.census.gov/foreign-trade/regulations/

Export Administration Regulations

15 CFR Part 730-774

The Export Administration Regulations (EAR) require information to be filed electronically based on the following:

- What item your company intends to export (i.e. technical specifications/use/function)
- Where the item is going (i.e. ultimate destination)
- Who will receive the item (i.e. ultimate consignee or end user)
- How the item will be used or as intended to be used

Steps for Using the EAR are described in Part 732 of 15 CFR.

Also contact Bureau of Industry and Security's export counseling staff for guidance:

- Phone: 202/482-4811; or Email: ecdoexs@bis.doc.gov

Learn more about export controls under the EAR at:

www.bis.doc.gov

Parties to an Export Transaction

Domestic Parties:

- U.S. Principal Party in Interest
- U.S. Authorized Agent
- Carrier

Foreign Parties:

- Foreign Principal Party in Interest
- Ultimate Consignee



U.S. Principal Party in Interest

The U.S. Principal Party in Interest is the:

- U.S. Person or Entity
- Primary Beneficiary of Export Shipment

Generally that person can be the:

- U.S. Seller
- U.S. Manufacturer
- U.S. Order Party
- U.S. Customs Broker
- Foreign Entity

U.S. Authorized Agent

Who is the U.S. Authorized Agent?

A party physically located in the U.S. that obtains a *power of attorney (POA)* or *written authorization* from a USPPI or FPPI to prepare and file the electronic export information (EEI).



When electronic reporting is required

- Shipment licensed by government agencies
- ITAR controlled items
- Sanctioned by the Office of Foreign Asset Control
- Rough diamonds
- Used self-propelled vehicles
- Items identified in “600 Series”, in paragraphs .a through .x

When electronic reporting is NOT required

- Country of ultimate destination is Canada [30.36(a)]
- \$2,500 or less per Schedule B number [30.37(a)]
- Tools of Trade: hand-carried, personal or company use, not for sale, not shipped as cargo, returned within 1 year [30.37(b)]
- Temporary exports that are exported from and returned to the US in less than one year
- Goods previously imported under a TIB for return in the same condition as when imported

Automated Commercial Environment (ACE)

ACE is a collaborative effort between the U.S. Census Bureau, U.S. Customs and Border Protection and other federal agencies to allow for exports to be reported electronically.

Benefits of electronic reporting:

- Improves trade statistics
- Improves compliance for export community
- Response messages returned within minutes
- Reduces reporting burden

Learn more about ACE at:

www.census.gov/foreign-trade/aes/

Best Practices in Compliance

Document!!! Document!!! Document!!!

Correct information as soon as possible

Maintain compliance

- Education & cross training
- Automation & Procedures
- Perform regular audits

Attend Seminars & Workshops



Training and Resources

Webinars:

- Advanced ACE Export Reports
- Exporting Vehicles to Canada
- ACE AESDirect Demonstration
- Roadmap to Successful Voluntary Self-Disclosure
- AES – Focus on Fatal Errors

Conferences:

- ACE Exports Compliance Seminar, Houston and Dallas, TX – June 4-8
- American Association of Exporters and Importers, Baltimore, MD – June 6-8

To register visit:

[census.gov/foreign-trade/outreach/index.html](https://www.census.gov/foreign-trade/outreach/index.html)

Training and Resources

Complying with US Export Controls:

- Cleveland, OH – May 23-24
- Seattle, WA – June 6-7
- Houston, TX – June 12-13
- Charleston, SC – July 10-11
- Milpitas, CA – August 14-15
- Smithfield, RI – September 12-13
- Los Angeles, CA - September 19-20

To register and check for updates visit:

www.bis.doc.gov



INTERNATIONAL TRADE STATISTICS

PRODUCTS and **SERVICES**
TO HELP YOU EXPORT

Modifications to Products

- Understanding requirements and preferences in a market
- Sources of information on how to change your products (or not)
- Expenses associated with modifications vs. sales potential

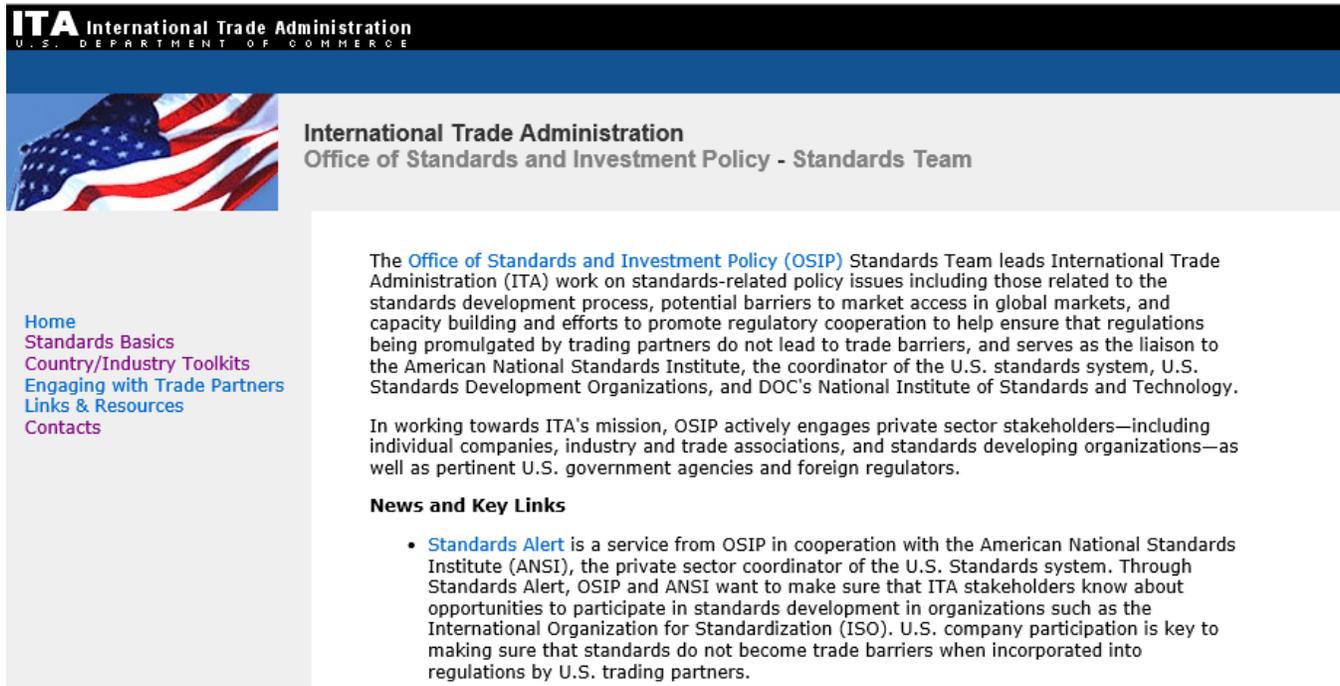
Move calories up, bold and increase font size	→
Remove thin line between Fat and Saturated	→
Nutrients of public health concern to limit have a %DV and are above the thick line	→
Nutrients of public health concern to get enough of have a %DV and are below the thick line	→

