



Exporting Commercial Shipments to the U.S.

EXPORT SERIES

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Introduction

Trade between countries is made of two actions: importing and exporting. “Exporting” refers to goods exiting a country and “importing” refers to goods entering a country. If you ship merchandise to the United States, you will then be exporting from Canada and importing into the United States. This information package focuses on what small businesses need to know and the options available in order to import commercial shipments into the United States (U.S.). The formal or technical terminology for this type of import is known as informal **non-controlled** or **non-regulated import**. These terms may seem a bit unfamiliar right now, but as you read further they will become clearer.

Because it can be costly in terms of time and money for most Canadian businesses to gain a foothold in the American market, it is typically advisable that Canadian businesses be firmly established in Canada first. Exporting will require the resources of people and finances during this developmental period. A recommended first step is an export readiness diagnostic to evaluate your business and its current resources. This evaluation is available on the “Exportsource” web site at: <http://www.exportdiagnostic.ca>. The diagnostic will help you evaluate whether your objectives for exploring the U.S. market will be satisfied, whether the risks of the venture are truly worth the returns and the potential issues involved in an import transaction. Rules for export to the U.S. vary depending upon what and how you are shipping to the United States. You will have to do some homework to find out what importing rules and regulations apply to your specific product(s). If you are new to exporting, it would be advisable to read our information guides on how to start exporting available at *The Business Link* or by visiting www.exportlink.ca. These guides cover the basic steps to exporting, many of which are not listed in this guide.

Exporting to the U.S. can be a multi-step process. You must research the exporting process and be aware of all its stages before you actually ship your goods. You also need to do some research on the importing process of the United States. Be aware that U.S. Customs does not inspect every item that crosses their border. A random search of goods crossing the border takes place. Those goods that do not meet the required rules and regulations will not be permitted entry.

When filling out your customs declaration, you will have to indicate what you want to happen to your package in case of U.S. Customs refusal. Depending on what you have marked on the documentation your package may be detained at the border crossing until proper paperwork is received. Under a U.S. Customs monetary penalty system, you also risk being fined.

Types of Entry

The first step in getting started is determining if the good(s) you are shipping are considered **Formal** or **Informal**. By discovering the difference between these two categories, you will identify the additional steps needed to complete your import transaction. These steps will come in the form of needed documentation, shipping requirements, packaging, custom broker's fees, etc.

Formal

Shipments to the U.S. are usually required to make a formal entry if the item(s) being shipped are:

- valued at \$2,000 US or over *per shipment*
- are controlled or regulated by the U.S. government

If your goods fall under this category, it means that you will likely have to hire a U.S. customs broker to clear your good(s) into the U.S.

Be aware that, regardless of value, any merchandise shipped to the U.S. may require a formal entry if a customs inspector requires it.

Informal

Informal entries of merchandise are those items that are:

- valued over \$200 and under \$2,000 US *per shipment*
- are considered non-controlled or non-regulated in Canada or the U.S.

If your shipment falls under this category, then you are required to secure what is known as a "Customs Assigned Number" or "Importer ID Number". U.S. Customs specialists recommend using a U.S. Customs Broker to help you in obtaining this number. This Broker will work with you and send in, on your behalf, the needed form (custom form 5106). You can request this form at your nearest U.S. Customs office or access it on the internet at: <https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-5106-form.xft> and send it in on your own. To obtain a listing of customs brokers you can:

- contact the Canadian Society of Customs Brokers at (613) 562-3543 or search their directory of members on-line at: <http://www.cscb.ca>
- consult your local telephone directory

Other Types of Entry

There are other forms of entry available to you when exporting goods to the U.S. For example, you can send your goods in-bond from the first port of arrival to another Customs port. **In-bond entries** postpone final Customs formalities including payment of duty and processing fees, until the goods arrive at the final port. Arrangements for in-bond shipments should be made before the goods leave Canada for export.

