Export Information and Documentation: A Guide for New Exporters
Table of Contents

Overview of Documentation
Why is Documentation Important 3
Key players 3
Shipment at destination 3
If not properly prepared 3
Basic documents 4
Tips and suggestions 5

Classifying Products: The Harmonized System
Organization of the Schedule B classification 6
Example of Schedule B classification 7
Explanation and list of Incoterms 2000 8

Export documentation
Formal quote (with example) 9
Proforma invoice (with example) 16
Commercial invoice (with example) 18
Packing list (with example) 20
Automated Export System 22
Shipper’s letter of instructions (with example) 23
Certificate of origin (with example) 25
Bill of lading (with example) 28

NAFTA: Canada and Mexico
Qualifying a product for NAFTA 31
  NAFTA Rules of Origin 31
  Qualifying criteria for NAFTA 31
  Seven Steps to facilitate qualifying process 31
  Sample Document 1: Preferential Treatment Determination 32
  Sample Document 2: Certificate of Origin and Instructions 34
  Certificate of Origin Suggestions 37
Temporary Admission of Goods 38
NAFTA Information Sources 40
Canada Documentation 41
  Statement of Origin for:
    Low Value 41
    Shipments over CAN$1600 41
  Sample Document 1: Canada Customs Invoice 42
Mexico Documentation 43

Role of the Freight Forwarder
Role in International Transaction 44
Important Information for choosing freight Forwarder 44
Expectations of a Freight Forwarder 46
Overview of Documentation

Why is Documentation Important? *A Company is only as good as its documentation.*

Key Players in the International Transaction

- **SELLER** (Exporter or US Principal Party in Interest)
- **BUYER** (Importer or Foreign Principal Party in Interest)
- **FREIGHT FORWARDER**
- **PRE-SHIPMENT INSPECTION COMPANY**
- **SELLER’S BANK OR OTHER U.S. BANK** – Receive documents for Letter of Credit, Draft or other methods of payment
- **U.S. CUSTOMS & BORDER PROTECTION OR U.S. DEPT. COMMERCE ENFORCEMENT**
- **PERSONNEL FROM TRANSPORT MODES: AIR, OCEAN, CONSOLIDATION** (Warehouse or Dock Personnel; Steamship Lines Personnel; Truckers, Rail & Other Carriers)

Shipment Arrives at Destination

- Air, Steamship lines, dock, truck and/or rail personnel
- Foreign Customs
- Buyer’s Customhouse broker
- Buyer’s Bank

If Documents are Not Properly Prepared

- Shipments will have problems clearing U.S. Customs border. U.S. Customs or BIS Enforcement may detain or seize the shipment.
- Payments under a letter of credit will be delayed and discrepancy charges will apply.
- Customers will have problems clearing the shipment when it arrives in their country.
- Destination country customs agents may detain or seize shipment.
- Either party in the transaction could be fined.
Basic Documents

**Formal quote:** *A follow-up quotation to an inquiry.*  
This document is not required, but is often used to follow up on a request for a quotation from a potential buyer. Detailed information is given to inform the potential buyer of all aspects of the transaction.

**Proforma Invoice:** *A quotation in invoice format.*  
This document is not always required, but is often used by buyers to support an application for a Letter of Credit and/or import license.

**Commercial Invoice:** *The basic agreement and payment term from seller to buyer.*  
This document contains all pertinent information related to the transaction. Customs officials use this document to determine duties and taxes on goods in the shipment.

**Consular Invoice:** *A special country invoice.*  
Certain countries require an invoice with a special format. This document must be purchased from the consulate of the country of importation or a freight forwarder will have this form.

**Certificates of Origin:** *States the origin of the products being exported.*  
This document is required by certain countries or by the terms of a letter of credit to verify the country of origin. A local Chamber of Commerce may certify and stamp this form, if required. A standard document exists, but certain countries have a specific form that is required for existing free trade agreements.

**Packing List:** *This itemizes the contents of each package (box, pallets, skids, etc.)*  
This document includes weights, measurements and detailed contents of each package. It should be attached to the outside of a package and/or included inside the package. This document is used by shippers and forwarders to determine freight costs. It is also used by U.S. and/or foreign customs officials to check the contents of any specific package.

**Bill of Lading:** *Contract between shipper and carrier.*  
The bill of lading can be either a straight bill of lading (nonnegotiable), or negotiable – sometimes called a shipper’s bill of lading. The customer typically needs the original or a copy as proof of ownership to take possession of the goods.