Nutrition Facts		Valeur nutritive	
Per 3/4 cup (175 g) / par 3/4 tasse (175 g)			
Calories 170		% Daily Value (DV) % valeur quotidienne (VD)	
Fat / Lipides	5 g	1 %	
Saturated / saturés	3.5 g	18 %	
Trans / trans	0.2 g	10 %	
Cholesterol / Cholestérol 20 mg			
Sodium / Sodium	450 mg	20 %	
Carbohydrate / Glucides	23 g		
Total Sugars / Sucres totaux	18 g	18 %	
Added Sugars / Sucres ajoutés	12 g		
Fibre / Fibres 0 g			
Protein / Protéines	7 g		
Vitamin D / Vitamine D	1.3 µg	9 %	



Global Standards

- Standards are the number one barrier for U.S. exporters
- Input from U.S. firms is important
- The U.S. Government offers support and many resources for compliance!



The screenshot shows the website for the International Trade Administration (ITA), U.S. Department of Commerce, specifically the Office of Standards and Investment Policy (OSIP) Standards Team. The page features a navigation menu on the left with links to Home, Standards Basics, Country/Industry Toolkits, Engaging with Trade Partners, Links & Resources, and Contacts. The main content area includes a header with the ITA logo and a sub-header for the OSIP Standards Team. The text describes the team's role in leading ITA's work on standards-related policy issues, including market access, regulatory cooperation, and capacity building. It also mentions the team's coordination with the American National Standards Institute (ANSI), U.S. Standards Development Organizations, and the National Institute of Standards and Technology (NIST). A section titled "News and Key Links" highlights the "Standards Alert" service, which provides information on standards development opportunities and regulations.

ITA International Trade Administration
U.S. DEPARTMENT OF COMMERCE

 International Trade Administration
Office of Standards and Investment Policy - Standards Team

[Home](#)
[Standards Basics](#)
[Country/Industry Toolkits](#)
[Engaging with Trade Partners](#)
[Links & Resources](#)
[Contacts](#)

The [Office of Standards and Investment Policy \(OSIP\)](#) Standards Team leads International Trade Administration (ITA) work on standards-related policy issues including those related to the standards development process, potential barriers to market access in global markets, and capacity building and efforts to promote regulatory cooperation to help ensure that regulations being promulgated by trading partners do not lead to trade barriers, and serves as the liaison to the American National Standards Institute, the coordinator of the U.S. standards system, U.S. Standards Development Organizations, and DOC's National Institute of Standards and Technology.

In working towards ITA's mission, OSIP actively engages private sector stakeholders—including individual companies, industry and trade associations, and standards developing organizations—as well as pertinent U.S. government agencies and foreign regulators.

News and Key Links

- [Standards Alert](#) is a service from OSIP in cooperation with the American National Standards Institute (ANSI), the private sector coordinator of the U.S. Standards system. Through Standards Alert, OSIP and ANSI want to make sure that ITA stakeholders know about opportunities to participate in standards development in organizations such as the International Organization for Standardization (ISO). U.S. company participation is key to making sure that standards do not become trade barriers when incorporated into regulations by U.S. trading partners.

Resources on Export.gov

- U.S. Commercial Service Locations: <https://www.export.gov/locations>
- Making the Export Sale videos: <https://www.export.gov/article?id=Preparing-your-product-for-export>
- Country Commercial Guides: <https://www.export.gov/ccg>

Make the Export Sale

The fifth set in the Export Basics video series tells you what you need to know about making the export sale and getting your product out into overseas markets. Watch the video set today:

The "Make the Export Sale" Video Set:

1. [Preparing Your Product for Export](#)
2. [Introduction to Free Trade Agreements](#)
3. [Shipping Basics](#)
4. [Pricing and Quotations](#)
5. [Export Documentation](#)

Subscribe to our [email updates and tips](#).
[Download Video 23 MB]



Service Providers for Shipping

- Export freight forwarders are licensed to handle airfreight and ocean freight.
- They advise on costs, the best modes of cargo transport and they can prepare and file export documentation and package
- They reserve cargo space on a vessel, aircraft, train, or truck and make arrangements with foreign brokers to ensure that the goods clear customs.



