CARGO

chapter 12

SHIPPING YOUR PRODUCT

In This Chapter

- **How international freight forwarders can help you**
- **How your product should be packed and labeled**
- **What documentation and insurance you may need**
- **International shipping companies and what services they offer**

The hurdles you have to clear don't end with the sale and the Web site. You still have to get the goods to the buyer, who is often located thousands of miles away where different rules may apply. When shipping a product overseas, you must be aware of packing, labeling, documentation, and insurance requirements and regulations. Make sure that the merchandise is

- Packed correctly so that it arrives in good condition
- Labeled correctly to ensure that the goods are handled properly and arrive on time at the right place
- Documented correctly to meet U.S. and foreign government requirements, as well as proper collection standards
- Insured against damage, loss, pilferage, and delay

Because of the multitude of considerations involved in physically exporting goods, exporters often receive assistance from their air carrier or freight forwarder to perform those services.

FREIGHT FORWARDERS

An international freight forwarder is an agent for moving cargo to an overseas destination. These agents are familiar with the import rules and regulations of foreign countries, the export regulations of the U.S. government, the methods of shipping, and the documents related to foreign trade. Freight forwarders are licensed by the International Air Transport Association (IATA) to handle air freight and the Federal Maritime Commission to handle ocean freight.

Freight forwarders assist exporters in preparing price quotations by advising on freight costs, port charges, consular fees, costs of special documentation, insurance costs, and the freight forwarders' own handling fees. They recommend the packing methods that will protect the merchandise during transit, or they can arrange to have the merchandise packed at the port or put in containers. If the exporter prefers, freight forwarders can reserve the necessary space on a vessel, aircraft, train, or truck. The cost for their services is a factor that should be included in the price charged to the customer.

Once the order is ready for shipment, freight forwarders should review all documents to ensure that everything is in order. This review is of particular importance with letter-of-credit payment terms. Freight forwarders may also prepare the bill of lading and any special required documentation. After shipment, they can route the documents to the seller, the buyer, or a paying bank. Freight forwarders can also make arrangements with customs brokers overseas to ensure that the goods comply with customs import documentation regulations. A *customs broker* is an individual or company that is licensed to transact customs business on behalf of others. Customs business is limited to those activities involving transactions related to the entry and admissibility of merchandise; its classification and valuation; the payment of duties, taxes, or other charges assessed or collected; and the refund, rebate, or drawback of those charges.

For more information, visit the National Customs Brokers and Freight Forwarders Association of America at *http://ncbfaa.org.*

PACKING

Your company should be aware of the demands that international shipping puts on packaged goods. You should also keep four potential problems in mind when designing an export shipping crate: breakage, moisture, pilferage, and excess weight.

Buyers are often familiar with the port systems overseas, so they will sometimes specify packaging requirements. If the buyer does not provide such specifications, be sure the goods are prepared using these guidelines:

- Pack in strong containers that are adequately sealed and filled when possible.
- Make sure the weight is evenly distributed to provide proper bracing in the container, regardless of size.
- Put goods on pallets and, when possible, place them in containers.
- Make packages and packing filler out of moisture-resistant material.
- To avoid pilferage, avoid writing contents or brand names on packages.
- Use straps, seals, and shrink-wrap to safeguard goods.
- Observe any product-specific hazardous materials packing requirements.

- Verify compliance with wood-packaging documentation and markings for fumigation and chemical treatment.

One popular method of shipment is to use containers obtained from carriers or private leasing companies. These containers vary in size, material, and construction. They accommodate most cargo but are best suited for standard package sizes and shapes. Also, refrigerated and liquid-bulk containers are usually readily available. Some containers are no more than semitrailers lifted off their wheels, placed on a vessel at the port of export, and then transferred to another set of wheels at the port of import.

Normally, air shipments require less heavy packing than ocean shipments, though they should still be adequately protected, especially if they are likely to attract pilferage. In many instances, standard domestic packing is acceptable if the product is durable and there is no concern for display packaging. In other instances, high-test (at least 250 pounds per square inch) cardboard or tri-wall construction boxes are preferable.

Finally, transportation costs are determined by volume and weight. Specially reinforced and lightweight packing materials have been developed for exporting to minimize volume and weight while reinforcing the packaging. The proper materials may save money as well as ensure that the goods are properly packed. You should hire a professional firm to pack the products if you are not equipped to do so. This service is usually provided at a moderate cost.

LABELING

Specific marking and labeling are used on export shipping cartons and containers. This labeling

- Meets shipping regulations
- Ensures proper handling
- Conceals the identity of the contents
- Helps receivers identify shipments
- Ensures compliance with environmental and safety standards

The overseas buyer usually specifies which export marks should appear on the cargo for easy identification by receivers. Products may require many markings for shipment. For example, exporters need to put the following markings on cartons to be shipped:

- Shipper's mark
- Country of origin (in your case, "U.S.A.")
- Weight marking (in pounds and kilograms)
- Number of packages and size of cases (in inches and centimeters)
- Handling marks (i.e., international pictorial symbols)

- Cautionary markings, such as "This Side Up" or "Use No Hooks" (in English and in the language of the destination country)
- Port of entry
- Labels for hazardous materials (i.e., universal symbols adopted by the International Air Transport Association and the International Maritime Organization)
- Ingredients (if applicable, also included in the language of the destination country)

DOCUMENTATION

Your company should seriously consider having the freight forwarder handle the documentation that exporting requires. Forwarders are specialists in this process. The following documents are commonly used in exporting, but which of them are necessary in a particular transaction depends on the requirements of the U.S. government and the government of the importing country:

- Air freight shipments are covered by *air waybills,* which can never be made in negotiable form (see Sample Form 12.1).
- A *bill of lading* is a contract between the owner of the goods and the carrier (as with domestic shipments). For shipment by vessel, there are two types: a straight bill of lading, which is not negotiable and does not give title to the goods, and a negotiable, or shipper's order, bill of lading. The latter can be bought, sold, or traded while the goods are in transit. The customer usually needs an original bill of lading as proof of ownership to take possession of the goods. See Sample Form 12.2 for an example of a straight bill of lading short form and Sample Form 12.3 for an example of a liner bill of lading.
- A *commercial invoice* is a bill for the goods from the seller to the buyer (Sample Form 12.4). Many governments use commercial invoices to determine the true value of goods when assessing customs duties. Governments that use the commercial invoice to control imports will often specify the invoice's form, content, number of copies, language to be used, and other characteristics.
- A *consular invoice*, a required document in some countries, describes the shipment of goods and shows information such as the consignor, consignee, and value of the shipment. Certified by the consular official of the foreign country, it is used by the country's customs officials to verify the value, quantity, and nature of the shipment.
- A *certificate of origin*, also a required document in certain nations, is a signed statement as to the origin of the export item (Sample Form 12.5). Certificates of origin are usually validated by a semiofficial organization, such as a local chamber of commerce. A certificate may be required even if the commercial invoice contains the same information. See Box 12.1 for more information about certificates of origin.

BOX 12.1 A WORD ON CERTIFICATES OF ORIGIN

Specific certificates of origin are sometimes required for countries involved in special trade agreements, such as the North American Free Trade Agreement (NAFTA), which was signed by Canada, Mexico, and the United States. For instance, the NAFTA certificate of origin validates that a good originated in a NAFTA country and is eligible for the preferential duty rate. The U.S.–Israel Free Trade Area also has its own certificate of origin.

