

EXPORT DOCUMENT BEST PRACTICES

CREATION OF THE COMMERCIAL INVOICE, ELECTRONIC EXPORT
INFORMATION, AND MORE

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THE COMMERCIAL INVOICE

THE BASICS

WHEN IT IS USED

- All non-document exports must have a commercial invoice, regardless of value

WHAT IT IS FOR

- It provides the relevant information about the commodities to Customs agents, used in determining duties and taxes

WHAT IT INCLUDES

- Shipper and receiver information (Name, address, contact info)
- Description of commodity (What it is, what it is made of, what it is for)
- Origin of commodity (What country it was manufactured in – **NOT** where it is shipping from)
- Value of commodity – Typically sale price, or cost to obtain if not for sale
- Purpose of shipment – Sale, return, repair, gift, other

THE COMMERCIAL INVOICE

SHIPPER AND RECEIVER INFORMATION

- Shipper info must include contact name, company name, full address and phone number. (CampusShip, WorldShip and ups.com automatically populate the commercial invoice based on “ship from” information.)
- Shipper should also include EIN # (Tax ID) for non-doc shipments
- Importer (consignee) info must include contact name and full address
- Importer phone number MUST be accurate (**Do not enter a U.S. phone number**)
- Importer Tax ID should be provided for non-doc shipments
- If importer phone number or Tax ID is unknown, obtain it prior to processing the shipment

THE COMMERCIAL INVOICE

DESCRIPTION OF THE COMMODITY

- **MUST BE SPECIFIC**

- What is it? – Book, keychains, shirt, laptop computer
- What is it made of? -- Plastic, steel, cotton
- What is it for? – promotional giveaway, men's, women's

GOOD

100% cotton men's shirt

Foam stress ball for promotional giveaway, not for resale

BAD

Samples

Computer accessories

THE COMMERCIAL INVOICE

ORIGIN AND VALUE

ORIGIN

- This indicates where the commodity was manufactured (Hong Kong, Mexico, Vietnam, US)
- Never put United States unless that is where it was made

VALUE

- If it is a document, check the box for “Documents – no commercial value”
- **ALL** other items must have accurate valuation
- Non-documents should NEVER be valued at \$0 or \$1, even if being given away
- Example 1: 100 men’s 50/50 Cotton/polyester shirts, Origin: Indonesia, \$10 ea., for promotional giveaway
- Example 2: Dell desktop computer, \$1325

ELECTRONIC EXPORT INFORMATION (EEI)

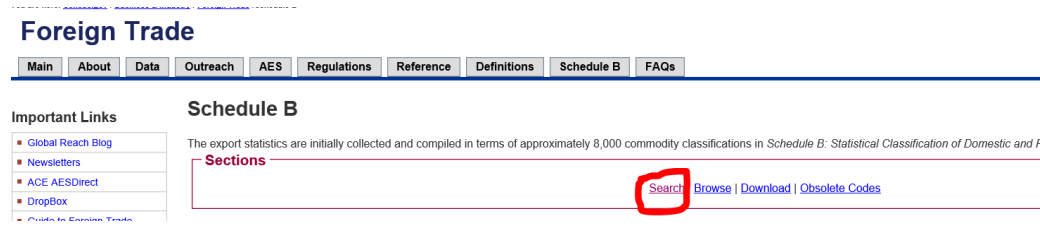
OVERVIEW

- The EEI is the reporting method utilized by the U.S. census bureau to provide high-level commodity export data
- Example: In 2015, U.S. shippers exported \$9.5 million widgets to Italy
- Unlike the harmonized tariff code, the Schedule B number **MUST** be provided
- The EEI filing is required for any single commodity valued over \$2500
- Additional information is required, but UPS will file on your behalf when the proper box is checked

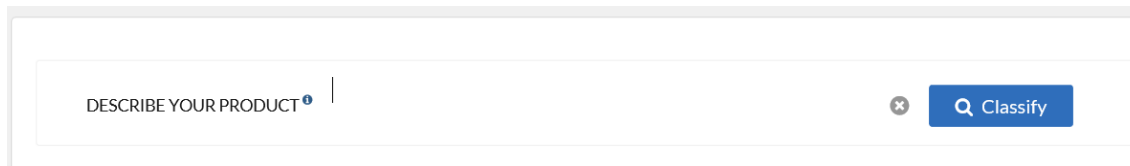
ELECTRONIC EXPORT INFORMATION (EEI)