How to find a freight forwarder?

NCBFAA (National Customs Brokers and Forwarders Association of America): www.ncbfaa.org

www.freightnet.com

www.freightbook.net

www.fmc.gov

Your local U.S. Commercial Service office:
<https://2016.export.gov/usoffices/index.asp>



Documentation for Export Compliance

export.gov

Helping U.S. Companies Export

Search



Log In

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[Customized Services](#)

[Market Intelligence](#)

[Events](#)

[Trade Problems](#)

[FAQs](#)

[Boards](#)

[About Us](#)



LOGISTICS

Understand the logistics of shipping, including the distribution changes driven by eCommerce.

GO GLOBAL Webinar Series

Certificates & Documentary Requirements for Shipping Specific Goods

- ***Insurance Certificate***

Insurance certificates are used to assure the consignee that insurance will cover the loss of or damage to the cargo during transit. These can be obtained from your freight forwarder or publishing house. Note: an airway bill can serve as an insurance certificate for a shipment by air. Some countries may require certification or notification.

- ***Certificate of Free Sale***

Certificate of free sale may be issued for biologics, food, drugs, medical devices and veterinary medicine. More information is available from the Food and Drug Administration. Health authorities in some states as well as some trade associations also issue Certificates of Free Sale.

- ***Phytosanitary Certificate***

- ***Radiation Certificate***

- ***Ingredients Certificate***

- ***Health Certificate***

- ***Halal Certificate***

- ***Fumigation Certificate***

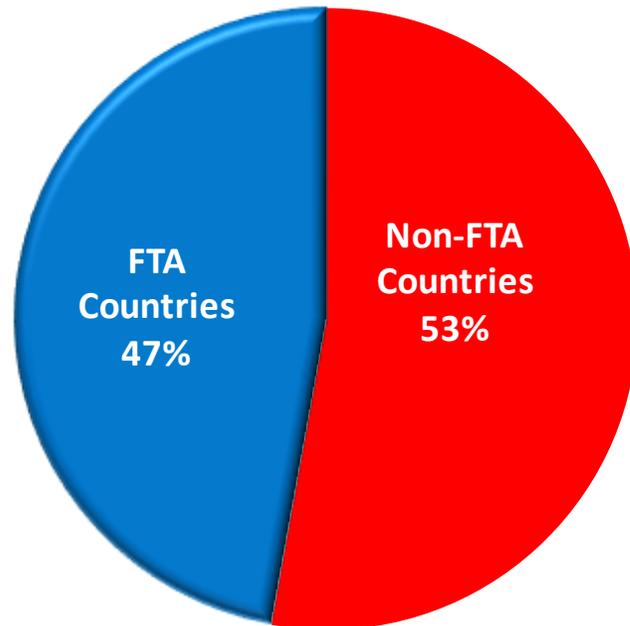
- ***Certificate of Analysis***

Examples of Documentary Requirements for China

- Cosmetics need to be registered with the ***Chinese FDA***
- Telecommunications products, including wired and wireless equipment, hardware, and software, must be licensed by ***the Telecommunications Administration of the Ministry of Industry and Information Technology***.
- Organic products must be certified as meeting Chinese organic standards by a body authorized by the ***Certification and Accreditation Administration of China (CNCA)***
- Imported and domestically produced computer software and hardware products used for data security or encryption must be tested and certified by ***the China Information Security Certification Center (ISCCC)***.

Free Trade Agreements (FTAs)