**Automated Export System:** *Bureau of Census electronic form.*  
This electronic form records most exports and can be filled out either by the exporting company or a freight forwarder. It is used for two reasons:  
1) It serves as a census record for U. S. export statistics. Many reports are generated using these statistics.  
2) It serves as a regulatory document since the applicable export license designation must appear on the form.  
The AES is filed online, and is used by U.S. customs to monitor outgoing shipments for regulatory compliance.  
The AES is required for export shipments if the value is more than $2,500 **per Schedule B number**, and all shipments requiring an export license from any government agency. Check with your freight forwarder. **NOTE: For more information on the Automated Export System (AES), check out the website:** [www.aesdirect.gov](http://www.aesdirect.gov)

**Shipper's Letter of Instruction:** *Company instructions to their freight forwarder.*  
This is typically a multiform used to give instructions to the freight forwarder and to partially fill out the SED.
Tips and Suggestions

1. Although a specific document may not be required by the customs agency in the importing country, there may be additional documentation required by a letter of credit or for other reasons. Always consult with the importer for instructions on the required documentation and number of copies needed.

2. Never make erasures or corrections on documentation.

3. Many countries require that the origin of the products be placed on the invoice in lieu of a formal certificate of origin. It is generally recommended that all invoices contain a statement as to the origin of the products.

4. Although not required, it is a good idea to place the HS number to six digits on invoices. This helps foreign customs officials identify the products more quickly.

5. Many countries require special signed statements/affidavits on the invoice regarding the accuracy of the invoice. Sometimes this statement is combined with the statement of origin.

6. When certification and/or legalization is required, call for precise instructions, amount of fees, and courier instructions. In addition, ask for the proper number of copies and determine how many copies must be stamped. In some cases fees are charged by the number of documents that must be stamped and in other cases fees are based on the commercial invoice value. The chamber or consulate’s file copies do not need this stamp. Many consulates also require that the documents be presented in a particular order; paper-clipped - not stapled. Any non-conforming documents will often be returned. There are private companies that provide consular services such as hand-carrying the documents, waiting for them to be stamped, paying the fees and returning the documents to the shipper. Ask your forwarder for more information.

Before you continue …

Suppose a Wisconsin company named Medical Imaging Wisconsin, Inc. is a manufacturer of high-end imaging equipment, and is looking to expand its distribution outside of the United States. The company has received an unsolicited sales inquiry from a Mexican company, Mendez Equipo Medico, for four ultrasound machines. After performing due diligence on this Mexican company, Medical Imaging Wisconsin decides to pursue this export opportunity.

In the following section, we will go through the general exporting process, using this example. We will cover all required documentation for this international shipment.
Classifying Products: The Harmonized System

What is the Schedule B Classification?

Schedule B, is a statistical classification of domestic and foreign commodities that are exported from the United States. All of these commodities must be assigned a ten-digit Schedule B number. The first 6 digits of the Schedule B number are harmonized. The harmonized system is a worldwide classification method in which the same 6-digit number is assigned to a good regardless of its origin or the language in which it is described.

Organization of the Schedule B Classification

Purpose: The schedule B number (harmonized code) is listed on the Shippers Export Declaration. The Census Bureau collects export statistics from this document. Contrary to what many people think this document does NOT leave the country. U.S. Customs collects the Shippers Export Declaration at the port of export.

Organization of Schedule B classifications:
Schedule B is based on the Harmonized System that consists of 97 chapters grouped into 22 sections. Chapter 98 is used for special classification provisions that apply only to U.S. exports.

The HS-based schedule B numbers consist of 10 digits.

9018.12.0000–Ultrasonic scanning apparatus

The first 2 digits represent the chapter where the commodity is located - 90.
The first 4 digits represent the heading in that chapter - 9018.
The first 6 digits represent the subheading (referred to as the international number) – 9018.12.
The next 4 digits represent statistical subdivision, and this is the complete schedule B number – 9018.12.0000.

General Rules of Interpretation for Classifying Exports

It is extremely important to report the correct schedule B number. Most countries are harmonized to the first 6 digits of the number and duty is assessed based on the schedule B number of the commodity.

Classification shall follow these principles:
1. Titles of sections and chapter are provided for reference only, classification is determined by the terms of headings and any chapter notes that are relative.

2. The heading refers to an article whether complete, incomplete, unfinished as long as the essential character is there of the completed item. It will also include unassembled or disassembled items that when completed have the essential character of the item.

3. A reference in the heading to a material/substance shall include mixtures or combinations of that material/substance with other materials/substances. The classification of commodities consisting of more than one material/substance shall be according to rule 4.