Another option is sending the imported merchandise to a bonded warehouse under a **warehouse entry**. Duties and processing fees on the warehoused merchandise would be postponed until the goods are withdrawn for consumption. This type of entry is advantageous for exporters that can send large amounts of their goods at once thereby saving on the costs of transporting multiple shipments. Storage fees, however, will need to be paid to the warehouse proprietor.

Determining Customs Tariffs

Customs tariffs are essentially taxes that are applied to goods that enter the U.S. The amount of tariff applied is determined by the tariff classification of the goods being imported as well as their tariff treatment. Certain goods for example have higher tariffs than others so it is important to accurately place them in the correct category.

Ordinarily the importer is responsible for properly classifying the merchandise before entry. In most cases, however, it is the Canadian exporter who researches the classification of the goods and customs tariffs that may apply.

Classifying the Goods

All goods that enter the United States are categorized according to the **Harmonized Tariff Schedule (HTS)**. This code is used to determine applicable customs duty rates and allows for the collection of statistical data. It also streamlines the documentation process and simplifies the transfer of goods.

To find the HTS code for your goods, visit one of the following U.S. government sites: <http://www.usitc.gov/tata/hts/bychapter/index.htm> or a government database called DataWeb <http://dataweb.usitc.gov/scripts/tariff2004.asp>. Simply enter the HTS number for the product of interest, or find the number by entering the name of the product. Keep in mind though that despite your research, U.S. Customs makes the final determination of what the correct rate of duty is, not the exporter/importer.

Determining Customs Tariff

The two methods of accessing HTS codes mentioned above can also be used to find how much customs tariffs may apply to your goods. Under NAFTA (North American Free Trade Agreement) most goods entering the U.S. that are produced, manufactured and grown in Canada are eligible for reduced rates of duty. Note: there are strict guidelines on determining Canadian origin. If in doubt, you should consult a U.S. Customs office or better yet, obtain a Binding Ruling.

If your goods qualify for NAFTA, you will need to complete a **certificate of origin** to support the tariff treatment that is claimed. This certificate will need to be included in your shipment and copies provided to your client. For a copy of the NAFTA Certificate of Origin, visit <http://www.cbsa-asfc.gc.ca/E/pbg/cf/b232/README.html>.

If you need additional help classifying a product, finding the HTS number or determining country of origin, contact the U.S. Customs and Border Protection Bureau of the Department of Homeland Security office nearest you (their web site is listed at the end of this document). Note however that classifications and information verbally obtained from these customs inspectors and import specialists are **non-binding**.

Binding Ruling Program

U.S. Customs and Border Protection has a Binding Ruling Program which allows prospective importers to obtain **classification, marking and country of origin rulings** prior to importation. Rulings are binding for both the importer/shipper and U.S. Customs and Border Protection. It takes, on average, 30 days to receive a ruling. To obtain a Binding Ruling, contact The Office of Regulations and Rulings in Washington, D.C at 202-927-0760 or do a search for past rulings at <http://rulings.customs.gov/>.

Regulations and Controls

It is your responsibility as the exporter to research export controls that may apply to your goods *before* they leave Canada. You may be required to obtain a permit, certificate or examination to export your goods. To find out more about export controls on goods exported from Canada:

- Read *The Business Link's* publication "[Export Procedures and Documentation - How to Start Exporting in 7 Easy Steps](#)"
- Visit International Trade Canada's Export Import Controls Bureau at <http://www.dfait-maeci.gc.ca/eicb/menu-en.asp>

- or contact the Canada Border Services Agency's BIS line (Border Information Service) at 1-800-461-9999.