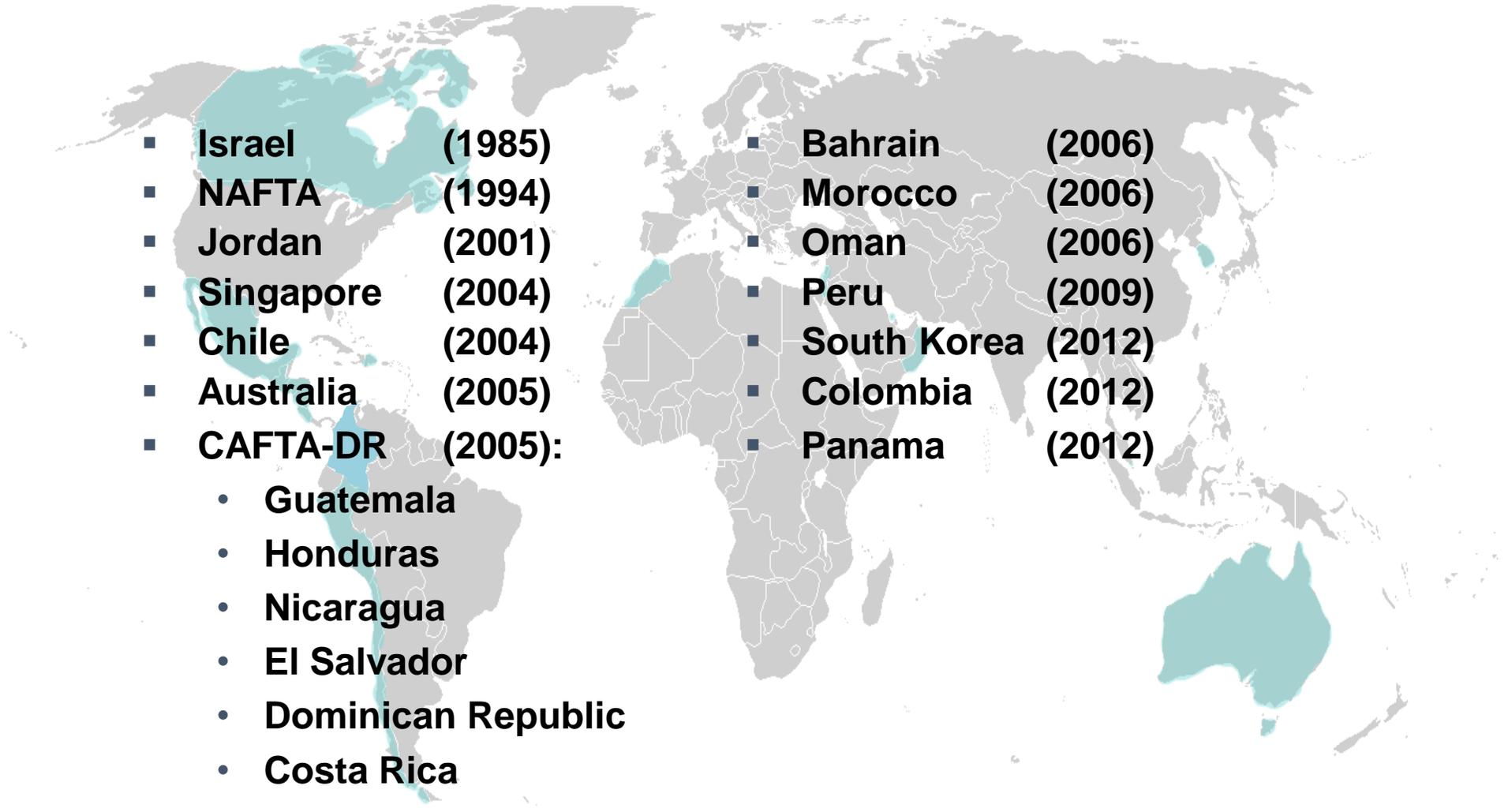
Percent of U.S. Exports 2016



A **Free Trade Agreement** is a formal agreement between two or more countries where the countries agree on certain behaviors that affect trade in goods and services, and protections for investors and intellectual property rights, among other topics.

For the United States, the main goal of trade agreements is to reduce barriers to U.S. exports, and protect U.S. interests and enhance the rule of law in the FTA partner country.

FTAs in Effect



- **Israel** (1985)
- **NAFTA** (1994)
- **Jordan** (2001)
- **Singapore** (2004)
- **Chile** (2004)
- **Australia** (2005)
- **CAFTA-DR** (2005):

- **Guatemala**
- **Honduras**
- **Nicaragua**
- **El Salvador**
- **Dominican Republic**
- **Costa Rica**

- **Bahrain** (2006)
- **Morocco** (2006)
- **Oman** (2006)
- **Peru** (2009)
- **South Korea** (2012)
- **Colombia** (2012)
- **Panama** (2012)

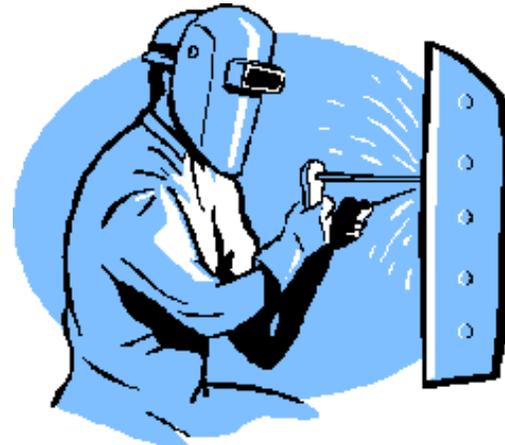
How to Get the Reduced Tariff Benefits of the FTAs

- Make sure your product qualifies for the preference under the FTA rules.
- Let your customer know you have done your homework and the product qualifies.
- Fill out the relevant paperwork.



What is Qualifying?

- Just because your product is made or assembled in the U.S. does not automatically mean that it qualifies for FTA tariff reductions.
- Rules vary in the FTAs, but must prove “value-added” content or work from within the FTA.

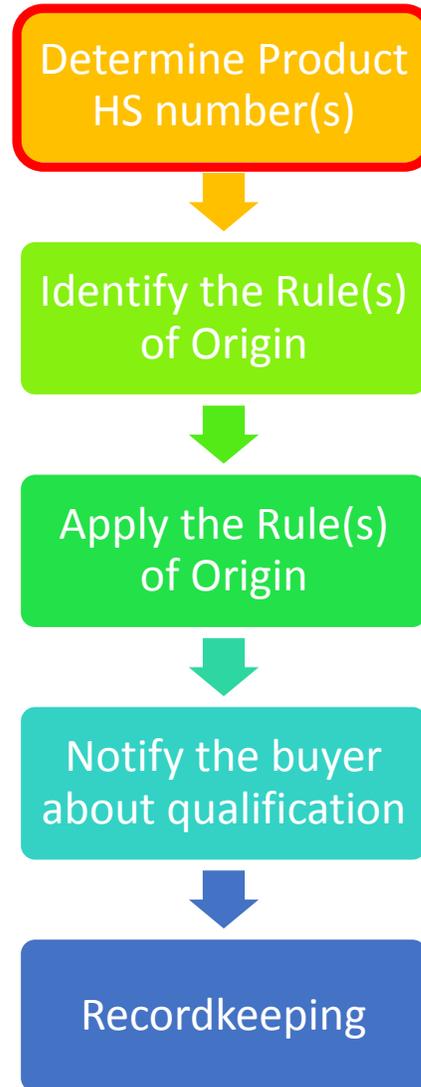


Can I still Export my Product if it doesn't Qualify for the FTA?