- A *NAFTA certificate of origin* is required for products traded among the signatory countries of the North American Free Trade Agreement (Canada, Mexico, and the United States) if the goods are NAFTA qualified and the importer is claiming zero-duty preference under NAFTA.
- An *inspection certification* is required by some purchasers and countries to attest to the specifications of the goods shipped. The inspection is usually performed by a third party, often an independent testing organization.
- A *dock receipt* and a *warehouse receipt* are used to transfer accountability when the domestic carrier moves the export item to the port of embarkation and leaves it with the shipping line for export.
- A *destination control statement* appears on the commercial invoice and on the air waybill or bill of lading to notify the carrier and all foreign parties that the item can be exported only to certain destinations.
- A *shipper's export declaration* (SED) is used to control exports and is a source document for official U.S. export statistics. SEDs, or their electronic equivalent, are required for shipments when the value of the commodities, classified under any single Schedule B number (the four-digit U.S. extension to the six-digit code under the Harmonized Tariff System—see Box 12.2), exceeds $2,500. SEDs must be prepared and submitted for all shipments, regardless of value, that require an export license or are destined for countries restricted by the Export Administration Regulations (see Chapter 10). SEDs are prepared by the exporter or the exporter's agent and are delivered to the exporting carrier (e.g., the post office, airline, or vessel line). The exporting carrier will present the required number of copies to the U.S. Customs Service at the port of export. Sample Form 12.6 is an example of the reformatted SED, whose use became mandatory on July 18, 2003. The U.S. Census Bureau's Foreign Trade Division is the controlling agency for this document. The bureau made electronic filing of the SED mandatory on September 1, 2008, using AESDirect. AESDirect is a Web-based application that is available to exporters free of charge. It permits the SED to be filed electronically. You can obtain more information on registering as an AESDirect filer and all filing options at *www.aesdirect.gov.* Often, the SED is prepared as a by-product of another

BOX 12.2 THE HARMONIZED SYSTEM

The World Customs Organization developed the Harmonized System (HS) to describe products for customs purposes. The HS is recognized by 179 countries, customs bureaus, or economic unions, representing 98 percent of world trade.

HOW IT WORKS

Six-digit codes are assigned that represent general categories of goods. Countries that use HS numbers are allowed to define commodities at a more detailed level but must "harmonize" the first six digits to the HS framework.

WHAT THIS MEANS FOR YOU

Using these codes ensures that customs officials are referring to the same item when classifying the product and applying the tariff rate.

document, the shipper's letter of instructions (see Sample Form 12.7).

- An *export license* is a government document that authorizes the export of specific goods in specific quantities to a particular destination. This document may be required for most or all exports to some countries. For other countries, it may be required only under special circumstances.
- An *export packing list* is considerably more detailed and informative than a standard domestic packing list. It itemizes the material in each package and indicates the type of package, such as a box, crate, drum, or carton. It also shows the individual net, tare, and gross weights and measurements for each package (in both U.S. and metric systems). Package markings should be shown along with references to identify the shipment. The shipper or forwarding agent uses the list to determine the total shipment weight and volume and whether the correct cargo is being shipped. In addition, U.S. and foreign customs officials may use the list to check the cargo (see Sample Form 12.8).
- An *insurance certificate* is used to assure the consignee that insurance will cover the loss of or damage to the cargo during transit (see Sample Form 12.9).

Documentation must be precise because slight discrepancies or omissions may prevent merchandise from being exported, may result in non-payment, or may even result in the seizure of the exporter's goods by U.S. or foreign customs officials. Collection documents are subject to precise time limits and may not be honored by a bank if the time has expired. Most documentation is routine for freight forwarders and customs brokers, but as the exporter, you are ultimately responsible for the accuracy of the necessary documents.

The number and kinds of documents that the exporter must deal with vary according to the destination of the shipment. Because each country has different import regulations, the exporter must be careful to provide all proper documentation. The following sources also

provide information pertaining to foreign import restrictions:

- Export Assistance Centers—find listings for offices in Appendix B and at *www.export.gov/eac.*
- Trade Information Center—call (800) USA-TRADE (800-872-8723) or visit *www.export.gov/exportbasics/ticredirect.asp.*
- Foreign government embassies and consulates in the United States—go online to *www.state.gov.*

SHIPPING

The handling of transportation is similar for domestic and export orders. Export marks are added to the standard information on a domestic bill of lading. These marks show the name of the exporting carrier and the latest allowed arrival date at the port of export. Instructions for the inland carrier to notify the international freight forwarder by telephone on arrival should also be included. You may find it useful to consult with a freight forwarder to determine the method of international shipping. Because carriers are often used for large and bulky shipments, you can reserve space on the carrier well before actual shipment date. This reservation is called the *booking contract*.

International shipments are increasingly made on a bill of lading under a multimodal contract. The multimodal transit operator (frequently one of the transporters) takes charge of and responsibility for the entire movement from factory to final destination.

The cost of the shipment, delivery schedule, and accessibility to the shipped product by the foreign buyer are all factors to consider when determining the method of international shipping. Although air carriers may be more expensive, their cost may be offset by lower domestic shipping costs (e.g., using a local airport instead of a coastal seaport) and quicker delivery times. These factors may give the U.S. exporter an edge over other competitors.

Before shipping, your firm should check with the foreign buyer about the destination of the goods. Buyers may want the goods to be shipped to a free trade zone or a free port, where they are exempt from import duties (see Chapter 10).

INSURANCE

Damaging weather conditions, rough handling by carriers, and other common hazards to cargo make insurance an important protection for U.S. exporters. 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 terms of sale make the foreign buyer responsible, you should not assume (or even take the buyer's word) that adequate insurance has been obtained. If the buyer neglects to obtain adequate coverage, damage to the cargo may cause a major financial loss to your company.

Shipments by sea are covered by marine cargo insurance. Air shipments may also be covered by marine cargo insurance, or insurance may be purchased from the air carrier. Export shipments are usually covered by cargo insurance against loss, damage, and delay in transit. International agreements often limit carrier liability. Additionally, the coverage is substantially different from domestic coverage. Arrangements for insurance may be made by either the buyer or the seller in accordance with the terms of sale. Exporters are advised to consult with international insurance carriers or freight forwarders for more information. Although sellers and buyers can agree to different components, coverage is usually placed at 110 percent of the CIF (cost, insurance, freight) or CIP (carriage and insurance paid to) value.

TARIFFS

Because tariffs, port handling fees, and taxes can be high, it is very important for you to consider their effects on your product's final cost. Typically, the importer pays the tariffs. Nevertheless, these costs will influence how much the buyer is willing to pay for your product.

MAJOR SHIPPERS

International shipping companies have become an excellent resource for exporters. In addition to transporting bulk freight, they now offer assistance with shipping documentation, warehousing in the foreign market, and—in some cases—payment collection from the foreign buyer.

SAMPLE FORM 12.1 AIR WAYBILL

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House Air Waybill Number

Shipper's Name and Address

Shipper's Account Number

Not negotiable

Air Waybill

(Air Consignment note)
Issued by

Copies 1, 2 and 3 of this Air Waybill are originals and have the same validity

Consignee's Name and Address

Consignee's Account Number

It is agreed that the goods described herein are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF. THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIERS' LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required.

These commodities licensed by the United States for ultimate destination

Diversion contrary to

United States law prohibited.

Airport of Departure (Addr. of first Carrier) and requested Routing

To	By first Carrier	Routing and Destination	Air Waybill Number	Currency	CHGS Code	WT/VAL PPD	WT/VAL COLL	Other PPD	Other COLL	Declared Value for Carriage	Declared Value for Customs

Airport of Destination	Flight/Date	For Carrier Use only	Flight/Date	Amount of Insurance	INSURANCE: If Carrier offers insurance and such insurance is requested in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked "amount of insurance".