The U.S. government also controls the importation of certain goods. If your merchandise falls into one of the categories of controlled goods, you may require a permit, license or certificate to export your goods to the U.S. The following is a list of goods that require a license or permit (certain items may have quotas or may be prohibited) and of the departments that deliver them:

Products	Regulating Body
Agricultural Commodities	
Milk, dairy, and cheese products	Food and Drug Administration
Fruits, vegetables and nuts	Animal and Plant Health Inspection Service
Insects (live)	Animal and Plant Health Inspection Service
Livestock and animals	Animal and Plant Health Inspection Service Fish and Wildlife Service (Nondomesticated)
Meat and meat products	Animal and Plant Health Inspection Service Food Safety and Inspection Service
Plant and plant products	Animal and Plant Health Inspection Service
Poultry and poultry products	Animal and Plant Health Inspection Service Food Safety and Inspection Service
Seeds	Agricultural Marketing Service
Alcoholic Beverages	
Distilled spirits, wines or malt beverages	Bureau of Alcohol, Tobacco, Firearms and Explosives
Arms, Ammunition and Radioactive Materials	
Arms, ammunition, explosives and implements of war	Bureau of Alcohol, Tobacco, Firearms and Explosives
Radioactive materials and nuclear reactors	Nuclear Regulatory Commission Food and Drug Administration (medical use)
Consumer Products – Energy Conservation	
Household appliances	Department of Energy
Commercial and industrial equipment	Department of Energy

Consumer Products - Safety	
Toys and children's articles	Consumer Product Safety Commission
Lead in Paint	Consumer Product Safety Commission
Bicycles and bicycle helmets	Consumer Product Safety Commission
Fireworks	Consumer Product Safety Commission
Flammable fabrics	Consumer Product Safety Commission
Art materials	Consumer Product Safety Commission
Cigarette lighters	Consumer Product Safety Commission
Electronic Products	
Radiation-producing products	Food and Drug Administration Center for Devices and Radiological Health
Radio frequency devices	Federal Communications Commission
Foods, Drugs, Cosmetics and Medical Devices	
Foods, Cosmetics, Drugs, Devices	Food and Drug Administration
Biological drugs	Food and Drug Administration (human) Department of Agriculture (animal)
Biological materials and vectors	Department of Health and Human Services Centers for Disease Control and Prevention
Gold, Silver, Currency and Stamps	
Gold and silver	Department of Justice
Monetary instruments	Department of Treasury
Motor Vehicles and Boats	
Automobiles, vehicles and vehicle equipment	Department of Transportation Environmental Protection Agency
Boats	US Coast Guard
Pesticide, Toxic and Hazardous Substances	
Pesticides	Environmental Protection Agency
Toxic substances	Environmental Protection Agency
Hazardous substances	Environmental Protection Agency
Petroleum and Petroleum Products	
Petroleum and petroleum products	Department of Energy

Textile, Wool and Fur Products	
Textile products	Federal Trade Commission
Wool	Federal Trade Commission
Fur	Federal Trade Commission
Wildlife and Pets	
Wildlife	Fish and Wildlife Service
Endangered species and products	Fish and Wildlife Service
Pets	Centers for Disease Control Animal and Plant Health Inspection Service Fish and Wildlife Service
Hunting trophies	Fish and Wildlife Service

Most of the above items are regulated by:

Bureau of Alcohol, Tobacco, Firearms and Explosives

<http://www.atf.gov/regulations/index.htm> or (202) 927-8110 (alcoholic beverages) and (202) 927-8320 (arms and ammunition)

Animal and Plant Inspection Service

<http://www.aphis.usda.gov/> or (301) 734-7885 (animal/ animal products) and (301) 734-8896 (plants/ plant products)

U.S. Fish and Wildlife Service

<http://www.fws.gov/> or (703) 358-2104 (Office of Management Authority)

Food and Drug Administration

<http://www.fda.gov/> or (301) 443-6553 (Division of Import Operations and Policy) - FDA import procedure: <http://www.cfsan.fda.gov/~lrd/import.html>

Consumer Product Safety Commission

<http://www.cpsc.gov/> or (301) 504-0608 (Office of Compliance)

For more information on U.S. import controls, read our guide "U.S. Regulations for Canadian Exporters" available on our site at:

http://www.cbsc.org/alberta/content/canadian_exporters.pdf

You can also get assistance in determining if the good(s) you want to ship to the U.S. are controlled or regulated by contacting:

