



New Trade Partner Packet

Thank you for your interest in International Brokerage, Inc.!

Beginning with Customs Entry Requirements and Considerations, the enclosed packet contains some basic, but important information about the process of importing, as well as several forms, all of which will make the process of becoming a IBI client easy. Many of the forms that follow contain fillable fields, which allow you to enter your information directly onto the form, right from your computer keyboard. Then you may print the packet containing your completed information. Please be aware that you cannot save a copy of your completed form, so you should print it if you would like to retain a completed copy for your records. Or, if you find it more convenient, you may also print a blank copy of this packet and complete the forms with a pen.

The information enclosed here has been combined into one “new customer” packet for your convenience. If you need any assistance with accessing or completing these forms, please do not hesitate to contact an IBI Representative.

We look forward to working with you!

Customs Entry Requirements and Considerations

Notification of Shipment

- As soon as available, provide IBI with shipment details, including vessel/flight information, departure date, estimated arrival date, carrier name, bill of lading number, and copies of required documents.
- Shipment is best coordinated if IBI handles the movement of goods from origin point to destination, which insures a competitive rate, as well as allowing our agent/partner at origin to assist and monitor from the onset. To further insure this type of control, you should purchase under the Incoterms FOB, EX WORKS, or similar terms. If IBI does not coordinate your move, then we will provide you with a ROUTING ORDER, which you will need to complete and return to the designated parties.



Required Documents from Shipper

- Commercial Invoice, Packing List, and Bill of Lading. (Originals are normally required for ocean shipments, unless set up as Express Bill of Ladings. Airway bills normally accompany the actual shipment.) Depending on your buying agreement and the nature of the imported goods, other documents may also be required, such as Certificates of Origin, visas, FDA forms, Fish and Wildlife forms, or other government agency forms.

Requirements at Destination

- **Power of Attorney**
The POA enables IBI to act on your behalf. It must be signed by a corporate officer of the company.
- **Customs Bond**
 - Single Entry Bond
 - Annual Term Bond – if you intend to have multiple shipments during the year, or if you import to multiple U.S. ports of entry, then it is probably more economical to secure an Annual Term Bond. IBI can help you with the bond application, which requires an estimate of the annual number shipments and duty amount to be paid, as well as a copy of your most recent financial statement to present to the bonding company.
- **Importer Record Keeping Requirements under the Customs Modernization Act**
As the Importer of Record, you have certain responsibilities under the Mod Act to exercise “reasonable care” and “informed compliance” in regards to Customs and import regulations. The Importer Record Keeping Requirements document will provide you with an overview of your responsibilities.
- **Importer Information Form**
This completed form will provide IBI with an import profile of your company and enable us to advise or alert you to possible problems related to customs entry.
- **Cargo Insurance Coverage**
All shipments should be covered by some form of insurance, due to the risk of loss or damage. IBI can arrange to provide you with necessary coverage at competitive rates. Complete the Cargo Insurance Election form and return to our office.
- **Related / Not Related Declaration**
Customs and Border Protection requires that relation status must be declared on each entry summary. Completion of this form will assist us in helping you meet this requirement.



Importer Record Keeping Requirements

The Customs Modernization and Informed Compliance Act (The Mod Act) imposes on importers the responsibility to exercise “reasonable care” to keep themselves informed of the regulations under which they import, and outlines record keeping requirements for importer.

Importers can exercise “reasonable care” in various ways.

1. Seeking guidance from Customs and Border Protection (CBP) through the pre-importation or formal ruling program.
2. Consulting with a Customs broker, a Customs consultant, a public accountant, or an attorney.
3. Using in-house employees such as counsel, a Customs administrator, or if valuation is an issue, a corporate controller, who have experience and knowledge of customs laws, regulations, and procedures.
4. When appropriate, obtaining analyses from accredited labs and gaugers for determining technical qualities of an imported product.

Under the Mod Act, there are established records which importers are required to keep. CBP can impose substantial penalties on importers for failure to properly maintain the records required. The penalties established under the Mod Act for failure to maintain records can run up to as high as 75% of the value of the transaction involved or \$100,000. The records which you, as an importer, are required to keep **in addition to any records which we as a customs broker keep, as a consequence of our preparing a customs entry on your behalf** are listed in the "(a)(1)(A)" list pursuant to section 1509 of section 19 USC. The records include but are not limited to every document involved with your transaction. These records might be hard copy or computer-generated records, and can include copies of purchase orders and other communications between you and your supplier, as well as proof of payment to your supplier. In the case of shipments where duty free exemptions have been claimed under GSP, NAFTA, or other provisions, failure to present evidence of right to make claim under these provision, when requested by CBP, will result in CBP liquidating or re-liquidating the shipment as dutiable.

The significance of the law is the penalty provisions, which provide for extremely harsh penalties for failure to comply.

We urge all of our clients to look closely at the records you are currently maintaining, and the systems you have in place to maintain those records. It is also advisable to review the links you have or might need to establish between yourself and other departments within your company that might be maintaining records of their own, and which you also might need to have a copy of for your import file.