Handling Information

No. of Pieces RCP	Gross Weight	kg lb	Rate Class / Commodity Item No.	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (incl. Dimensions or Volume)

Prepaid | Weight Charge | Collect | Other Charges

Valuation Charge

Tax

Total other Charges Due Agent

Total other Charges Due Carrier

Shipper certifies that the particulars on the face hereof are correct and that insofar as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.

Signature of Shipper or his Agent

Total prepaid | Total collect

Currency Conversion Rates | cc charges in Dest. Currency

Executed on (Date) at (Place) Signature of Issuing Carrier or its Agent

House Air Waybill Number

Form No. 16-810 Printed and Sold by UNZ&CO 201 Circle Drive N, Suite 104, Piscataway, NJ 08854 (800) 631-3098 www.unzco.com

Source: Unz & Co.

STRAIGHT BILL OF LADING – SHORT FORM – ORIGINAL – NOT NEGOTIABLE

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading, the property described above in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated above which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any said property, that every service to be performed hereunder shall be subject to all the bill of lading terms and conditions in the governing classification on the date of shipment.

Shipper hereby certifies that he is familiar with all the bill of lading terms and conditions in the governing classification and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

From 1

At 2 3 20____ DESIGNATE WITH AN (X) BY TRUCK ☐ FREIGHT ☐ 4

Shipper's No. 5

Agent's No. 7

Carrier 6

(Mail or street address of consignee–For purposes of notification only.)

Consigned to 8

Destination 9 State of _____ County of _____

Route 10

Delivering Carrier 11 Vehicle or Car Initial 12 No. _____

No. Packages	Kind of Package, Description of Articles, Special Marks, and Exceptions	*Weight (Sub. to Cor.)	Class or Rate	Check Column
13	14	15	16	
TOTAL PIECES				

Subject to Section 7 of conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:

The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

Per 17
(Signature of Consignor.)

If charges are to be prepaid, write or stamp here, "To be Prepaid." 18

Received $ 19 to apply in prepayment of the charges on the property described hereon.

Agent or Cashier

Per
(The signature here acknowledges only the amount prepaid.)

Charges Advanced: 20

C.O.D. SHIPMENT

Prepaid ☐
Collect ☐ $ 21

Collection Fee

Total Charges

*If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is "Carriers or Shippers weight."

†Shipper's imprint in lieu of stamp; not a part of bill of lading approved by the Department of Transportation.

NOTE–Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.

THIS SHIPMENT IS CORRECTLY DESCRIBED. CORRECT WEIGHT IS 22 _____ LBS.

DECLARED VALUE TO BE STATED

$_____

Subject to verification by the Respective Weighing and Inspection Bureau According to Agreement.

Per _____

If lower charges result, the agreed or declared value of the within described containers is hereby specifically stated to be not exceeding 50 cents per pound per article.

This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

27 SIGNATURE

The fibre containers used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Rule 41 of the Uniform Freight Classification and Rule 5 of the National Motor Freight Classification. Shipper's imprint in lieu of stamp, not a part of bill of lading approved by Interstate Commerce CCommission.

23 Shipper, Per

24 Agent, Per 25

Permanent post-office address of shipper 26

1

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Source: Unz & Co.

INSTRUCTIONS FOR SAMPLE FORM 12.2, STRAIGHT BILL OF LADING

1. Shipper (from). Enter the company name and address of the shipper (consignor).

2. Point of origin (at). Enter the city and state of the actual shipping point.

3. Date of shipment. Enter the date of the shipment (the date the carrier took control of the merchandise).

4. Truck or freight. Check the "truck" box if shipment is to move by truck. Check the "freight" box if the shipment is to move by rail.

5. Shipper's number. Enter a unique control number to reference the shipment with the carrier.

6. Carrier. Enter the name of the company that will take initial control of the shipment and cause its delivery to the consignee.

7. Agent's number. Enter the carrier's control number, if known or required.

8. Consigned to. Enter the full name of the final recipient of the shipment (the ultimate consignee). Also enter the mailing address of the ultimate consignee, if different from the destination, for carrier notification purposes.

9. Destination. Enter the street address, city, and postal code where the carrier will make delivery to the consignee in Field 8.

10. Route. If applicable, enter the route the carrier will take to the consignee. This field may also be used to specify docks, warehouses, and so forth and to specify any intermediate carriers.

11. Delivering carrier. If applicable, specify the carrier that will deliver the shipment to the ultimate consignee at the destination, but only if different from the carrier entered in Field 6.

12. Vehicle or car initial or number. Enter any vehicle identifying initials or numbers, if applicable.

13. Number of packages. Enter the total number of packages per line item. If the packages are consolidated on a pallet or in an outer container, note this information on a second line (for example, 112 pkgs. 3 pall.).

14. Description of shipment. Enter the description of each line item, noting the type of package (carton, barrel, etc.) and quantity per package. Because correct freight classification is essential in describing an item, there must be a separate line item for each freight classification description. If more than one type of packaging is used per freight classification, a separate entry must be used for each type. Enter any special package markings, special handling requirements, and delivery instructions. For hazardous material items, special provisions must be met in completing this field.

15. Weight. Enter the total gross weight, in pounds, for each line item. For bulk shipments, the tare and net weights should also be referenced in the description field. For package shipments, include the weights of pallets and skids. The total weight of the merchandise should be shown after the last line item, with pallet and dunnage weights shown separately.

16. Class or rate. Enter either the five-digit class (per the Uniform Freight Classification or the National Motor Freight Classification) or a two-digit class rate (a percentage of the first-class 100 rate) per line item. This information may be determined by contacting the carrier.

17. Without recourse statement. Per standard bill of lading terms, the shipper is ultimately liable for freight charges, even when the shipment is sent on a collect basis to the consignee. By signing this statement, the shipper is released from the liability of freight charges for collect shipments delivered by the carrier to the consignee without the carrier's collecting the freight charges. For prepaid shipments, leave blank.

18. Prepaid shipments. Enter "To Be Prepaid" if shipment is to be paid for by the shipper. If this field is left blank, the carrier will seek to collect the charges from the consignee (see Field 17).

19. Prepayments received. The carrier's agent will enter any payments received in advance from the shipper for the shipment.

20. Charges advanced. The carrier's agent will enter any charges advanced for the shipment, if applicable.

21. C.O.D. shipment. First, check the box indicating whether the freight charges are prepaid (the carrier bills the shipper) or collect (the carrier deducts the freight charges from the amount collected from the consignee). Second, enter the amount to be collected for the merchandise itself—be sure to include the freight charges. Third, enter any collection fees applicable. Then enter total charges to be collected by carrier.

22. Shipment declared value. When the weight charged by the carrier depends on the value of the shipment, the dollar value per unit of measure (e.g., $100.00/pound) must be stated by the shipper. Enter this information in Field 14.

23. Shipper. Enter the company name of the shipper.

24. Shipper's agent. Enter the signature of the individual preparing the shipment for the shipper.

25. Carrier's agent. The carrier's agent will sign here before taking control of the shipment.

26. Permanent address. Enter the permanent (business) mailing address of the shipper. This information may be the same as for Field 1.

27. Certification. A signature is required by the U.S. Department of Transportation after this statement for all shipments of hazardous material.