- ▶ U.S. Customs Brokers - listing per port of entry available on-line at: <http://www.customs.gov/xp/cgov/toolbox/ports/>
- ▶ U.S. Customs & Border Protection - in Sweetgrass, Montana (border crossing) at (406) 335-9610. They may be able to advise depending on the product you are exporting.
- ▶ U.S. Import Specialists - located at one of the many border crossings, such as Great Falls, Montana (406) 453-7631. You can obtain a detailed list of U.S. Ports of Entry on the Internet at: <http://www.customs.gov/xp/cgov/toolbox/ports/>

Special Note: Bio-Terrorism Act

The United State's Bioterrorism Act (BTA) came into effect December 2003. It was created to protect the U.S. population from possible attacks on the country's food supply. Under the **Prior Notice** (PN) requirements of the BTA, the Food and Drug Administration (FDA) must receive prior notice for all food imported or offered for import into the United States. Any imported food products that are not in compliance with the PN requirements of the BTA, will be held at either the port of arrival or a secure facility until such time that they are either brought into compliance with the BTA or are exported from the United States with CBP approval.

The Bioterrorism Act also requires foreign facilities that manufacture, process, pack, or hold food for human or animal consumption in the United States to register with the Food and Drug Administration (FDA).

For more information about Prior Notice requirements, visit http://www.customs.ustreas.gov/xp/cgov/import/commercial_enforcement/bioterrorism/ and about registering with the FDA go to <http://www.cfsan.fda.gov/~furls/ovffreg.html>

A number of other security programs were also introduced for all types of exports. The following is a short overview of these programs:

- **C-TPAT** - The Customs Trade Partnership Against Terrorism forms a layered enforcement strategy that pre-screens shipments so as to reduce waiting times at the border. It includes a thorough assessment of the exporter, as well as the partners in their supply chain. Essentially, this is a security assessment of the

Canadian firm based on the risk associated with their suppliers and freight forwarders. The U.S. Department of Homeland Security has promised preferential treatment at the border for all C-TPAT registered companies.

- **FAST** - The Free and Secure Trade program aims to increase the integrity of supply chain security by offering expedited clearance to carriers and importers enrolled in C-TPAT. What this means is if your company and freight forwarders are compliant with C-TPAT (and have been approved), your shipment moves across the border in the 'fast lane.' It applies to the importer, the carrier, the commercial driver, and the cargo release method.
- **PAPS** - The Pre-Arrival Processing System is an electronic cargo reporting and release system in which the carrier uses bar code labels to identify shipments. This allows data to be transmitted to customs in advance of the shipment, so when the cargo arrives at the border, it can be quickly identified and processed.

More information about these programs can be found by talking with your freight forwarder or by visiting the U.S. Customs and Border Protection website at <http://www.customs.ustras.gov>.

Labeling and Marking Goods

Labeling

Product labels must meet U.S. standards before the goods can be imported. Be sure to follow all guidelines set out for your particular good(s). Various agencies set rules on labeling requirements, which U.S. Customs and Border Protection officers enforce.

Non-Food Items

Under the Fair Packaging and Labeling Act (FPLA), all consumer goods entering the U.S. must bear a label on which there is at least:

- a statement identifying the commodity, e.g., detergent, sponges, etc.;
- the name and place of business of the manufacturer, packer, or distributor;
- and the net quantity of contents in terms of weight, measure, or numerical count (measurement must be in both metric and inch/pound units).

The Federal Trade Commission (FTC) administers the FPLA with respect to "consumer commodities" that are consumed or expended in households. The FTC's regulations under

the Fair Packaging Labeling Act do not apply to products distributed for industrial or institutional uses. These items fall under Weights and Measures laws of individual states. Insecticides, fungicides, and rodenticides are under the jurisdiction of the Environmental Protection Agency <http://www.epa.gov/> .