OBTAINING THE SCHEDULE B NUMBER

- The Schedule B number is often similar to the harmonized tariff code and can be obtained through the U.S. Census Bureau website <https://www.census.gov/foreign-trade/schedules/b/index.html>
- Click on “search”



- Enter commodity and click search
- Drill down until you see the appropriate description



ELECTRONIC EXPORT INFORMATION (EEI)

OTHER REQUIRED INFORMATION

- Schedule B Units
- Units of measure
- Gross weight
- D/F (made domestically or foreign)
- Export information code – Typically “OS”
- License type – Enter “NLR” (no license required), unless commodity requires an export license, such as from the U.S. State Department

USMCA – UNITED STATES-MEXICO-CANADA AGREEMENT

DECLARATION STATEMENT AND ORIGIN CERTIFICATION

USMCA was created to foster trade between the United States, Canada and Mexico through the reduction or elimination of duties and taxes for items manufactured and traded among the member nations. It has replaced the former NAFTA agreement. There are two ways to declare a USMCA- qualified shipment.

SHIPMENT VALUE <= \$2,500 USD to MEXICO OR <= \$3300 CAD TO CANADA

In the comments section of the Commercial Invoice, simply include the following declaration statement:

I hereby certify that the goods covered by this shipment qualify as originating goods for purposes of preferential tariff treatment under the USMCA.

SHIPMENT VALUE >\$2,500 USD to MEXICO OR > \$3300 CAD TO CANADA

A certification must be completed, which must include 9 specific items, covered in the following page. Include the origin criteria, which typically would be “A” for crops, animal products and minerals, “B” for made in USMCA country with some foreign parts, or “C” for manufactured in a USMCA country with parts sourced 100% from USMCA countries.

USMCA – 9 REQUIRED ITEMS OF DISCLOSURE FOR CERTIFICATION

SHIPMENT VALUE >\$2,500 USD to MEXICO OR > \$3300 CAD TO CANADA

- Which party is making the certification (importer, exporter or producer)
- Certifier details: name, title, address, phone#, email
- Exporter details: name, title, address, phone#, email
- Producer details: name, title, address, phone#, email
- Importer details: name, title, address, phone#, email
- Description and HTS#
- Origin criteria
- Blanket period (if applicable)
- Signature and date, including the following statement: I certify that the goods described in this document qualify as originating, and the information contained in this document is true and accurate. I assume responsibility for proving such representations, and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.

SPECIAL CIRCUMSTANCES

PERSONAL EFFECTS & LITHIUM BATTERIES

PERSONAL EFFECTS

- Personal effects must be shipped via The UPS Store. Store personnel will compile itemized packing list. Shipments cannot be billed to your account

LITHIUM BATTERIES

- Depending on the nature, number, power and packing method, may be considered a hazardous material
- Whenever 3 or more electronics (laptop computer, cell phone, tablet, calculator) items containing lithium batteries are contained in the same package, a lithium battery label is required.
- Affix “lithium battery UN 3481” advisory label to exterior of package, write IATA code in marker next to label. For electronics such as laptop computer, tablet and smart phone, the code is PI 967 **II**.
- For specific questions, including other types of lithium batteries, contact UPS hazardous goods help desk at 1-800-554-9964

SPECIAL CIRCUMSTANCES

PERSONAL EFFECTS & LITHIUM BATTERIES (Continued)

Label used specifically for laptop computers, tablets and cell phones:



SPECIAL CIRCUMSTANCES

AWARDS AND TRADE SHOWS

- Have duties and taxes paid for by the shipper to ensure speedy clearance and avoid having one have to pay for their own award.
- If shipment is going to a hotel, convention center or other similar venue, make certain that the persons utilizing the packages have their cell phone and e-mail address listed for contact information
- Make certain that the person listed as the addressee understands that they may receive a call from customs and if so, the shipment will stay in customs until they respond to the call. Hotels generally will refuse to be the importer of record unless it is for something they purchased from a vendor.
- If shipment is expected to arrive at hotel prior to consignee's check-in, contact hotel prior to shipping to make storage arrangements. Otherwise, the hotel may refuse delivery.