- Yes, but your customer cannot claim reduced FTA tariffs.
- You cannot (and should not) use the FTA Certificate of Origin.
 - (if there is one – NAFTA)



FTA Qualification Steps



Harmonized Schedule Number: How to Read

Chapter: 85 (two digits)

Heading: 8509 (four digits)

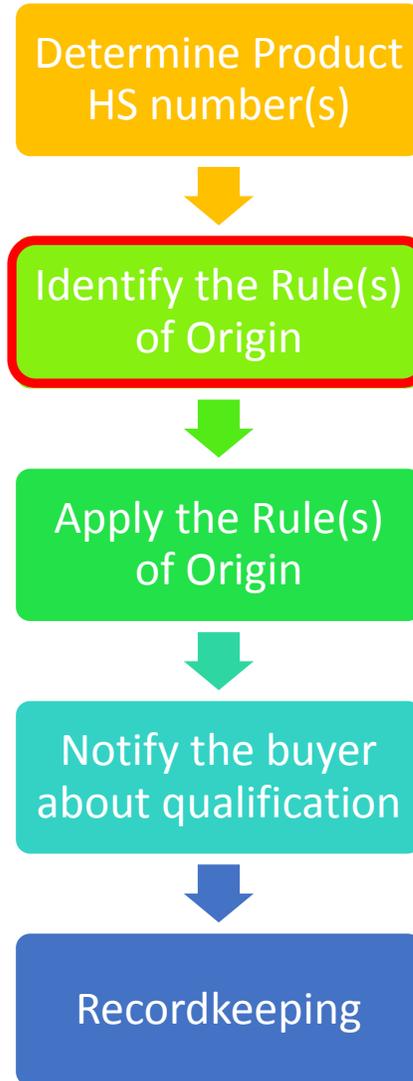
Subheading: 8509.40 (six digits)

Harmonized System Numbering

- Every item is assigned an HS number. Some are more specific than others.
- Every 6-digit item is part of a series of progressively broader product categories.
 - 01 -- Live Animals
 - 0101 – Horses, mules and hinnies
 - 0101.21.000 – Horses: purebred breeding animals



FTA Qualification Steps



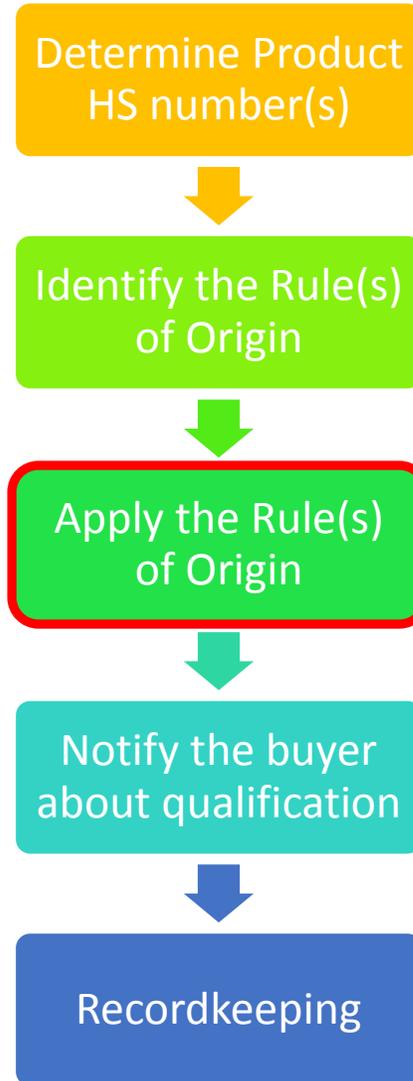
Finding the Rules of Origin

www.export.gov/fta

www.ustr.gov

<http://www.usitc.gov/tata/hts/bychapter/index.htm>
(General Notes)

FTA Qualification Steps



Documenting Origin – NAFTA and Israel

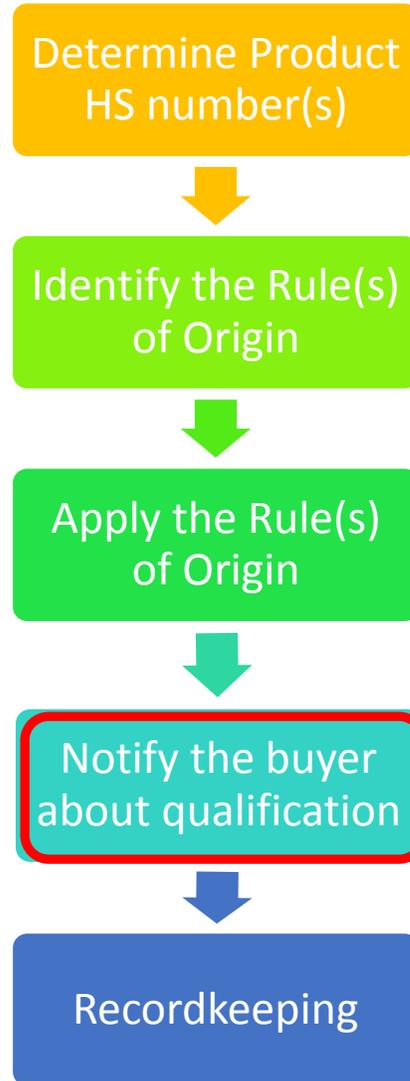
- NAFTA Certificate of Origin free at [Export.gov/FTA/NAFTA](https://www.export.gov/FTA/NAFTA)
- NAFTA Self-certification and send to buyer
- U.S. exporters to Israel will no longer need to fill out a Green Form/Certificate of Origin (COO) in order to make a claim of preferential treatment under the FTA. Instead, exporters will need to fill out an Invoice Declaration only.
- The Government of Israel notified that they started implementing the Decision on January 10, 2018. Between January 10 and March 31, Israeli Customs will accept both the Green Form/COO and the Invoice Declaration. **After March 31, 2018, only Invoice Declarations will be accepted.**
- Israel FTA Information at [Export.gov/FTA/Israel](https://www.export.gov/FTA/Israel)

The image displays two forms related to documenting origin. The top form is a NAFTA Certificate of Origin, and the bottom form is a U.S. Certificate of Origin.