To learn more about the Fair Packaging Labeling Act and additional labeling requirements, visit <http://www.ftc.gov/os/statutes/fpla/fplact.html>

Food and Drugs

The Food and Drug Administration (FDA) administers the FPLA with respect to foods, drugs, cosmetics, medical and radiation devices. Requirements include identifying the contents, country of origin, net weight, ingredients and nutritional value. Before shipping any products, contact the Food and Drug Administration as U.S. and Canadian labeling requirements are not necessarily the same. For more information, visit the FDA's Food Labeling and Nutrition website at <http://www.cfsan.fda.gov/label.html>

Textiles

Textiles must meet requirements set by the Federal Trade Commission <http://www.ftc.gov/> regarding origin, fibre, care, and more. To access a guide to U.S. garment labeling regulations developed by the FTC visit: <http://www.ftc.gov/bcp/online/pubs/buspubs/thread.pdf>.

Information on this topic can also be obtained from the "Importers Manual USA: A Single Source Reference Encyclopedia for Importing into the U.S." available from *The Business Link* library, and through <http://www.customhouseguide.com/> which carries various publications on importing into the U.S.

Country of Origin Marking

Every article of foreign origin entering the U.S for resale and capable of markings, must be legibly marked with the English name of the country of origin (no abbreviations). Some examples of these markings are, "Made in Canada", "Product of Canada" and "Printed in Canada". Marking regulations also cover the size of the print, location of the labels, spelling and forms of labeling (stamping, printing, molding, etc).

Some articles may be exempt from marking if they are incapable of being marked or if they appear on the J-list for marking exemptions. For complete information on this topic as well as a complete listing of J-list items, refer to the booklet "Marking of Country of Origin on U.S. Imports" available at *The Business Link* or directly at:

http://www.cbp.gov/ImageCache/cgov/content/publications/markingo_2edoc/v1/markingo.doc.

Exporters that are shipping their good(s) to an end-user (ultimate purchaser), not for resale, are not as restricted when it comes to labeling. Check with a U.S. Customs inspector to see if you can obtain a **marking exemption** under A.C.F.R. 134.32f. The exemption must be shown on the invoice prior to presenting to U.S. Customs. It is still the exporter's responsibility to make sure all necessary steps have been taken to ensure Customs approval.

Transporting Your Goods

When it comes to sending small packages, the **postal service or private courier companies** are often the exporter's first choice. Although the terms "*shipping*" and "*mailing*" are often used interchangeably in these cases, they are not the same, especially where clearing customs is concerned.

Mailing is always done via the international postal system, which is run jointly by international governments. *Shipping*, on the other hand, refers to private-sector couriers such as UPS or Federal Express. These two methods are most common for informal shipments but the latter can also be used for formal entries. Couriers can be an appealing option for businesses that need to send small packages that require formal entry since they often use customs brokers or other agents to clear merchandise through customs. This is a service paid for in addition to the charge for shipping and any duty or processing fees owed to the Customs Service. A list of international couriers can be found in your local telephone directory under the heading "Courier".

To save on transportation costs, courier services often recommend sending products as a **"Consolidated Entry"**. Customs broker fees can make your product cost prohibitive when sending parcels one-by-one to the United States. Under a "Consolidated Entry" the shipper/manufacturer sends a quantity of packages at one time to the U.S., and they would be entered as a single entry for customs purposes. You would then be charged for only one broker fee. Once they have cleared U.S. Customs, the packages would then continue their journey to their destinations.

There are other methods of transporting available to you including **rail, truck, ship and plane** depending on many factors including your budget and how soon the goods need to arrive to their final destination. Rates and fees can be negotiated with individual carriers or you may choose to hire a freight forwarder to help you arrange all the details.

Freight forwarders are private companies that arrange for the transport of goods, negotiate rates with carriers on their clients behalf, arrange for insurance, and much more. They can save clients time and money in the long run. To learn more about selecting a freight forwarder go to <http://ats.agr.gc.ca/can/e2801.htm> and for a listing of freight forwarders visit <http://www.ciffa.com> or consult your local telephone directory. Freight forwarders can also often act as customs brokers and take care of customs clearance on your behalf.