4. If the commodities can be classified under two or more headings, classification shall be as follows:
   A. Use the heading that provides the most specific description over a more general description. When two or more headings each refer a parts only of the materials/substances contained in or are part of the item put up for retail sale, those headings are to be regarded a equally specific and should be used.

   B. Mixtures or items made up of different materials/components, and goods put up for retail sale, that cannot be classified under 4A, shall be classified by the material or component that gives them their essential character.

   C. When items cannot be classified by 4 A or B, they shall be classified under the heading that occurs last in numerical order among those that are being considered.

5. In addition, items that are sold in a set with a case or other containers such as camera cases, gun cases, are to be classified with the article being sold and such cases do not need to be classified separately.

A provision for “parts” of an article covers products solely or principally used as part of such articles, a provision for “parts” or “parts and accessories” does NOT prevail over a specific provision for such a part or accessory.
## EXAMPLE: Schedule B Classification

**Section XVIII – Chapter 90**

<table>
<thead>
<tr>
<th>Schedule B No. and Headings</th>
<th>Commodity Description</th>
<th>Unit of Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>9018 (con.)</td>
<td>Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic etc. - (con.): Electro-diagnostic apparatus (including apparatus for functional exploratory examination or for etc. - (con.):</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9018.12.0000 Ultrasonic scanning apparatus ............................................................ No.</td>
<td></td>
</tr>
<tr>
<td>9018.13.0000</td>
<td>Magnetic resonance imaging apparatus ................................................................. X</td>
<td></td>
</tr>
<tr>
<td>9018.14.0000</td>
<td>Scintigraphic apparatus ........................................................................................ X</td>
<td></td>
</tr>
<tr>
<td>9018.19</td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.4000</td>
<td>Apparatus for functional exploratory examination, and parts and accessories thereof .............................................. X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.5500</td>
<td>Patient monitoring systems ...................................................................................... X</td>
<td></td>
</tr>
<tr>
<td>9018.19.7500</td>
<td>Printed circuit assemblies for parameter acquisition modules ................................................. X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.9530</td>
<td>Basal metabolism and blood pressure apparatus ................................................................. X</td>
<td></td>
</tr>
<tr>
<td>9018.19.9535</td>
<td>Electroencephalographs (EEG) and electromyographs (EMG) .............................................. No.</td>
<td></td>
</tr>
<tr>
<td>9018.19.9550</td>
<td>Other apparatus ........................................................................................................ X</td>
<td></td>
</tr>
<tr>
<td>9018.19.9560</td>
<td>Parts and accessories ................................................................................................ X</td>
<td></td>
</tr>
<tr>
<td>9018.20.0000</td>
<td>Ultraviolet or infrared ray apparatus, and parts and accessories thereof ............................................................ X</td>
<td></td>
</tr>
</tbody>
</table>

[WWW.CENSUS.GOV/FOREIGN-TRADE/SCHEDULES/B/INDES.HTML](WWW.CENSUS.GOV/FOREIGN-TRADE/SCHEDULES/B/INDES.HTML)
Incoterms

Incoterms are only part of the contract for sale. However, they are an integral part of the international transaction. Incoterms deal with the questions related to the delivery of the products from the seller to the buyer. This includes the carriage of products, export and import clearance responsibilities, who pays for what, and who has risk for the condition of the products at different locations within the transport process. Incoterms are always used with a geographical location and do not deal with transfer of title.