SAMPLE FORM 12.3 LINER BILL OF LADING

Page 1

Shipper (full style and address)	**BIMCO LINER BILL OF LADING** **CODE NAME: "CONLINEBILL 2000"** **Amended January 1950; August 1952; January 1973; July 1974; August 1976; January 1978; November 2000.**	
Consignee (full style and address) or Order	B/L No.	Reference No.
	Vessel	
Notify Party (full style and address)	Port of loading	
	Port of discharge	

PARTICULARS DECLARED BY THE SHIPPER BUT NOT ACKNOWLEDGED BY THE CARRIER

Container No./Seal No./Marks and Numbers	Numbers and kind of packages; description of cargo	Gross weight, kg	Measurement, m^3

SHIPPED on board in apparent good order and condition (unless otherwise stated herein) the total number of Containers/Packages or Units indicated in the Box opposite entitled "Total number of Containers/Packages or Units received by the Carrier" and the cargo as specified above, weight, measure, marks, numbers, quality, contents and value unknown, for carriage to the Port of discharge or so near thereunto as the vessel may safely get and lie always afloat, to be delivered in the like good order and condition at the Port of discharge unto the lawful holder of the Bill of Laiding, on payment of freight as indicated to the right plus other charges incurred in accordance with the provisions contained in this Bill of Laiding. In accepting this Bill of Laiding the Merchant* expressly accepts and agrees to all its stipulations on both Page 1 and Page 2, whether written, printed, stamped or otherwise incorporated, as fully as if they were all signed by the Merchant. One original Bill of Laiding must be surrendered duly endorsed in exchange for the cargo or delivery order, whereupon all other Bills of Laiding to be void. IN WITNESS whereof the Carrier, Master or their Agent has signed the number of original Bills of Laiding stated below right, all of this tenor and date.	Total number of Containers/Packages or units received by the Carrier	
	Shipper's declared value	Declared value charge
	Freight details and charges	
Carrier's name/principal place of business	Date shipped on board	Place and date of issue
	Number of original Bills of Laiding	
	Pre-carriage by**	
Signature ..... Carrier or, for the Carrier ..... as Master *(Master's name/signature)* ..... as Agents *(Agent's name/signature)*	Place of receipt by pre-carrier**	
	Place of delivery by on-carrier**	

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(BIMCO), Copenhagen, 2000

*As defined hereinafter (Cl.1)
**Applicable only when pre-/on-carriage is arranged in accordance with Clause 8

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SAMPLE FORM 12.4 COMMERCIAL INVOICE

COMMERCIAL INVOICE

SELLER: 1	INVOICE No. 4 DATE
	CUSTOMER REFERENCE No. 5 DATE
SOLD TO: 2	TERMS OF SALE 6
	TERMS OF PAYMENT 7
SHIP TO (if different than Sold To): 3	CURRENCY OF SETTLEMENT 8
	MODE OF SHIPMENT 9 BILL OF LAIDING / AWB

QTY	DESCRIPTION	UNIT OF MEASURE	UNIT PRICE	TOTAL PRICE
10	11	12	13	

PACKAGE MARKS: 15	TOTAL COMMERCIAL VALUE:	14
	MISC. CHARGES: (packing, insurance, etc.)	16
	TOTAL INVOICE VALUE:	

CERTIFICATIONS: 17	I certify that the stated export prices and description of goods are true and correct: _____ (SIGNED) TITLE: _____

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INSTRUCTIONS FOR SAMPLE FORM 12.4, COMMERCIAL INVOICE

1. Seller. Enter the name and address of the principal party responsible for effecting export from the United States (i.e., the exporter as named on the export license).

2. Sold to. Enter the name and address of the person or company to which the goods are shipped for the designated end use, or the party so designated on the export license.

3. Ship to (if different than sold to). Enter the intermediate consignee—that is, the name and address of the party that effects delivery of the merchandise to the ultimate consignee, or the party so named on the export license or forwarding agent (i.e., the name and address of the duly authorized forwarder acting as agent for the exporter).

4. Invoice number. Enter the invoice number assigned by the exporter.

5. Customer reference number. Enter the overseas customer's reference or order number.

6. Terms of sale. Enter the delivery and payment terms of the sales agreement.

7. Terms of payment. Describe the terms and conditions as agreed upon by the seller and buyer per the pro forma invoice, customer purchase order, or the letter of credit.

8. Currency of settlement. Enter the currency agreed upon by seller and buyer as payment.

9. Mode of shipment. Indicate air, ocean, or surface.

10. Quantity. Record the total number of units per description line.

11. Description. Provide a full description of the items shipped; the type of container (carton, box, pack, etc.); the gross weight per container; and the quantity and unit of measure of the merchandise.

12. Unit of measure. Record the total net weight and total gross weight (includes weight of container) in kilograms per description line.

13. Unit price and total price. Record the unit price of the merchandise per the unit of measure. Compute the extended total value of the line.

14. Total commercial value. Compute the total value of the invoice.

15. Package marks. Record in this field, as well as on each package, the package number (for example, "1 of 7," "3 of 7," etc.); shipper's company name; country of origin (for example, "Made in U.S.A."); destination port of entry; package weight in kilograms; package size (length × width × height); and shipper's control number (optional).

16. Miscellaneous charges. Record any miscellaneous charges that are to be paid by the customer, such as export transportation, insurance, export packaging, and inland freight to pier.

17. Certifications. Enter any certifications or declarations required of the shipper regarding any information recorded on the commercial invoice.

SAMPLE FORM 12.5 CERTIFICATE OF ORIGIN

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CERTIFICATE OF ORIGIN

SHIPPER/EXPORTER 1

COMMERCIAL INVOICE NO. 5 DATE

CUSTOMER PURCHASE ORDER NO. 6

B/L, AWB NO. 7

COUNTRY OG ORIGIN 8

DATE OF EXPORT 9

CONSIGNEE 2

EXPORT REFERENCES 10

NOTIFY: INTERMEDIATE CONSIGNEE 3

AIR/OCEAN PORT OF EMBARKATION 11

FORWARDING AGENT 4

EXPORTING CARRIER/ROUTE 12

QUANTITY	NET WT. *(Kilos)*	GROSS WT. *(Kilos)*	DESCRIPTION OF MERCHANDISE
13	14	15	16

PACKAGE MARKS: 17

The undersigned 18 _____ (Owner or Agent), does hereby declare for the above named shipper, the goods as described above were shipped on the above date and consigned as indicated and are products of the United States of America.

Dated at _____ 19 _____ on the _____ day of _____ 20 _____

Sworn to before me this _____ day of _____ 20 _____

20

_____ _____

SIGNATURE OF OWNER OR AGENT

The _____ 21 _____, a recognized Chamber of Commerce under the laws of the State of _____, has examined the manufacturer's invoice or shipper's affidavit concerning the origin of the merchandise, and, according to the best of its knowledge and belief, finds that the products named originated in the United States of America.

Secretary _____ 22 _____

Form No. 19-906 Printed and Sold by UNZ & CO. 201 Circle Drive N, Suite 104, Piscataway, NJ 08854 (800) 631-3098 www.unzco.com

Source: Unz & Co.

INSTRUCTIONS FOR SAMPLE FORM 12.5, CERTIFICATE OF ORIGIN

1. Shipper or exporter. Enter the name and address of the principal party responsible for effecting export from the United States.

2. Consignee. Enter the name and address of the party receiving the merchandise.

3. Notify: intermediate consignee. Enter the name and address of the party in a foreign country that effects the delivery of the merchandise.