You should always refer to your contract with your client/purchaser before deciding how to transport your goods. Who is responsible for shipping costs and purchasing insurance? Who has title to the goods and when? What obligations did each of the parties agree to? If you are unfamiliar with Incoterms, internationally accepted commercial trade terms which determine the passing of risk and costs, you should read the document titled "Incoterms and Export Costing Worksheet " available on our web site at: http://www.cbasc.org/alberta/content/costing_worksheet.pdf. The terms set in your contract will determine what your responsibilities will be in transporting the goods.

Packaging and Marking¹

Information on how to pack your goods for transport can be obtained from shipment manuals, carriers, freight forwarders, and other sources. In general, before shipping your package for resale make sure you have:

- appropriate handling marks
- proper language usage
- the following markings (as may be required by Customs):
 - port of destination
 - transit instructions
 - name, address, and phone number of consignee (the person to whom the good(s) are being sent)
 - country of origin
 - name, address and phone number of sender
 - package dimensions/weight
 - package serial number
 - invoice and/or order number

¹Source Department of Foreign Affairs and International Trade (DFAIT); Export Packaging. Ottawa; 2000. Available at *The Business Link* and on-line.

If your goods are packaged in a box sent to the U.S. for resale or to a distributor, and you are putting both yours and the distributors labels on the box, you need to ensure that 1) both labels appear on the same side of the box; 2) the U.S. label is displayed as large or larger than that of the Canadian label.

Packages that contain one type of item of all the same value are faster and easier for customs officers to examine and clear. If the contents however differ from package to package, the possibility of confusion and delay increase. You can speed up the clearance process by:

- packing and invoicing your goods in a systematic manner
- showing the exact quantity of each item of goods in each box, bale, case, etc
- marking and numbering the packages and their corresponding items on your invoice

For complete guidelines on packing and marking goods, consult the guide titled "Importing into the United States: A Guide for Commercial Shippers" available at *The Business Link* or from U.S. Customs at <http://www.cbp.gov/nafta/cgov/pdf/iius.pdf>.

Getting Paid

Getting paid is undoubtedly the most important part of the exporting process. To insure that you receive payment for your sale, it is advisable that you investigate various payment options available to you.

Payment in advance entails the least risk for you as an exporter. **Letters of credit**, legal documents arranging payment between you and the purchaser, are the safest method for both parties involved in an international transaction but are often difficult to negotiate with U.S. buyers. **Payments on "open account"** where the exporter ships the goods and invoices the purchaser are the most common form of payment for Canadian exporters selling in the United States, but are high risk.

For more information on payment options available to you, consult the international branch or department of the bank you deal with. Most of the major banks in Canada offer a wide range of specialized services for exporters including arranging international payments. *The Business Link's* publication called International Payment Options for Exporters is also a good source for information, and is available at http://www.cbpc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=GuideFactSheet&cid=1084286449698&lang=en

As a seller you should always exert due diligence in verifying the credit-worthiness of your buyer before entering into any agreement or sending goods. You can do so by using Export Development Canada's EXPORTCheck service available on-line at: http://www.edc.ca/prodserv/online/exportcheck/index_e.htm. EDC also publishes reports on their collection experiences with foreign countries including the U.S., and provides other services for exporters including financing and payment insurance.

Documentation Required

The following are documents required for exporting goods from Canada and importing them into the United States:

✓ **Export Declaration**

When exporting goods to the U.S. you **do not** have to report your shipment to the Canadian Government. According to Canada Border Services Agency's "Exporting Goods from Canada: A Handy Customs Guide for Exporters" available on-line at: <http://www.cbsa-asfc.gc.ca/E/pub/cp/rc4116/README.html>, the U.S. has agreed to supply the Government of Canada with export information on goods intended for consumption and resale in the U.S. market. The Canadian Government has agreed to do the same. "Therefore, you do not have to report goods to the Canadian government that you are exporting to the U.S., Puerto Rico, or the U.S. Virgin Islands, regardless of their value, **unless, the good(s) are controlled, prohibited, or regulated.**"

If your goods fall under this latter category, you will be required to provide a Export Declaration (Form B13A) to Canada Border Services Agency. When filling out your declaration, you will have to identify what you want to happen to your package in case of U.S. Customs refusal. Depending on what you have marked on that documentation your package may be detained at the border crossing until proper paperwork is received. Also be aware that large fines may be levied if customs documents contain incorrect or are missing information.