Incoterms 2010

<table>
<thead>
<tr>
<th>GROUP</th>
<th>TERM</th>
<th>RISK</th>
<th>CODE</th>
<th>MODE OF TRANSPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP E</td>
<td>Ex Works</td>
<td>Risk Transfers when shipper makes goods available to buyer at seller's facility.</td>
<td>EXW</td>
<td>Any mode: Air, Ocean, Surface such as Rail or Motor Carrier</td>
</tr>
<tr>
<td></td>
<td>Free Alongside Ship</td>
<td>Risk Transfers to Buyer upon Delivery Alongside Vessel.</td>
<td>FAS</td>
<td>Vessel: Ocean port to port</td>
</tr>
<tr>
<td></td>
<td>Free On Board</td>
<td>Risk Transfers to Buyer upon Crossing Ship's Rail.</td>
<td>FOB</td>
<td>Vessel: Ocean port to port</td>
</tr>
<tr>
<td></td>
<td>Free Carrier At</td>
<td>Risk Transfers to Buyer upon Delivery as agreed by seller &amp; buyer.</td>
<td>FCA</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
<tr>
<td>GROUP C</td>
<td>Cost &amp; Freight</td>
<td>Risk Transfers to Buyer upon Crossing Ship’s Rail.</td>
<td>CFR</td>
<td>Vessel: Ocean port to port</td>
</tr>
<tr>
<td></td>
<td>Cost, Insurance &amp; Freight</td>
<td>Risk Transfers to Buyer upon Crossing Ship’s Rail.</td>
<td>CIF</td>
<td>Vessel: Ocean port to port</td>
</tr>
<tr>
<td></td>
<td>Carriage Paid To</td>
<td>Risk Transfers to Buyer upon Delivery to the first carrier.</td>
<td>CPT</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
<tr>
<td></td>
<td>Carriage &amp; Insurance Paid To</td>
<td>Risk Transfers to Buyer upon Delivery to the first carrier.</td>
<td>CIP</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
<tr>
<td>GROUP D</td>
<td>Delivered at Terminal</td>
<td>Risk Transfers to Buyer upon Delivery to the “named terminal at port or place of destination.”</td>
<td>DAT</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
<tr>
<td></td>
<td>Delivered at Place</td>
<td>Risk Transfers to Buyer upon Delivery to the “named place of destination.”</td>
<td>DAP</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
<tr>
<td></td>
<td>Delivered Duty Paid</td>
<td>Risk transfers at named destination consistent with delivering carrier practices &amp; buyer/seller agreement</td>
<td>DDP</td>
<td>Any mode: Air, Ocean, Surface</td>
</tr>
</tbody>
</table>

* ICC Strongly recommends that traders add 'Incoterms 2010' to their chosen terms. For example, in the case study, note how we use all Incoterms 2010 with a geographical location. This avoids the possibility of an interpretation dispute. Incoterms are not law and there is no default Incoterm.
Formal Quote

A quotation is normally the first step in the export transaction. It is a response to an inquiry received from a potential buyer (or a U.S. representative of the foreign entity) or a proactive marketing step of a U.S. based company.

If a quotation is sent to a foreign company that is not familiar with the company or products, the description should be very specific and detailed, more so than if the buyer were domestic. Along with the description, there are other items that should be included, such as:

1. Seller’s name and address
2. Potential buyer’s name and address
3. Buyer’s reference – inquiry number if noted
4. Prices of items: per unit and extended
5. Weights and dimensions of quoted products
6. Discounts, if applicable
7. Terms of sale or Incoterm used (include geographical delivery point)
8. Terms of payment
9. Validity of quotation
10. Estimated shipping date
11. Estimated date of arrival

When quoting a price, it is beneficial to give a potential buyer some options of trade terms selection. Incoterm are very effective when presenting pricing options to the potential buyer. For some very large foreign companies, it is more convenient and cost-effective to negotiate their own freight rates and organize their own shipments, so they may prefer EXW or F-terms. On the other hand, there may be other buyers that would prefer the seller to organize the movement, thereby preferring the C-terms or even the D-terms.

NOTES:
MEDICAL IMAGING WISCONSIN, INC

Medical Imaging Wisconsin, Inc.
100 North Sixth Street
Milwaukee, WI  53202 USA

Quotation number:  BT10102
Dated: December 21, 2007
Page 1 of 6

FORMAL QUOTATION

Mendez Equipo Médico S.A.
Col. Roma
Mexico D.F., C.P. 06760
Attn: Carlos Mendez

Subject: Your request for quote for medically used Ultrasound Imaging Machines.
Our Reference No.: BT10102

<table>
<thead>
<tr>
<th>Model No.</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>BT002043</td>
<td>Ultrasound Imaging Machine</td>
<td>4 units</td>
<td>80,000.00</td>
<td>USD 320,000.00</td>
</tr>
<tr>
<td></td>
<td>Tariff Classification 9018.12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Export Packing/Crating</td>
<td></td>
<td>800.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inland Freight: Milwaukee to Houston</td>
<td></td>
<td>300.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total FCA Yellow Freight: Houston, Texas</strong></td>
<td></td>
<td><strong>USD 321,100.00</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ocean Freight charges &amp; other fees to Veracruz, Mexico</td>
<td></td>
<td>6,300.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total CPT Veracruz, Mexico</strong></td>
<td></td>
<td><strong>USD 327,400.00</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Insurance to Veracruz, Mexico</td>
<td></td>
<td>3,420.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total CIP Veracruz, Mexico</strong></td>
<td></td>
<td><strong>USD 330,820.42</strong></td>
<td></td>
</tr>
</tbody>
</table>

Terms and Conditions of Sale:

Payment Terms: Payable in U.S. Dollars by wire transfer of funds prior to shipment of order or by an acceptable letter of credit. Instructions are attached for opening a letter of credit.