4. Forwarding agent. Enter the name and address of the freight forwarder.

5. Commercial invoice number. Enter the number assigned by the exporter.

6. Customer purchase order number. Enter the number assigned by the exporter.

7. Bill of lading or air waybill number. Enter the number provided by the freight forwarder or carrier.

8. Country of origin. Enter the actual country of origin of the goods.

9. Date of export. Enter the date of actual export from the United States.

10. Export references. Include any special reference numbers assigned by the exporter.

11. Air or ocean port of embarkation. Enter the port from which the goods are shipped.

12. Exporting carrier and route. Enter the name of the air carrier or vessel and flight number or voyage number.

13. Quantity. Enter the total number of packages, cartons, boxes, skids, and so forth, per description line.

14. Net weight. Enter the total weight of all packages per description line, excluding the outer packaging but including inner packaging, in kilograms.

15. Gross weight. Enter the total weight of all packages, including the shipping container, outer packaging, and inner packaging, in kilograms.

16. Description of merchandise. Fully describe the items shipped, type of container, gross weight per container, and unit of measure of the merchandise. Cross-references to purchase order or commercial invoice numbers may be included.

17. Package marks. Describe the marks recorded on each package, usually including shipper's company name; country of origin (for example, "Made in U.S.A."); destination port of entry; and customer's company name. They may also include a shipper's control number and the customer's import license number. "Number" refers to the numbering of the packages in the shipment (for example, "1 of 30," "2 of 30," etc.).

18. The undersigned. Enter the name of the individual completing and signing the certificate (see Field 20). The signer may be the exporter or an agent of the exporter.

19. Date. Enter the date on which the certificate of origin was prepared and signed.

20. Signature. The owner, employee, or agent appearing in Field 18 should sign here.

21. Chamber of commerce. Enter the name of the local chamber of commerce (and state) certifying the origin of the merchandise.

22. Secretary. The authorized signature of the local chamber of commerce secretary and that organization's seal should be added here.

SAMPLE FORM 12.6 SHIPPER'S EXPORT DECLARATION

U.S. DEPARTMENT OF COMMERCE – Economics and Statistics Administration – U.S. CENSUS BUREAU – BUREAU OF EXPORT ADMINISTRATION

FORM **7525-V** (7-18-2003) **SHIPPER'S EXPORT DECLARATION** OMB No. 0607-0152

1a. U.S. PRINCIPAL PARTY IN INTEREST (USPPI)(Complete name and address)

ZIP CODE

2. DATE OF EXPORTATION

3. TRANSPORTATION REFERENCE NO.

b. USPPI'S EIN (IRS) OR ID NO.

c. PARTIES TO TRANSACTION ☐ Related ☐ Non-related

4a. ULTIMATE CONSIGNEE *(Complete name and address)*

b. INTERMEDIATE CONSIGNEE *(Complete name and address)*

5a. FORWARDING AGENT *(Complete name and address)*

5b. FORWARDING AGENT'S EIN (IRS) NO.

6. POINT (STATE) OF ORIGIN OR FTZ NO.

7. COUNTRY OF ULTIMATE DESTINATION

8. LOADING PIER *(Vessel only)*

9. METHOD OF TRANSPORTATION *(Specify)*

14. CARRIER IDENTIFICATION CODE

15. SHIPMENT REFERENCE NO.

10. EXPORTING CARRIER

11. PORT OF EXPORT

16. ENTRY NUMBER

17. HAZARDOUS MATERIALS ☐ Yes ☐ No

12. PORT OF UNLOADING *(Vessel and air only)*

13. CONTAINERIZED *(Vessel only)* ☐ Yes ☐ No

18. IN BOND CODE

19. ROUTED EXPORT TRANSACTION ☐ Yes ☐ No

20. SCHEDULE B DESCRIPTION OF COMMODITIES *(Use columns 22–24)*

D/F or M (21)	SCHEDULE B NUMBER (22)	QUANTITY – SCHEDULE B UNIT(S) (23)	SHIPPING WEIGHT (Kilograms) (24)	VIN/PRODUCT NUMBER/ VEHICLE TITLE NUMBER (25)	VALUE (U.S. dollars, omit cents) (Selling price or cost if not sold) (26)

27. LICENSE NO./LICENSE EXCEPTION SYMBOL/AUTHORIZATION

28. ECCN *(When required)*

29. Duly authorized officer or employee

The USPPI authorizes the forwarder named above to act as forwarding agent for export control and customs purposes.

30. I certify that all statements made and all information contained herein are true and correct and that I have read and understand the instructions for preparation of this document, set forth in the **"Correct Way to Fill Out the Shipper's Export Declaration."** I understand that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements herein, failing to provide the requested information or for violation of U.S. laws on exportation (13 U.S.C. Sec. 305; 22 U.S.C. Sec. 401; 18 U.S.C. Sec. 1001; 50 U.S.C. App. 2410).

Signature

Confidential – Shipper's Export Declarations (or any successor document) wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest (Title 13, Chapter 9, Section 301 (g)).

Title

Export shipments are subject to inspection by U.S. Customs Service and/or Office of Export Enforcement.

Date

31. AUTHENTICATION *(When required)*

Telephone No. (Include Area Code)

E-mail address

This form may be printed by private parties provided it conforms to the official form. For sale by the Superintendent of Documents, Government Printing Office, Washington, DC 20402, and local Customs District Directors. The **"Correct Way to Fill Out the Shipper's Export Declaration"** is available from the U.S. Census Bureau, Washington, DC 20233.

Source: U.S. Department of Commerce.

SAMPLE FORM 12.7 SHIPPER'S LETTER OF INSTRUCTIONS

1a. U.S. PRINCIPAL PARTY IN INTEREST (USPPI)(Complete name and address) 1

ZIP CODE

b. USPPI'S EIN (IRS) OR ID NO.

c. PARTIES TO TRANSACTION ☐ Related ☐ Non-related

4a. ULTIMATE CONSIGNEE *(Complete name and address)* 7

b. INTERMEDIATE CONSIGNEE *(Complete name and address)* 8

5a. FORWARDING AGENT *(Complete name and address)* 9

5b. FORWARDING AGENT'S EIN (IRS) NO. 10

INLAND CARRIER 2 SHIP DATE PRO NO.

2. DATE OF EXPORTATION 3

3. TRANSPORTATION REFERENCE NO. 4

SPECIAL INSTRUCTIONS

SHIP VIA 5 ☐ AIR ☐ OCEAN

6 ☐ CONSOLIDATE ☐ DIRECT

SHIPPER'S LETTER OF INSTRUCTIONS

6. POINT (STATE) OF ORIGIN OR FT 11

7. COUNTRY OF ULTIMATE DESTINAT 12

8. LOADING PIER *(Vessel only)* 13

9. METHOD OF TRANSPORTATION *(S* 14

14. CARRIER IDENTIFICATION CODE 19

15. SHIPMENT REFERENCE NO. 20

10. EXPORTING CARRIER 15

11. PORT OF EXPORT 16

16. ENTRY NUMBER 21

17. HAZARDOUS MATERIALS ☐ Yes ☐ No 22

12. PORT OF UNLOADING *(Vessel and ai* 17

13. CONTAINERIZED *(Vessel only)* ☐ Yes ☐ No 18

18. IN BOND CODE 23

19. ROUTED EXPORT TRANSACTION ☐ Yes ☐ No 24

20. SCHEDULE B DESCRIPTION OF COMMODITIES *(Use columns 22–24)*

D/F or M (21)	SCHEDULE B NUMBER (22)	QUANTITY – SCHEDULE B UNIT(S)	SHIPPING WEIGHT (Kilograms) (24)	VIN/PRODUCT NUMBER/ VEHICLE TITLE NUMBER (25)	VALUE (U.S. dollars, omit cents) (Selling price or cost if not sold) (26)
25	26	28	29	30	31
	27				

27. LICENSE NO./LICENSE EXCEPTION SYMBOL/AUTHORIZATI 32

28. ECCN *(When required)* 33

SHIPPER MUST CHECK 34 ☐ PREPAID OR ☐ COLLECT

29. Duly authorized officer or employee 35

The USPPI authorizes the forwarder named above to act as forwarding agent for export control and customs purposes.