✓ **Any permits, certificates, etc needed**

If your goods are controlled, you will be required to provide documentation proving you have permission to export the goods from Canada and/or import them into the U.S. To find out more about the goods which require a Canadian export permit, read our guide "Export Documentation and Procedures: How to Start Exporting in 7 Easy Steps" available at: http://www.cbsc.org/alberta/content/7_easy_steps.pdf. For information on U.S. requirements, refer to the Regulations and Controls section of this document.

✓ **Bill of Lading, Airway Bill, or Carrier's Certificate**

Goods may be entered only by the owner, purchaser, or by a licensed customs broker. When the goods are consigned "to order", transportation documents such as the bill of lading, properly endorsed by the consignor, may serve as evidence of the right to make entry. An air waybill may be used for merchandise arriving by air.

✓ **Commercial Invoice**

A commercial invoice, signed by you (the exporter), your shipper or your agent, is acceptable for customs purposes if it is prepared in accordance with U.S. Customs Regulations. Not all commercial invoices contain all the details required by U.S. Customs however. At a minimum, invoices should include the following²:

1. Names and addresses of all the parties involved in the transaction. You will need the I.R.S. tax number or the Social Security number of the U.S. importer in order to complete this form.
2. Detailed description of the merchandise including quantity and net weight if possible. Avoid using vague descriptions such as 'Pipes'. Ideally you should make reference to the HTS (Harmonized System) Code for your product.
3. Terms of the sale including any trade discounts. List the full price that is being charged to the buyer.
4. Transaction value (price) including duty and brokerage fees, commission, royalties, shipping charges and who is responsible for them and other additions to the transaction value.
5. Currency of sale (whether in U.S. or other funds)
6. Country of Origin (including province if manufactured in Canada)
7. Type of containers used for shipping including the value of them (if any).

Other items may be required depending on the goods being shipped. It benefits everyone involved in the transaction (you, the buyer, the shipper, etc) to have a very detailed and clearly written invoice with all the required information in an easy to read format. You should always type your customs documentation. Hand-written information, while accepted, can cause delays and is considered less credible. It is suggested that when no form is available you type the needed information on company letterhead.

² The following has been adapted from the Association Customs Brokers : [Canadian Exporters Handbook](#).

Note: When shipping samples, always indicate a value. U.S. Customs can delay or refuse a package, which is simply marked as “Sample, no commercial value”.

Everything has a value, and if you do not indicate one, U.S. Customs may impose the value themselves or simply refuse entry. Before you send merchandise samples, always call U.S. Customs & Border Protection or your broker: bona fide samples have strict rules of entry.

To view the complete list of customs invoice requirements, consult the guide called “Importing into the United States: A Guide for Commercial Importers” available from *The Business Link* or directly from the U.S. Customs website at http://www.cbp.gov/ImageCache/cgov/content/publications/iius_2edoc/v1/iius.doc#CommInvoice

✓ **Importer ID Number**

U.S. Customs and Border Protection (CBP) entry forms do ask for an importer number. This is either an IRS business registration number, or if the importer is not registered with the IRS or do not have a business, a U.S. social security number. As an alternative, you may request a CBP assigned number by completing a Customs Form 5106 (available on-line at: <http://www.customs.treas.gov/xp/cgov/toolbox/forms/>) and presenting it to the Entry Branch at a U.S. port of entry.