Terms of Sale: Buyers may choose any of the above sales terms (incoterms) that are in bold print and submit purchase order with your selection. When submitting a purchase order, please state the appropriate incoterm indicating the “named place” and followed by the words: “... per Incoterms 2000.”

Transfer of Title: Occurs at Medical Imaging Wisconsin, Inc. Milwaukee, Wisconsin 53202 USA.

Validity of offer: 60 calendar days from date of quote.

Shipment Date: 3-4 weeks after receipt of order.
Shipping Information:
(Estimate only; may vary at time of shipment)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>PART NUMBER</th>
<th>QUANTITY (PIECES)</th>
<th>INVENTORY AVAILABILITY</th>
<th>GROSS WEIGHT (LBS) EACH</th>
<th>TOTAL GROSS WEIGHT (LBS)</th>
<th>CUBIC FEET (PER PIECE)</th>
<th>TOTAL CUBIC FEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BT002043</td>
<td>4</td>
<td>YES</td>
<td>500</td>
<td>2000</td>
<td>45</td>
<td>180</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>4</td>
<td></td>
<td>500</td>
<td>2000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total chargeable weight for ocean shipping
5 cubic meters x $120 W/M = $600

Recommended mode of shipment:

For this quote, Yellow Freight rates were used for Door to Port ocean transportation. The ocean transit time is 3 days plus 2 days for on-carriage to Mexico City, D.F. Vessels are scheduled on a weekly basis. Any other freight forwarder may be selected among Medical Imaging Wisconsin, Inc. preferred list for Incoterms CPT and CIP.

For FCA terms, any forwarder of your preference may be selected.

Export Information:

Origin of Goods: USA
Schedule B No.: 9018.12
The receipt of your purchase order will signify acceptance with the terms and conditions of this quotation.

Please use Medical Imaging Wisconsin, Inc. quotation number when placing your order.

If changes to this offer are needed, please request a revised quote.

For Medical Imaging Wisconsin, Inc.:

Amelia Goeppinger,
Export Manager

IMPORTANT!
In compliance with United States federal law, the Destination Control Statement must be entered on the invoice, the bill of lading, air waybill, or other export control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad. The person responsible for preparation of those documents is responsible for entry of the DCS.
LETTER OF CREDIT REQUIREMENTS

Mendez Equipo Médico S.A.
Col. Roma
Mexico D.F., C.P. 06760
Attn: Carlos Mendez

Subject: Your request for quote ultrasound machine
Our Reference number: BT10102

If a letter of credit is issued, below are the terms and conditions acceptable to Medical Imaging Wisconsin, Inc. If any of these requirements are unacceptable, please contact Ms. Goeppinger with alterations so an agreement can be reached. This will eliminate unnecessary costs and delays later due to amendments on the letter of credit.

1. Please open the letter of credit by SWIFT; opening letters of credit by mail may delay the order process by 2-4 weeks.

2. The credit shall be drawn in irrevocable form and subject to “Uniform Customs and Practice for Documentary Credits” International Chamber of Commerce Publication Number 500.

3. The letter of credit is to be advised and confirmed by any U.S. owned bank, preferably in Milwaukee, Wisconsin. Medical Imaging Wisconsin, Inc.’s bank may be the advising/confirming if the customer does not already have a bank for this purpose. Banking information for letters of credit are as follows:

   Wisconsin Generic Bank, Inc.
   123 Generic Bank Plaza
   Milwaukee, WI 55480 USA
   Acct. # 875-02345-638    USBA # 749376
   Attn: International Department
4. The credit shall be payable at the counters of any U.S. Bank.

5. The letter of credit shall show as The Beneficiary:

   Medical Imaging Wisconsin, Inc.
   100 North Sixth Street
   Milwaukee, WI 53202 USA

6. The letter of credit shall be payable in U.S. Dollars at sight of draft and documents and in the amount specified in the order.

7. The following documents will be provided for this transaction. Please avoid the requirement for any other documents without prior agreement by us.

   a) Commercial Invoice totaled to FCA, CPT, or CIP designated location as per the agreed order (per Incoterms 2000): 4 originals.

   b) Packing List in quadruplicate.

   c) The transport document as follows:

      **For Air Freight:**
      Clean Air Waybill consigned to the issuing bank designating "notify applicant".
      - Air consolidators air waybills shall be allowed.
      - Marked freight collect or prepaid, as agreed in the order.

      **For Ocean Freight:**
      Clean on Board Ocean Bill of Lading consigned “to order” of shipper.
      - NVOCC bills of lading shall be allowed.
      - Marked freight collect or prepaid, as agreed in the order.

8. The port of export (for air or for ocean) shall be specified as “any USA port/airport” and designate the arrival port at destination.