C.O.D. AMOUNT $

30. I certify that all statements made and all information contained herein are true and correct and that I have read and understand the instructions for preparation of this document, set forth in the **"Correct Way to Fill Out the Shipper's Export Declaration."** I understand that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements herein, failing to provide the requested information or for violation of U.S. laws on exportation (13 U.S.C. Sec. 305; 22 U.S.C. Sec. 401; 18 U.S.C. Sec. 1001; 50 U.S.C. App. 2410).

SHIPPER'S INSTRUCTIONS IN CASE OF INABILITY TO DELIVER CONSIGNMENT AS CONSIGNED:

☐ ABANDON ☐ RETURN TO SHIPPER

☐ DELIVER TO 37

Signature 36

Confidential – Shipper's Export Declarations (or any successor document) wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest (Title 13, Chapter 9, Section 301 (g)).

Title

Export shipments are subject to inspection by U.S. Customs Service and/or Office of Export Enforcement.

Date

31. AUTHENTICATION *(When required)*

Telephone No. (Include Area Code)

E-mail address

SHIPPER'S REQUESTS INSURANCE 38

☐ Yes $ _____ ☐ No

If Shipper has requested insurance as provided for at the left hereof, shipment is insured in the amount indicated (recovery is liited to actual loss) in accordance with the provisions as specified in the Carrier's Tariffs. Insurance is payable to Shipper unless payee is designated in writing by the shipper.

BE SURE TO PICK UP TOP SHEET AND SIGN THE FIRST BUFF EXPORT DECLARATION WITH PEN & INK.

Form 19-305 Printed and Sold by UNZ&CO 201 Circle Drive N, Suite 104, Piscataway, NJ 08854 (800) 631-3098 www.unzco.com

Source: Unz & Co.

INSTRUCTIONS FOR SAMPLE FORM 12.7, SHIPPER'S LETTER OF INSTRUCTIONS

1(a). U.S. principal party in interest (USPPI). Provide the name and address of the USPPI. The USPPI is the person in the United States that receives the primary benefit, monetary or otherwise, of the export transaction. Generally that person is the U.S. seller, manufacturer, order party, or foreign entity. The foreign entity must be listed as the USPPI if in the United States when the items are purchased or obtained for export. Report only the first five digits of the ZIP code.

1(b). USPPI's employer identification number (EIN) or ID number. Enter the USPPI's Internal Revenue Service EIN, or Social Security Number (SSN) if no EIN has been assigned.

1(c). Parties to transaction. Indicate if this is a related or non-related party transaction. A related party transaction is a transaction between a USPPI and a foreign consignee (for example, a parent company or sister company), where there is at least 10 percent ownership of each by the same U.S. or foreign person or business enterprise.

2. Inland carrier. If you have shipped this material to the United States by inland carrier, provide the inland carrier's name, shipping date, and receipt or progressive number (pro. no.), if available.

3. Date of exportation. Enter the date on which the merchandise is scheduled to leave the United States for all methods of transportation. If the actual date is not known, report the best estimate of departure. The date format should be MM/DD/YYYY.

4. Transportation reference number. Report the booking number for ocean shipments. The booking number is the reservation number assigned by the carrier to hold space on the vessel for the cargo being shipped. For air shipments, the air waybill number must be reported. For other methods of transportation, leave blank.

5. Ship via air or ocean. Indicate the mode of shipment.

6. Consolidate or direct shipping. Indicate how the forwarder is to instruct the carrier to ship the goods.

7. Ultimate consignee. Enter the name and address of the foreign party actually receiving the merchandise for the designated end use or the party so designated on the export license. For overland shipments to Mexico, also include the Mexican state in the address.

8. Intermediate consignee. Enter the name and address of the party in a foreign country that delivers the merchandise to the ultimate consignee or the party so named on the export license.

9. Forwarding agent. Enter the name and address of the forwarding or other agent authorized by a principal party in interest.

10. Forwarding agent's EIN or ID number. Enter the forwarding agent's Internal Revenue Service EIN. Ender the nine-digit numerical code as reported on the latest employer's quarterly federal tax return (Treasury Form 941).

11. Point (state) of origin or foreign-trade zone (FTZ) number. If from an FTZ, enter the FTZ number for exports; otherwise enter the two-digit U.S. Postal Service abbreviation of the state in which the merchandise actually starts its journey to the port of export, the state of the commodity of the greatest value, or the state of consolidation.

12. Country of ultimate destination. Enter the country in which the merchandise is to be consumed, further processed, or manufactured; the final country of destination as known to the exporter at the time of shipment; or the country of ultimate destination as shown on the export license. Two-digit (alpha character) International Organization for Standardization (ISO) codes may also be used.

13. Loading pier. For vessel shipments only, enter the number or name of the pier at which the merchandise is laden aboard the exporting vessel.

14. Method of transportation. Enter the method of transportation by which the merchandise is exported (or exits the border of the United States). Specify the method by name, such as vessel, air, rail, or truck.

15. Exporting carrier. Enter the name of the carrier transporting the merchandise out of the United States. For vessel shipments, give the name of the vessel.

16. Port of export. For overland shipments, enter the name of the U.S. Customs port at which the surface carrier (truck or railcar) crosses the border. For vessel and air shipments, enter the name of the U.S. Customs port where the merchandise is loaded on the carrier (airplane or ocean vessel) that is taking the merchandise out of the United States. For postal shipments, enter the U.S. post office from which the merchandise is mailed.

17. Port of unloading. For vessel shipments between the United States and foreign countries, enter the foreign port and country at which the merchandise will be unloaded from the exporting earner. For vessel and air shipments between the United States and Puerto Rico, enter the Schedule C code, "U.S. Customs District and Port Code."

18. Containerized cargo. For vessel shipments only, check the "Yes" box for cargo originally booked as containerized cargo and for cargo that has been placed in containers at the vessel operator's option.

19. Carrier identification code. For vessel, rail, and truck shipments, enter the four-character Standard Carrier Alpha Code (SCAC) of the carrier. For air shipments, enter the two- or three-character International Air Transport Association (IATA) code of the carrier. In a consolidated shipment, if the ultimate carrier is unknown, the consolidator's carrier ID code may be reported.

20. Shipment reference number. Enter the unique reference number assigned by the filer of the Shipper's Export Declaration (or SED; see Sample Form 12.6) for identification purposes. This shipment reference number must be unique for five years.

21. Entry number. Enter the import entry number when the export transaction is used as proof of export for import transactions such as in-bond, temporary import bond, drawbacks, and so forth. Also, an entry number is required for merchandise that is entered as an import (CF 7501 or Automated Broker Interface entries) and is then exported out of the United States.

22. Hazardous materials. Check the appropriate "Yes" or "No" indicator that identifies the shipment as hazardous as defined by the U.S. Department of Transportation.

23. In-bond code. Report one of the two-character in-bond codes listed in Part IV of Appendix C of the Foreign Trade Statistics Regulations (15 CFR Part 30) to indicate whether the shipment is being transported under bond.

24. Routed export transaction. Check the appropriate "Yes" or "No" indicator that identifies the transaction as a routed export transaction. A routed export transaction is one in which the foreign principal party in interest authorizes a U.S. forwarding or other agent to export the merchandise out of the United States.

