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5 Processes to Remember When Exporting

There are various measures to assess when exporting products internationally. An exporter must exude “reasonable care” in checking the safety and purpose of the goods being exported, as well as maintaining compliance across borders. Not only must you comply with domestic customs authorities, but also foreign customs of the countries to which you are shipping. In order to avoid fines, removal of export privileges or jail time, remember to perform the following five export processes to proactively ensure your goods are efficiently moving through your supply chain.

1. Perform denied party screening before money changes hands. Screening the receiving parties of exported goods prior to the transaction is essential. With denied party lists constantly being updated, performing a single search before shipment could be inefficient due to a possible lag time between order and shipment. It is therefore crucial to screen the parties at order placement (before money changes hands) and rescreen them at the time the goods are about to ship – ensuring all products will be delivered to safe parties.

2. Obtain an End Use Certificate. Not only is it important to identify the party receiving your exported goods, but it is also important to know the intended use of those goods. An End Use Certificate assures authorities of the eventual intended use of shipped products, which provides documented proof of “reasonable care” in exporting those products. End Use Certificates, as best practice, should also be stored electronically to create an audit trail.

3. Apply for an export license & file export declaration in a timely manner. Export licenses can take up to 3-6 months for review before a final determination is made, which is why one should be applied for well in advance. Best practice is for exporters to apply in advance, be specific in explaining the product in detail, attach additional supporting documents if necessary and submit the export license application via the Internet portals provided by the government. A declaration is required when exporting a controlled product that requires a license. Waiting until the last minute to file your export declaration may result in a delayed shipment, costing you time and money.

4. Utilize Incoterms. Incoterms define, in advance, where the responsibility of a shipment changes hands such as who is responsible for export formalities, delivery, transportation fees and/or import formalities. Using Incoterms helps an exporter avoid the ambiguity of who is responsible for the cargo at any point from the time the cargo leaves the exporter’s facility to the time it arrives at the importer’s door.

5. Know the required documents. Complying across borders is important in the timely delivery of products, because neglecting to obtain the necessary documents may cause delays in shipment or even refusal of entry. Exporters not only need to know the required documentation needed in the domestic country for cargo to be released, but also those documents of the foreign country for the products to be imported.

Tips provided by Ken Peters, Director of Global Solutions of Integration Point, Inc. Contact Ken Peters and Integration Point at Sales@IntegrationPoint.com or 704-576-3678. For more information on Integration Point, please visit www.IntegrationPoint.com.