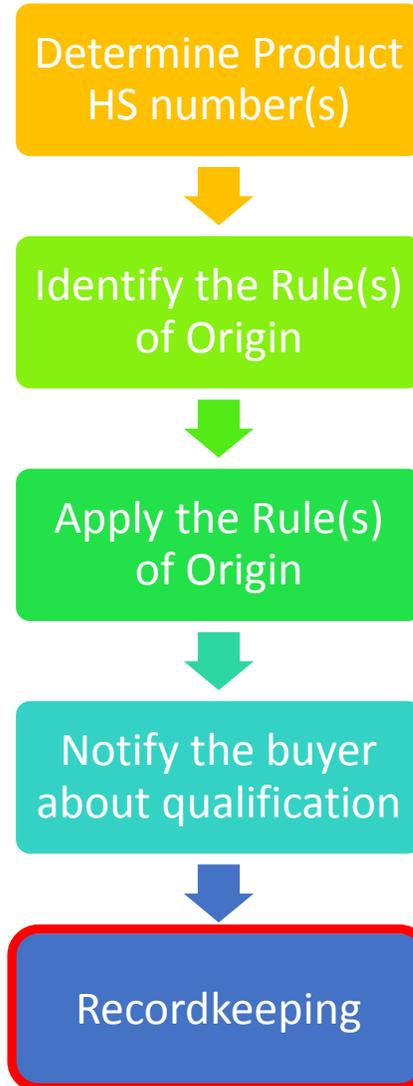
NAFTA Certificate of Origin: This form is titled "DEPARTMENT OF COMMERCE NORTH AMERICAN FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN". It includes fields for "Place and type of origin", "Exporting country", "Exporting address", "Exporting name", "Exporting address", "Exporting telephone", "Exporting fax", "Exporting email", "Exporting website", "Exporting country", "Exporting name", "Exporting address", "Exporting telephone", "Exporting fax", "Exporting email", "Exporting website", "Exporting country", "Exporting name", "Exporting address", "Exporting telephone", "Exporting fax", "Exporting email", "Exporting website".

U.S. Certificate of Origin: This form is titled "U.S. CERTIFICATE OF ORIGIN". It includes fields for "1. Name and address of exporter", "2. Name and address of importer", "3. Description of goods", "4. Country of origin", "5. Date of issue", "6. Signature of exporter", "7. Signature of importer", "8. Signature of customs official".

FTA Qualification Steps



FTA Qualification Steps



FTA Tariff Tool

<http://www.export.gov/FTA/FTATariffTool/>

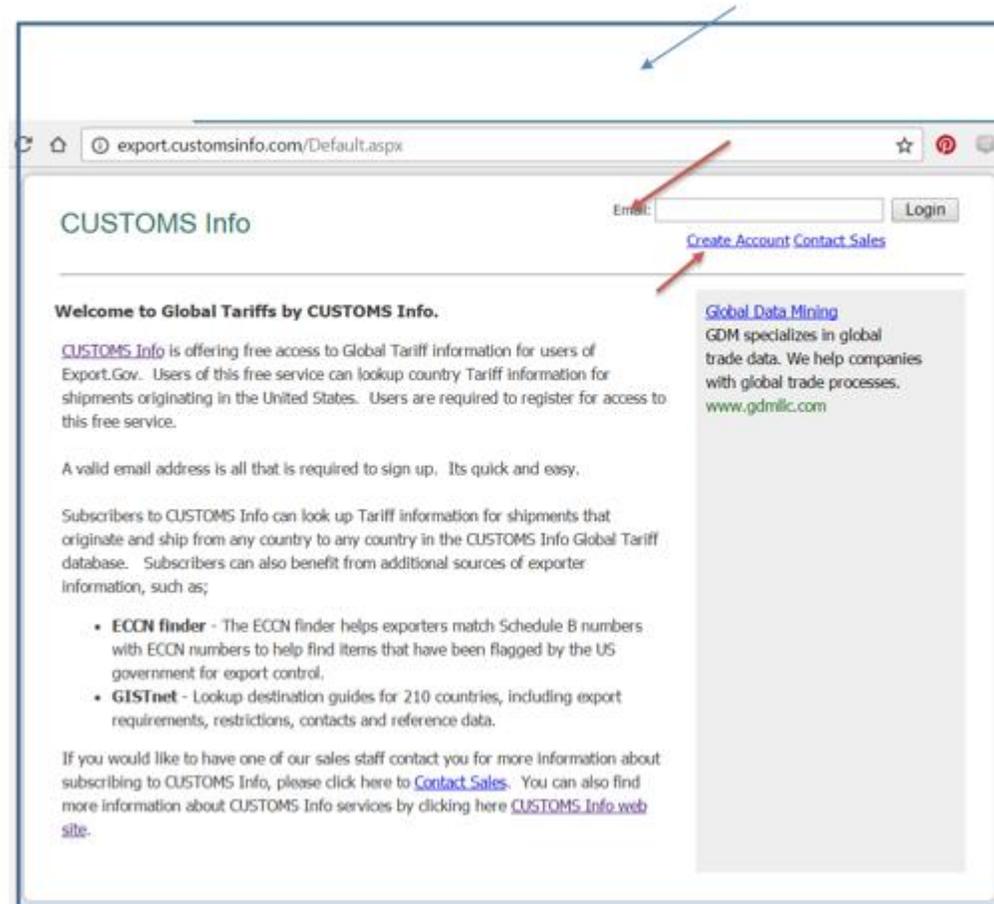
The screenshot displays the export.gov website interface. At the top, the browser address bar shows the URL <http://www.export.gov/FTA/FTATariffTool/>. The website header features the "export.gov" logo with the tagline "Helping U.S. Companies Export". Navigation tabs include "Opportunities", "Solutions", "Locations", "FAQ", "Blog", and "Connect". A search bar is located in the top right corner.