25. "D" (domestic), "F" (foreign), or "M" (foreign military sales). Domestic exports (D) consist of merchandise that is grown, produced, or manufactured in the United States (including imported merchandise that has been enhanced in value or changed from the form in which imported by further manufacture or processing in the United States). Foreign exports (F) consist of merchandise that has entered the United States and is being reexported in the same condition as when imported. Foreign military sales (M) consist of exports of merchandise that are sold under the foreign military sales program.

26. Schedule B number. Enter the commercial description of the commodity being exported and the 10-digit commodity number as provided by the Census Bureau in Schedule B, "Statistical Classification of Domestic and Foreign Commodities Exported from the United States."

27. Schedule B description of commodities. Use columns 22–24 to enter the commercial description of the commodity being exported, its Schedule B number, the quantity in Schedule B units, and the shipping weight in kilograms. Enter a sufficient description of the commodity as to permit verification of the Schedule B commodity number or the commodity description as shown on the validated export license. Include marks, numbers, or other identification shown on the packages and the numbers and kinds of packages (boxes, barrels, baskets, etc.).

28. Quantity (Schedule B units). Report whole units as specified in the Schedule B commodity classification code. Report also the unit specified on the export license if the units differ.

29. Shipping weight. For all methods of transportation, enter the gross shipping weight in kilograms for each Schedule B number, including the weight of containers, but excluding carrier equipment.

30. Vehicle identification number (VIN) or product number, and vehicle title number. Report the following items of information for used self-propelled vehicles as defined in Customs regulations 19 CFR 192.1: (a) the unique VIN in the proper format, or the product identification number (PIN) for those used self-propelled vehicles for which there are no VINs, and (b) the vehicle title number.

31. Value (U.S. dollars). Enter the selling price—or, if not sold, cost—including freight, insurance, and other charges to U.S. port of export, but excluding unconditional discounts and commissions (nearest whole dollar; omit cents). The value to be reported on the SED is the USPPI's price—or, if not sold, cost—to the foreign principal party in interest. Report one value for each Schedule B number.

32. License number, license exception symbol, and authorization. Whenever an SED or Automated Export System (AES) record is required, do the following:

(a) Enter the license number on the SED or AES record when you are exporting under the authority of a Department of the Treasury, Office of Foreign Assets Control (OFAC) license (enter either the general or specific OFAC license number); a Department of Justice, Drug Enforcement Agency (DEA) permit; or any other export license number issued by a federal government agency. Export information for items identified on the Commerce Department's Commerce Control List

(CCL) or the State Department, Office of Defense Trade Controls, U.S. Munitions List, must be filed through the AES.

(b) Enter the correct license exception symbol (for example, LVS, GBS, or CIV) on the SED or AES record when you are exporting under the authority of a license exception. See §740.1, §740.2, and §758.1 of the Export Administration Regulations (EAR) for an explanation of the LVS, GBS, and CIV symbols.

(c) Enter the "no license required" (NLR) designator when you are exporting items under the NLR provisions of the EAR and the items being exported are subject to the EAR but are not listed on the CCL (that is, items that are classified as EAR99).

33. Export Control Classification Number (ECCN). Whenever an SED or AES record is required, you must enter the correct ECCN on the SED or AES record for all exports authorized under a license or license exception, as well as items being exported under the NLR provisions of the EAR that are listed on the CCL and that are controlled for reasons other than antiterrorism.

34. Shipper must check prepaid or collect. This field specifies whether the shipper (prepaid) or the consignee (collect) will pay freight charges. If the shipment is to be paid for C.O.D. by the consignee, specify amount in the "C.O.D. Amount" field.

35. Duly authorized officer or employee. Provide the signature of the USPPI authorizing the named forwarding or agent to effect the export when that agent does not have a formal power of attorney or written authorization.

36. Signature and certification. Provide the signature of the USPPI or authorized forwarding or other agent certifying the truth and accuracy of the information on the SED, the title of the USPPI or authorized agent, the date of signature, the telephone number of the USPPI or authorized agent who prepared the SED and can best answer questions regarding the SED, and the e-mail address of the USPPI or authorized agent.

37. Shipper's instructions. This field instructs the forwarder how to dispose of the shipment in the event it proves to be undeliverable abroad.

38. Insurance. Use this field when insurance is required and the shipper wishes to use an insurer chosen by the forwarder. The amount insured is usually 110 percent of the shipment value.

PACKING LIST

© Copyright 2001 Unz & Co.

_____ 19 _____
Place and Date of Shipment

To

Gentlemen:

Under your Order No. _____ the material listed below was shipped via
To

Shipment consists of:	Marks
_____ CasesPackages_____ Packages	
_____ CratesCartons_____ Cartons	
_____ Bbls.Drums_____ Drums	
_____ Reels _____	

* LEGAL WEIGHT IS WEIGHT OF ARTICLE PLUS PAPER, BOX, BOTTLE, ETC., CONTAINING THE ARTICLE AS USUALLY CARRIED IN STOCK.

PACKAGE NUMBER	WEIGHTS IN LBS. or KILOS			DIMENSIONS			QUANTITY	CLEARLY STATE CONTENTS OF EACH PACKAGE
	GROSS WEIGHT EACH	*LEGAL WEIGHT EACH	NET WEIGHT EACH	HEIGHT	WIDTH	LENGTH		

Form No. 30-036 Printed and Sold by UNZ&CO 201 Circle Drive N, Suite 104, Piscataway, NJ 08854 (800) 631-3098 www.unzco.com

Source: Unz & Co.

SAMPLE FORM 12.9 INSURANCE CERTIFICATE

ORIGINAL

OPEN POLICY NO. A2310

CERTIFICATE NO. 2952305

FOREMAN'S FUND INSURANCE COMPANY
SAN FRANCISCO, CALIFORNIA
ATLANTIC DIVISION, 110 WILLIAM STREET
NEW YORK, NEW YORK 10038

$ 125,000.000

The company named above in consideration of premium in the amount of and at rates as arranged and subject to the Conditions and Warranties specified and/or attached hereto, does by this policy insure

ASSURED **Metalworking Machines, Inc.**

as well in their own name as in that of those to whomsoever the subject matter of this Policy does, may, or shall appertain.

IN THE SUM OF **One hundred twenty-five thousand and 00/100----------**

UPON **steel grinders with accessories**

CONTAINER-HOUSE/HOUSE ☐
CONTAINER-PORT/PORT ☐
CONTAINER-OTHER ☐
NON-CONTAINER ☐

VALUED AT SUM OR SUMS INSURED

LADEN (UNDER DECK) ON BOARD THE VESSEL/AIRLINE: **S/L Adventurer** B/L OR SAILING DATE: 9-30-2006

(LOST OR NOT LOST) AT AND FROM (INITIAL POINT/PORT): **Interior USA via Baltimore** TO (FINAL POINT/PORT): Taipei Taiwan via Kaoshiung

LOSS IF ANY PAYABLE TO THE ORDER OF THE ASSURED AT: **destination**

Insured against all risks of physical loss or damage from any external cause irrespective of percentage, but excluding the risks excluded by the "F.C.&S." and/or "S.R.&C.C." warranties on the reverse side of this policy except to the extent that such risks may be specifically covered by endorsement also warranted free from any claim arising out of the inherent price of the goods insured or consequent upon loss of time or market.

This insurance attaches from the time the goods leave the warehouse at the place named in the policy for the commencement of the transit and continues during the ordinary course of transit until the goods are delivered to the final warehouse at the destination named in the policy.

It is a condition of this insurance that there shall be no interruption or suspension of transit unless due to circumstances beyond the control of the Assured.

