

Exporting to China

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Agenda

- Pre-shipment agreements with your customer.
- Preparing your goods for Export.
- Arrival at Customs port in China.
- The clearance process in China.
- Once cleared, delivery of goods to customer.
- Problems to avoid.

Pre-shipment agreement

- ↪ What are the Inco. terms?
 - ↪ Ex-works
 - ↪ FOB
 - ↪ FCA
 - ↪ DDP
- ↪ If hybrid, clearly define responsibility in the contract.
- ↪ Make sure all parties are aware of the terms.
- ↪ Come to an understanding with the customer on the correct HTS and Schedule B number.
- ↪ Obtain any necessary licenses if required.

Preparing for Export

- Determine ECCN for product.
- Obtain an export license if required.
- If using a license exception, ensure the part qualifies and determine if any reporting is necessary.
- Apply prohibitions 4-10 to determine if export is permitted.
- Commercial Invoice:
 - HTS/Schedule B
 - License/License exception notation
 - Description, unit price, quantity, extended price
 - Destination control statement

Preparing for Export

- ↪ Commercial Invoice Cont'd
 - ↪ Weight, Unit of measure
 - ↪ Ultimate Consignee with Address
- ↪ AES transmission
 - ↪ AES Direct
 - ↪ Broker to file?
 - ↪ Retention of ITN number and paperwork
- ↪ Physical packing and securing shipment
 - ↪ Seals
 - ↪ Container

Preparing for Export

- Ensure correct paperwork is attached to shipment.
- Prepare export folder for shipment containing:
 - Airway Bill, Ocean BOL, Invoice, Packing slip, ITN confirmation and seal number.
 - Emails/notes pertaining to shipment.
 - Reporting information.

Arrival of Goods

- Broker to clear the goods should be aware of incoming arrival.
- Paperwork needs to be in order and with the broker.
- Bonded vs. non-bonded will determine how the shipment gets processed.
- If bonded, an entry to the handbook will need to be made by your broker.
- If your articles are non-bonded, the items will be cleared as duty/VAT is paid.
- If the receiving plant maintains both bonded and non-bonded material, the material must physically be separated.

Cleared and shipped

- Once the paperwork has been filed, the cargo will be picked up by your forwarder.
- Your documents will support the receiving of the goods.
- Discrepancies can cause delays with Customs.

Problems to avoid

- Your HTS code doesn't match the importers' handbook.
- The value must be the true cost and not “for Customs purposes only”.
- Avoid duty charge backs due to Inco. terms incorrectly applied.
- Incorrect unit of measure for tariff can lead to potential misstatements in the handbook.
- If shipments are delayed, find out the cause and correct.

Thank you!

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