The main content area is titled "FTA Tariff Tool" and includes a breadcrumb trail: "Home > FTA > FTA Tariff Tool". A central graphic shows a world map with a laptop and tablet displaying the tool's interface. Text above the graphic reads: "The FTA Tariff Tool now includes the latest information on tariffs in TPP" with a link to <http://export.gov/ta/ftatarifftool/>. Below the graphic is a prominent blue button labeled "Launch the FTA Tariff Tool".

On the left side, there are two sections: "FTA Tariff Tool" with links to "FTA Tariff Tool Home", "Launch the FTA Tariff Tool", "Quickstart Guide [NEW]", "What is the FTA Tariff Tool", and "Questions and Comments"; and "FTA Tariff Tool Searches" with a link to "What's My Tariff".

At the bottom of the page, there is a world map with a play button icon, suggesting a video player. The Windows taskbar at the very bottom shows various application icons and the system clock indicating 2:37 PM on 4/12/2016.

Customs Info Database – A Tariff Lookup Tool



The screenshot shows a web browser window with the URL `export.customsinfo.com/Default.aspx`. The page title is "CUSTOMS Info". At the top right, there is an "Email:" input field and a "Login" button. Below the input field is a blue link that says "Create Account Contact Sales".

Welcome to Global Tariffs by CUSTOMS Info.

[CUSTOMS Info](#) is offering free access to Global Tariff information for users of Export.Gov. Users of this free service can lookup country Tariff information for shipments originating in the United States. Users are required to register for access to this free service.

A valid email address is all that is required to sign up. Its quick and easy.

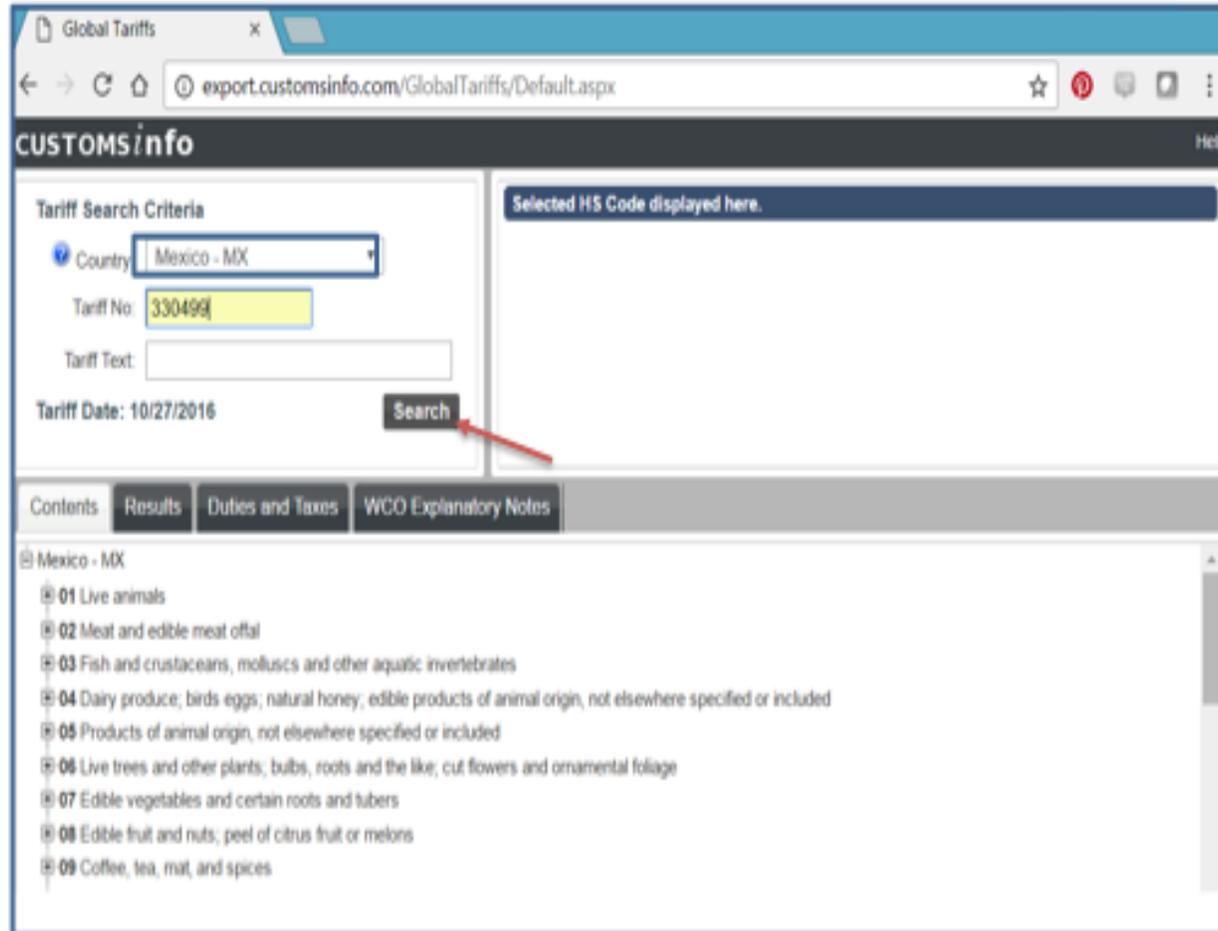
Subscribers to CUSTOMS Info can look up Tariff information for shipments that originate and ship from any country to any country in the CUSTOMS Info Global Tariff database. Subscribers can also benefit from additional sources of exporter information, such as;