The risks covered by this policy include loss, damage, or expense resulting from explosion howsoever or wheresoever occurring, irrespective of percentage, but it is especially understood and agreed that this wording is not intended to cover any of the risks excluded by the F.C.&S. and/or S.R.&C.C. Warranties set forth elsewhere in the policy.

In the event of the vessel, wharf, warehouse, conveyance, or other cargo being fumigated by order of property constituted authority and damage arises therefrom to the goods insured hereunder, this Company agrees to indemnify the Assured for such damage irrespective of percentage.

General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) in accordance with the Contract of Affreightment.

In cases of any loss or misfortune, it shall be lawful and necessary for the Assured, his or their factors, servants and assigns, to sue, labor, and travel for, in, and about the defense, safeguard, and recovery of the interest insured, or any part thereof, without prejudice to this insurance; to the charges whereof this Company shall contribute according to the rate and quantity of the sum hereby insured; nor shall the acts of the Assured or the Company in recovering, saving, or preserving the property insured, in case of disaster, be considered as a waiver or acceptance of abandonment.

In case of any agreement, act, or omission of the Assured, prior or subsequent to loss, whereby any right of recovery of the Assured for loss or damage to any property insured hereunder against any Carrier or Bailee, is released, impaired, or lost, which would on acceptance of abandonment or payment of loss by this Company have inured to its benefit, but for such agreement, act, or omission, this Company shall pay for the loss only to the extent its right of recovery was not released, impaired, or lost.

This insurance is subject to the American Institute Marine Extension Clauses (1943) and the following American Institute Clauses as if the current form of each were endorsed hereon:
South America 60-Day Clause S.R.&C.C. Endorsement War Risk Insurance

It is hereby understood and agreed that in case of loss and damage to the property insured under this policy, same shall be immediately reported as soon as the goods are landed, or the loss is known or expected, to the nearest agent of this Company as designated on the reverse side hereof.

(See reverse side for further terms and conditions which are hereby made a part of this Policy.)

NOTE—It is necessary for the assured to give prompt notice to underwriters when he becomes aware of an event for which he is "held covered" under this policy and the right to such cover is dependent on compliance with this obligation.

In witness whereof the company named above has caused this policy to be signed by its duty authorized officers, but this policy shall not be valid unless countersigned by an authorized representative of this Company or the Assured.

Secretary President

Endorsement – **Counteragreed at** Baltimore MD 9-30-2006
Date

Source: U.S. Department of Commerce.

CASE STUDY:

Certified Worldwide LLC

"We recognized that by not exporting, we were not tapping our full sales potential—sort of like leaving money on the table."

—Hal Selim, director of business development, Certified Worldwide, LLC

THE COMPANY

Did you have a strenuous and tiring work week? Then maybe you could use some nutritional supplements. Certified Worldwide LLC (CW) has made health and nutrition its business. Hal Selim, director of business development for CW, says his company's success doesn't just hinge on the more than 10,000 products and 500 lines of over-the-counter medicines, vitamins, supplements, and sports nutrition; it also depends on great worldwide customer service.

Located in Moorpark, California, CW started in 1999 with sales to distributors and to online customers in the United States through its e-commerce Web site (*www.medicalprovisions.com*). CW then began to pursue international opportunities by identifying overseas distributors who could help streamline the selling process abroad. "We recognized that by not exporting, we were not tapping our full sales potential—sort of like leaving money on the table," says Selim.

THE CHALLENGE

Equipped with freight forwarders and potential overseas buyers, Selim focused his attention on making export sales a reality. He soon began learning the ins and outs of import regulations for foreign countries and Food and Drug Administration (FDA) export certification issues, such as obtaining the health certificates that many foreign countries require for health-related products. Addressing these issues was key to navigating the export process.

Selling health-related products in the international market also requires extensive market and economic research. Each market has its own consumer tastes and ways of doing business. For example, in Asia, people might want joint pain and muscle relief, whereas in other countries, people might have heart-related needs. To supplement his marketing strategy, Selim tracked down specific information on health industries in Europe, the Far East, the Middle East, and other regions.

"When you think about the documentation required and other areas where we needed assistance, it was sort of daunting as to where we would begin," Selim says. "But we knew through our business acquaintances that we could count on the U.S. Commercial Service to help."

THE SOLUTION

During his initial meeting with Selim, Gerald Vaughn, director of the U.S. Export Assistance Center in Ventura, set up a plan to assist CW. First, Vaughn contacted key Commercial Service trade specialists on the Health Care Technologies Team. Tony Michalski and Julieanne Hennessy were familiar with FDA and could connect with the right people. Next, Vaughn gained insight into the FDA approval process. Shortly thereafter, Vaughn contacted the Commercial Service's health care trade specialists overseas and discussed certificate issues, thus laying the foundation for obtaining the required health documents. Vaughn then introduced Selim to the Commercial Service's Country Commercial Guides, which provide detailed market research on different industries and countries.

"Without the experience and on-the-ground support of the U.S. Commercial Service, we would not have surpassed the export challenges that we met early on when we began exporting," Selim says. "Had we tried this on our own, we would not be as well positioned in international markets as we are today."

LESSONS LEARNED

Early on, CW learned that the best way to build a good business is to get background information on potential distributors beforehand. CW receives payment up front in the form of bank wire transfer or letter of credit. A typical scenario is to receive a 30 percent deposit when the customer places the order and the remaining 70 percent balance before shipping the order. "Getting paid is a key part to running a business, and unless a company has the right payment policies in place, that company is more likely to be subjected to payment scams," says Selim.

CW also learned that the cost of freight can make or break a deal. Selim has worked extensively on building key relationships with freight forwarders. His efforts have resulted in great air and ocean rates for customers. CW's freight forwarders can ship almost anywhere. "Seek out your local Commercial Service office, contact and interview different freight forwarders, and remember that the company chosen will be responsible for shipping your product," says Selim. Airlines are a great source for finding freight forwarders. Their cargo departments work directly with freight forwarders and can recommend which ones to use for the product line. "Also," Selim advises, "depending on the size of the shipment, freight damage and theft insurance is vital."

The more business you give your freight forwarder, the more valuable you become. As shipments grow, you can set up agreements to obtain better rates. Also, you can shop for competitive rates. If you find a better rate than what you already have, see if your freight forwarder can match it. Your customer overseas may also be able to find a better rate. "The better the rate, the better the savings for your customer, which translates into more business in the future," says Selim.

Selim says the following elements are crucial in an export operation:

- Large selection of competitively priced products
- Fresh products with a long expiration date
- Continuous promotions and discounts
- Competitive freight charges
- Quick lead time for shipments
- Thorough product inspection before shipping
- Quick response to customer demands for additional documentation
- Quick response to new customer inquiries and follow-up after delivery

Feasibility studies are vital as you develop overseas markets. When conducting the study, address factors such as market size, market growth, accessibility, competition, business practices, and economic stability. Exporting overseas has introduced CW to many different cultures, business practices, and legal systems and has made CW's management team more flexible and creative.

ACTION

Are you ready to promote your product in other countries? Here are some tips:

- **Build rapport with your customers.** Smaller orders will build rapport and give you a feel for the market. Orders will increase as your company progresses.
- **Participate in trade shows.** Trade shows are one of the best ways to generate trade leads. "Walk the show floor and observe exhibitors and buyers—and after attending a few shows, you might be ready to set up an exhibit of your own and pursue new market opportunities," Selim advises.
- **Take advantage of seminars.** Selim says that seminars are where businesses can learn the rules, regulations, and policies associated with export controls, financing, customs, and other issues.

Hal Selim is director of business development for Certified Worldwide LLC. Based in Moorpark, California, the company is a major distributor and exporter of vitamins, supplements, and over-the-counter medicines.