We have prepared the attached "Importer Information Sheet," which we ask that you take the time to fill out and scan, fax, or mail back to us. The form will help you to ask and answer some basic housekeeping questions that you need to know about your import operations. The effort of completing the form and having it on file in your records could also serve as evidence to CBP that you have made efforts within your firm to achieve "reasonable care". Additionally, it will help us to possibly pinpoint areas that might need further discussion between us to avoid future Customs problems.

Should you have further questions please feel free to contact us.



Importer Information Form

Please answer the questions that follow as completely as possible, and attach extra pages as necessary. Answering these questions will not only assist us in handling your shipments with the highest level of professionalism and care, but in addition, your review of these issues will help you to comply with the “reasonable care” responsibilities required by Customs and Border Protection. These are issues that you will want to address and resolve before a problem is discovered in a Customs audit of your importing operation. Should you have any questions when filling out this form, please contact a representative at IBI.

1. Has your firm received any notices from Customs, such as “**Request for Information**” or “**Notices of Action**”? Yes____ No____ If yes, please explain: _____

2. Has your firm received a prior **penalty** or **liquidated damages** from Customs? Yes____ No____
If yes, please explain: _____

3. Has your firm made prior **voluntary disclosures** to Customs concerning any matter? Yes____
No____ If yes, please explain: _____

4. Has your firm been previously **audited** by Customs? Yes____ No____ If yes, please explain:

5. Has your firm participated in and obtained **binding rulings** from Customs concerning the importation of your products? Yes____ No____ If yes, please attach a copy of any ruling issued.
6. Has your firm received a ruling or advice from Customs concerning **marking** of your merchandise? Yes____ No____ If yes, please explain: _____

7. Has your firm provided any kind of **assist** (e.g., R&D, molds, tools, dies, machines, material, production drawings, etc.)? Yes____ No____ If yes, does the cost appear on your invoices? Yes____ No____ How is the value derived, and does the cost include transportation?



8. Does your firm pay any **royalties** (for licensing etc.,) on imported goods? Yes____ No____
If yes, to whom and for what? _____

Are there written agreements and are payments disclosed to Customs? Yes____ No____

9. Does the company have **overseas offices** or are “**Buying Agents**” employed? Yes____ No____
If yes, are **buying commissions** paid, and how are those payments reflected on your invoicing?

10. Are any **separate payments**, over and above the invoice price, remitted to the seller or to a third party at ANY TIME? Yes____ No____ If yes, please explain: _____

11. Is your company aware of Customs’ **record keeping requirements**? Yes____ No____

12. Is your company maintaining copies of all records for importations in a central location?
Yes____ No____

Company

Name and Title

Signature

Date



Cargo Insurance Election

It is important for clients of IBI to understand the insurance limitations of carriers (ocean, air, truck and rail) in regards to liability for loss or damage to goods. The carrier's liability often covers only a small portion of a loss, or none at all, depending on many factors such as the location and type of damage, and these limitations can leave shippers significantly exposed.

We strongly encourage our clients to secure insurance coverage for all import and export shipments. IBI is not an insurance agent, but we can arrange for coverage through an experienced and reputable insurance company, at a fair and competitive rate.

Please complete, sign and return this form to us, indicating your intent to purchase or decline to purchase cargo insurance coverage for shipments handled through IBI.

- We request cargo insurance coverage on all shipments handled by International Brokerage Inc. We understand that insurance coverage is subject to the terms, conditions, and exclusions of the policy, and that coverage will apply for shipments moving to or from the countries indicated below, and for which transit commences on or after the date indicated below. We also understand that payment of insurance claims is **conditional** on the goods being professionally packed and loaded in accordance to industry standards for commodity type and for the international transport mode being utilized. We agree that payment of International Brokerage, Inc., freight and/or handling charges will not be delayed or otherwise substituted for payment of insurance claims.

For US Exports – To These Countries (please list): _____

For US Imports – From These Countries (please list): _____

- Our shipments are already covered by cargo insurance. We do not require cargo insurance from IBI at this time.

Name of Insurance Company

Policy Number

- We wish to decline cargo insurance coverage. We understand and acknowledge the liability limitations of carriers, and the risks associated with international transportation of cargo, and we agree to hold IBI harmless for any loss or damage to our cargo.

Company

Name and Title

Signature

Date



Related / Not Related Declaration

Customs and Border Protection (CBP) requires a related or not related declaration on each entry summary. The purpose of this declaration is to determine whether the merchandise was acquired in a transaction between related or not related persons. Please complete the declaration below and return it to us.

CBP defines “related persons” as follows:

1. Members of the same family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants.
2. Any officer or director of an organization, and that organization.
3. An officer or director of an organization and an officer or director of another organization, if each individual also is an officer or director in the other organization.
4. Partners.
5. Employer and employee.
6. Any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization, and that organization.
7. Two or more persons directly controlling, controlled by, or under common control with, any person.

(Check one.)

We are not related to any of our suppliers.

We are only related to the following suppliers:

Company

Name and Title

Signature

Date