- **ECCN finder** - The ECCN finder helps exporters match Schedule B numbers with ECCN numbers to help find items that have been flagged by the US government for export control.
- **GISTnet** - Lookup destination guides for 210 countries, including export requirements, restrictions, contacts and reference data.

If you would like to have one of our sales staff contact you for more information about subscribing to CUSTOMS Info, please click here to [Contact Sales](#). You can also find more information about CUSTOMS Info services by clicking here [CUSTOMS Info web site](#).

Global Data Mining
GDM specializes in global trade data. We help companies with global trade processes.
www.gdmllc.com

Customs Info Database – A Tariff Lookup Tool



The screenshot shows a web browser window with the URL `export.customsinfo.com/GlobalTariffs/Default.aspx`. The page title is "CUSTOMS info" and there is a "Help" link in the top right corner. The main content area is divided into two sections. On the left, under "Tariff Search Criteria", there are input fields for "Country" (set to "Mexico - MX"), "Tariff No." (set to "330499"), and "Tariff Text". Below these is a "Tariff Date" field showing "10/27/2016" and a "Search" button. A red arrow points to the "Search" button. On the right, there is a blue header box that says "Selected HS Code displayed here." Below this is a large empty white area. At the bottom of the search area, there are four tabs: "Contents", "Results", "Duties and Taxes", and "WCO Explanatory Notes". The "Contents" tab is selected, showing a list of categories for "Mexico - MX":

- 01 Live animals
- 02 Meat and edible meat offal
- 03 Fish and crustaceans, molluscs and other aquatic invertebrates
- 04 Dairy produce; birds eggs; natural honey; edible products of animal origin, not elsewhere specified or included
- 05 Products of animal origin, not elsewhere specified or included
- 06 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
- 07 Edible vegetables and certain roots and tubers
- 08 Edible fruit and nuts; peel of citrus fruit or melons
- 09 Coffee, tea, mat, and spices

Customs Info Database – A Tariff Lookup Tool

Global Tariffs
export.customsinfo.com/GlobalTariffs/Default.aspx

CUSTOMS info Help

Tariff Search Criteria

Country: Mexico - MX
Tariff No: 330499
Tariff Text:
Tariff Date: 10/27/2016 Search

Selected HS Code displayed here.

Contents Results Duties and Taxes WCO Explanatory Notes

HS Code	Description
330499	Other
33049901	Skin lotions
33049999	Other

Mexican Equivalent of the HS 3304 99 for skin lotion is HS 3304.99.01

Icon to CLICK on

Detailed Duty and Taxes	
Country of Destination: Mexico - MX	
HS Code:33049901 Reporting Units: Kg	
33	Essential oils and resins; perfumery, cosmetic or toilet preparations
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations.
33049	Other:
330499	Other
33049901	Skin lotions
Country of Origin: United States - US	
Country Shipped From: United States - US	
Tariff Treatment1: General Rate	
Tariff Calculation:	15%
Calculation Base:	CIF
Tariff Treatment2: United States of America Rate (NAFTA Rate)	
Tariff Calculation:	Free
Calculation Base:	CIF
Tax 1	
Tax Name:	VAT Standard
Tax Type:	VAT
Tax Calculation:	16% See Formula
Tax Calculation Base:	CIF + DUTY
Formula:	16% * (CIF&DUTY)
Notes:	Standard Vat rate applies to all items unless if a Vat exemption is specified. Also, Tax Rate applies on CIF + duty + excise + any tax or charge on import

Resources

- Export.gov – U.S. Government’s main trade portal: www.export.gov/fta
- FTA Tariff Tool: <http://www.export.gov/FTA/FTATariffTool/>
- U.S. Trade Representative: <https://ustr.gov/trade-agreements/free-trade-agreements>
- Trade Compliance Center: <http://tcc.export.gov/>
- HS Classification help/“Schedule B” Search Engine: <http://www.census.gov/foreign-trade/>
- Customs & Border Patrol (CBP) rulings: <http://rulings.cbp.gov/>
- U.S. Harmonized Tariff Schedule (classification resource & General Notes): <http://www.usitc.gov/tata/hts/bychapter/index.htm>

Upcoming Webinars

For more information or to sign up for our next webinar go to:

<http://www.census.gov/foreign-trade/outreach/index.html>

➤ **Manage Challenges:** May 30, 2018

Questions?



International Trade Resources

WWW.CENSUS.GOV/TRADE

- Press Releases
- Schedule B, Tariff Code Support
- References and Guides
- Hub for Data

Prepared Data

- Imports and Exports of Merchandise
- Imports and Exports History
- Standard and Custom Data Products
- State and Port Data

Access to Detailed Data

- International Trade Time Series (Census API)
- USA Trade Online:
usatrade.census.gov

FOR MORE INFORMATION

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Visit [export.gov](http://www.export.gov) for market intelligence, practical advice, business tools, and government services that help U.S. companies expand in global markets.