9. Transshipment shall not be allowed.

10. Partial shipments shall be allowed, if agreed upon in the order.
11. The expiration date on the letter of credit shall not be less than 30 days after the issuance of the transport document (air or ocean bill of lading).

12. The letter of credit shall not be transferable.

13. All banking charges incurred inside and outside the beneficiary’s country are for the account of the applicant (customer). **Note:** this includes all charges related to amending the letter of credit as well as confirmation fees (must be specified in writing within the credit).

14. Description of the goods on the letter of credit shall be as simple as possible. Please identify product as follows: **Ultrasound Imaging Machine.**

15. Letter of credit must be in English.

16. No boycott, restrictive trade practices, or discriminatory provisions will be allowed in the letter of credit.

**TIPS:**
- If possible, always use multi-modal Incoterms (FCA, CPT, CIP) in case the method of transportation changes.
- Specify “transport document” rather than ocean bill of lading or air waybill, in case the method of transportation changes.
Proforma Invoice

A proforma invoice is a quote in an invoice format that may be required by the buyer to apply for an import license, contract for pre-shipment inspection, open a letter of credit or arrange for transfer of hard currency.

A proforma may not be a required shipping document, but it can provide detailed information that buyers need in order to legally import the product.

Proforma invoices basically contain much of the same information as the formal quotation, and in many cases can be used in place of one. It should give the buyer as much information about the order as possible so arrangements can be made efficiently. The invoices inform the buyer and the appropriate import government authorities details of the future shipment; changes should not be made without the buyer’s consent.

As mentioned for the quotation, the points to be included in the proforma are:

1. Seller’s name and address
2. Buyer’s name and address
3. Buyer’s reference
4. Items quoted
5. Prices of items: per unit and extended totals
6. Weights and dimensions of quoted products
7. Discounts, if applicable
8. Terms of sale or Incoterm used (include delivery point)
9. Terms of payment
10. Estimated shipping date
11. Validity date

NOTES:
## PROFORMA INVOICE

**Export References:**
Medical Imaging Wisconsin, Inc. quote number BT10102  
Mendez Equipo Médico S.A. purchase order number M3652

**Expiration Date:**
1FEB09

**Exporter Name and Address:**
Medical Imaging Wisconsin, Inc  
100 North Sixth Street  
Milwaukee, WI 53202 USA

**Ultimate Consignee Name and Address:**
Mendez Equipo Médico S.A.  
Col. Roma  
Mexico D.F., C.P. 06760

**Sold To Name and Address:**
Mendez Equipo Médico S.A.  
Col. Roma  
Mexico D.F., C.P. 06760

**Intermediate Consignee/Consigned to:**
Galfiro Montemayor Brokers  
Avenida de Colombia  
1025 Veracruz, Mexico

**Notify Party Name and Address:**
Mendez Equipo Médico S.A.  
Col. Roma  
Mexico D.F., C.P. 06760  
Phone: 52513481572  
Contact: Carlos Mendez

**Date of Shipment:** 3 - 4 Weeks from Order

**AWB/BL Number:**

**Currency:** USD

**Letter of Credit Number:**

### Conditions of Sale and Terms of Payment:

**Freight (please mark):**
Pre-paid _X_ Collect___

**Title Transfer Occurs At:**
Milwaukee, Wisconsin  
CPT Veracruz, Mexico per Incoterms 2000

**Payment Terms:** Payable by letter of credit

**Transportation method:**
Via: Ocean  
From: Port of Houston, Texas to Port of Veracruz, Mexico

**Total Number of Packages:** 4
**Total Net Weight (kgs):** 1,820
**Total Gross Weight (kgs):** 2,000

<table>
<thead>
<tr>
<th>Item Number, Product Description</th>
<th>Tariff Classification Number, Country of Origin</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model BT002043 Ultrasound Imaging Machine</td>
<td>USA origin</td>
<td>4</td>
<td>80,000</td>
<td>320,000 USD</td>
</tr>
</tbody>
</table>

Export Packing/Crating  
U.S. Inland freight: Milwaukee to Houston  
Forwarding fees  
Ocean freight

Total CPT Veracruz, Mexico per Incoterms 2000

**Total CPT Veracruz, Mexico per Incoterms 2000**

USD 327,400

### Please Note:
These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited.

**Authorized Signature:**

**Company:** Medical Imaging Wisconsin, Inc.

**Name:** Ms. Amelia Goeppinger  
**Title:** Export Manager

**Date:** 10JAN08  
**E-mail:** agoeppinger@mim.com

**Telephone Number(s)**

Voice: 987 654 3210  
Facsimile: 987 654 3211

**Telephone Number(s)**

This invoice is for export/import purposes only and not intended for payment purpose.
Commercial Invoice

A commercial invoice is a required document for the export and import clearance process. It is sometimes used for foreign exchange purposes. In the buyer’s country, it is the document that is used by their custom officials to assess import duties and taxes.