✓ **Certificate of Origin**

When dealing with informal shipments, you are not required to complete a certificate of origin, but U.S. Customs recommends you do. By completing this certificate, your shipment will pass through Customs quicker. For formal shipments, you are required to have this document if you wish to claim the tariff treatment under the North American Free Trade Agreement (NAFTA). To obtain a copy of a B232, NAFTA Certificate of Origin, visit: <http://www.cbsa-asfc.gc.ca/E/pbg/cf/b232/> .

Tips on how to successfully ship goods that qualify for informal entry, into the U.S.:

- Check these government web sites for great information on exporting / importing: <http://www.customs.gov> (USA) and <http://www.cbsa-asfc.gc.ca> (Canada).
- Seek guidance from customs and exporting authorities (U.S. and Canadian Customs Officers, U.S. Import Specialists, and Customs Brokers). Communicate your export objectives; give them specifics about the product(s) you want to import into the U.S.

and to whom.

- Familiarize yourself with U.S. business regulations and practices. Comply with U.S. environmental product performance, consumer protection, labeling and packaging rules. To find out what regulations pertain to your export products, contact a U.S. Customs Broker.
- Make it as easy as possible for U.S. buyers to deal with you. Some suggestions are:
 - Quote your product prices in U.S. dollars.
 - Develop a complete U.S. wholesale and/or retail price list
 - Check your prices with those of your U.S. competitors for competitiveness
 - Convert Canadian weights and measures to American standards
 - Consider in your per unit prices any commissions you may have to pay for a U.S. sales representative. (Commissions to sales representatives are calculated as a percentage of the wholesale value of your products.)
 - Consider additional fees such as brokerage, shipping, insurance, foreign exchange, etc., in your pricing
- Become knowledgeable about exporting by reading export publications. The following references will help you obtain some of the knowledge you need for exporting.

Summary: Export Checklist for the U.S.

- ✓ Decide if your goods will require a formal, informal or other type of entry.
- ✓ Find the customs tariffs (if any) that may apply to your goods.
- ✓ Determine if there are any regulations or control restrictions on exporting the goods from Canada or importing the goods into the U.S. Attain the proper permits or licenses required.
- ✓ Evaluate payment risk involved and payment options available.
- ✓ Research U.S. labeling requirements, as well as any standards and safety requirements your goods must meet.
- ✓ Referring to your contract with your client, decide on the best method of transporting your goods. Look into U.S. packaging and marking requirements.
- ✓ Obtain all the necessary information and documents required for your goods to enter the U.S.

For more information:

- **Exporting Goods from Canada: A Handy Customs Guide for Exporters:**

Canada Border Services Agency <http://www.cbsa-asfc.gc.ca/E/pub/cp/rc4116/rc4116-e.html> (Ottawa, Ontario, Canada Border Services Agency) or order it by phone at: 1-800-959-2221.

- **U.S. Regulations for Canadian Exporters:** *The Business Link*. Call 1-888-811-1119 for a complimentary copy or access it on-line at www.exportlink.ca.

- **Export Procedures and Documentation: How to Start Exporting in 7 Easy Steps,** *The Business Link*. Call 1-888-811-1119 for complimentary copy or access it on-line at: www.exportlink.ca.

- **Beyond American Borders (Border Session):** a 2 day seminar on documentation, procedures and regulations related to exporting to the U.S. Held every Fall at the Coutts/Sweetgrass border crossing. For more information, call 1-888-811-1119.

- **U.S. Customs and Border Protection - Department of Homeland Security:** <http://www.customs.gov/xp/cgov/import> and their port locations:

<http://www.customs.gov/xp/cgov/toolbox/contacts/ports/>

- **Canada Border Services Agency:** Extensive information on tariffs, customs regulations and procedures and more <http://www.cbsa-asfc.gc.ca/menu-e.html>
- **ExportSource:** One stop access for tools to become export ready including export planning and assessments tools and guide <http://exportsource.ca/>
- **InfoExport:** Access market reports, trade news and events, the Virtual Trade Commissioner and more <http://www.infoexport.gc.ca/>

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