CANADA



CUSTOMS CLEARANCE

- Canada law dictates that for all non-document imports, the importer of record **MUST** be the one to determine what brokerage company will be used to clear the shipment through Customs.
- This is a requirement even if the US shipper is paying for the duties and taxes or if no duties and taxes are applicable
- For this reason, it is critically important to have the accurate contact information for the importer on the commercial invoice

CBSA Assessment and Revenue Management (CARM)

- CARM is a new Canadian government program for import clearance that is in the process of coming online. Its purpose is to streamline the customs clearance and payment of imports for **businesses**.
- US shippers are not required to take action unless they are a registered NRI, but it is suggested that they communicate with their commercial Canadian customers to ensure that they register on the CARM portal.
- Once CARM is fully implemented B2B importers **MUST** be registered on the CARM portal for their shipments to clear.
- Additional information on CARM can be found at <https://solutions.ups.com/carm-en.html>

MEXICO



SHIPMENTS VALUED OVER \$1000 USD

- All shipments valued over \$1000 clear customs as a “formal entry”
- The importing party must have a valid importer’s license prior to processing of the shipment
- Failure to have the license will cause extensive clearance delays and monetary penalties
- The importing party must select a third-party brokerage company to perform the clearance

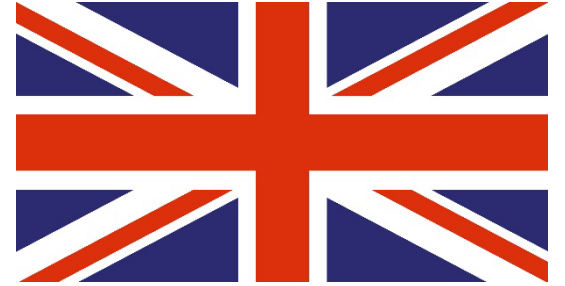
MEDICAL ITEMS

Regardless of value or quantity, an importer license is required for medical shipments. This covers the full range from surgical instruments to lip balm and everything in between

DIFFICULT-TO-IDENTIFY GOODS

Powders, liquids or pharmaceutical forms which require physical or chemical analysis, or both, to know their composition, nature, origin and other characteristics necessary to determine its tariff classification. Such shipments will be returned to the shipper.

GREAT BRITAIN



DUTIES AND TAXES

- All non-document shipments are subject to VAT, regardless of value
- Shipments with a value greater than £135 (approximately \$180 USD) may be subject to duty

BUSINESS TO CONSUMER SHIPMENTS

- Shipments valued greater than or equal to £135 may have duty/taxes paid by the importer, 3rd party or shipper at the time of clearance
- ******VAT MUST BE COLLECTED AT TIME OF SALE FOR SHIPMENTS VALUED LESS THAN £135 ******
- Selling party (whether it be marketplace or shipper) must register for VAT ID and provide their VAT ID on the commercial invoice
- Selling party must remit collected VAT directly to UK government (similar to collecting and paying various state sales taxes)
- VAT registration can be done at <https://www.gov.uk/vat-registration>

EUROPEAN UNION



DUTIES AND TAXES

- All non-document shipments are subject to VAT, regardless of value
- Shipments with a value greater than €150 (approximately \$180 USD) may be subject to duty

BUSINESS TO CONSUMER SHIPMENTS

- Shipments valued greater than or equal to €150 may have duty/taxes paid by the importer, 3rd party or shipper at the time of clearance
- Shipper has 2 options for shipments valued under €150:
 - Option 1: Shipper may pay VAT via free domicile (mark as shipper paid duty/taxes)
Shipments will be subject to a \$15 accessorial charge to forward duty and tax payments
 - Option 2: Selling party may collect VAT at time of payment and remit to EU country for payment
Selling party must register for IOSS ID (Import One Stop Shop)
A single IOSS ID is sufficient for the entirety of the EU
If the selling party does not have a physical presence in the EU, they must register via a fiscal advisor
Additional information can be found at https://ec.europa.eu/taxation_customs/ioss_en