Before completing a commercial invoice for a new export destination, it is advisable to consult reliable sources for country specific requirements. A few countries require the invoice to be on a specific form, but for most countries, the seller or exporters version is acceptable as long as all the pertinent information is included.

In addition to the information included on the proforma invoice, the invoice may include the U.S. schedule B number or the harmonized tariff classification number to the sixth digit only. This can speed up the export clearance process as well as the import clearance in the buyer’s country since it provides a universal description of goods for duty and tax purposes.

Another item that should be included is the destination control statement. Even though it is not required for all exports, it is a statement that provides additional protection for the exporter in case the buyer re-exports the shipment to a prohibited destination or prohibited end use.

NOTES:
**COMMERCIAL INVOICE**

**Export References:**
Medical Imaging Wisconsin, Inc. quote number BT10102
Mendez Equipo Médico S.A. purchase order number M3652

**Invoice No:** BT-1638

**Exporter Name and Address:**
Medical Imaging Wisconsin, Inc.
100 North Sixth Street
Milwaukee, WI 53202 USA

**Ultimate Consignee Name and Address:**
Mendez Equipo Médico S.A.
Col. Roma
Mexico D.F., C.P. 06760

**Sold To Name and Address:**
Mendez Equipo Médico S.A.
Col. Roma
Mexico D.F., C.P. 06760

**Intermediate Consignee/Consigned to:**
Galfiro Montemayor Brokers
Avenida de Colombia
1025 Veracruz, Mexico

**Notify Party Name and Address:**
Mendez Equipo Médico S.A.
Col. Roma
Mexico D.F., C.P. 06760
Phone: 5 25 1 348 1572
Contact: Carlos Mendez

**Date of Shipment:** 18FEB08
**AWB/BL Number:** MXVZ 9707503
**Currency:** USD
**Letter of Credit Number:** 120ICCI000-990093

**Conditions of Sale and Terms of Payment:**
**Freight:** Pre-Paid
**Title Transfer Occurs At:**
Milwaukee, Wisconsin
CPT Veracruz, Mexico per Incoterms 2000
**Payment Terms:** Payable by letter of credit

**Transportation:**
**Via:** Ocean
**From:** Port of Houston, Texas to Port of Veracruz, Mexico

**Total Number of Packages:** 4
**Total Net Weight (kgs):** 1,820
**Total Gross Weight (kgs):** 2,000

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Item Number, Harmonized Number, Product Description</th>
<th>Country of Origin</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Model BT002043 Ultrasound Imaging Machine Tariff Classification 9018.12</td>
<td>USA</td>
<td>4</td>
<td>80,000</td>
<td>320,000 USD</td>
</tr>
<tr>
<td></td>
<td>Export Packing/Crating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>U.S. Inland freight: Milwaukee to Houston</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forwarding fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ocean freight</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total CPT Veracruz, Mexico per Incoterms 2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Telephone Number(s)**
**Voice:** 987 654 3210
**Facsimile:** 987 654 3211

Please Note: These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited.

**Authorized Signature:**

**Company:** Medical Imaging Wisconsin, Inc.

**Name:** Ms. Amelia Goeppinger
**Title:** Export Manager
**Date:** 06FEB08
**E-mail:** agoepinger@mim.com

This invoice is for export/import purposes only and not intended for payment purposes.
Packing List

This document itemizes the contents of each package (box, pallets, etc). It includes weights, measurements and detailed lists of the goods in each package. Packing list should be included in carton or package and it can be attached to the outside of a package with a copy inside.

This document is used by freight forwarders to determine weights and freight costs. It’s also used by U.S. and/or foreign customs officials to check the contents of a specific package or carton.
## Medical Imaging Wisconsin, Inc. – Packing List

<table>
<thead>
<tr>
<th>Shipment Line No.</th>
<th>Item Number</th>
<th>Item Description, Sales Order No., Customer PO No.</th>
<th>Shipped Quantity</th>
<th>Packaging Type</th>
<th>Dimensions</th>
<th>Per package gross weight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BT002043</td>
<td>Ultrasound Imaging Machine Tariff Classification 9018.12</td>
<td>1</td>
<td>Crate</td>
<td>56 50 28 142 127 71</td>
<td>500 1102</td>
</tr>
<tr>
<td></td>
<td>BT002043</td>
<td>Ultrasound Imaging Machine Tariff Classification 9018.12</td>
<td>1</td>
<td>Crate</td>
<td>56 50 28 142 127 71</td>
<td>500 1102</td>
</tr>
<tr>
<td></td>
<td>BT002043</td>
<td>Ultrasound Imaging Machine Tariff Classification 9018.12</td>
<td>1</td>
<td>Crate</td>
<td>56 50 28 142 127 71</td>
<td>500 1102</td>
</tr>
<tr>
<td></td>
<td>BT002043</td>
<td>Ultrasound Imaging Machine Tariff Classification 9018.12</td>
<td>1</td>
<td>Crate</td>
<td>56 50 28 142 127 71</td>
<td>500 1102</td>
</tr>
</tbody>
</table>

Country of Origin: USA
Marks: addressed and numbered 1 of 4, 2 of 4....

Note: These commodities, Technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

Signature: ____________________________  Date: 06FEB08
Amelia Goeppinger, Export Manager
Medical Imaging Wisconsin, Inc.
Automated Export System

As of July 2, 2008, the Census Bureau requires mandatory filing of export information through the AES for all shipments where a Shipper’s Export Declaration (SED) is necessary. The AES is a computer system that collects the SED information. Most U.S. exports are recorded on this electronic form and it can be filled out either by the exporting company or a freight forwarder (if a power of attorney is in force or the exporter signs block 29). The AES is electronically processed. It is used for two reasons:

1) AES serves as a census record of U.S. exports and many reports are generated using these statistics;
2) AES serves as a regulatory document since the applicable export license designation must appear on the form.

The SED/AES is required for shipments to other countries when the value of the goods is more than $2,500 per Schedule B number, shipments to embargoed countries regardless of value, and all shipments requiring an export license from any government agency.

NOTE: This document does not leave the United States, it is our export control document. It does not move along with the other export documents through banking channels on letter of credit or any other transactions. It is not sent to the buyer under any circumstances.

Information regarding when an SED/AES is required, exemptions, and other regulations is available on the Census website at www.census.gov.

To access the AES go to http://www.aesdirect.gov. You can demo the service on this site.
Shipper's Letter of Instruction

This form is typically a multiform used to give instructions to the forwarder and to partially fill out the SED. Even though a company uses the same freight forwarder for every shipment, it is wise to fill out this form completely to prevent any confusion on individual shipments. The forwarder will only do what they are instructed to do.

NOTES:
**SHIPPER'S LETTER OF INSTRUCTIONS**

**SHIPPER: PLEASE BE SURE TO COMPLETE ALL SHAD ED AREAS.**

**SHIPPER MUST CHECK**

- [ ] PREPAID  [ ] COLLECT C.O.D. $ __________
- [ ] AIR  [ ] OCEAN  [ ] CONSOLIDATE  [ ] DIRECT

**SHIPPER'S INSTRUCTIONS IN CASE OF INABILITY TO DELIVER CONSIGNMENT**
- [ ] AS ASSIGNED  [ ] ABANDON  [ ] RETURN TO SHIPPER  [ ] DELIVER TO

**SHIPPERS NOTE:**

If you are uncertain of the Schedule B Commodity No. do not type it in – we will complete when processing the 7525V.

We have forwarded to you, the shipment described below via:

- [ ] YOUR TRUCK, OR
- [ ] OTHER CARRIER (LISTED BELOW)

TRUCK LINE NAME __________________________

RECIPIENT (PRO) NUMBER __________________________

DECLARED VALUE FOR CARRIAGE $ __________

PLEASE SIGN THE FIRST EXPORT DECLARATION IN BOX 23 WITH PEN AND INK.

**DOCS. ENCLOSED:**

**SPECIAL INSTRUCTIONS:**

Value listed is reportable amount for SED

**NOTE:** The shipper of his Authorized Agent hereby authorizes the above named Company, in his name and on behalf, to prepare any export documents, to sign and accept any documents relating to said shipment and forward this shipment in accordance with the conditions of carriage and the tariffs of the carriers employed. The shipper guarantees payment of all collect charges in the event the consignee refuses payment.

Hereunder the sole responsibility of the Company is to use reasonable care in the selection of carriers, forwards, agents and others to whom it may entrust the shipment.
Certificate of Origin

This document confirms and/or certifies the country of origin of products. It may be required by certain countries or by the terms of a letter of credit. Sometimes it may require local Chamber of Commerce certification.

A standard document exists, but some countries have a specific form that is required for proof of origin so products can qualify for preferential duty rates (typically when free trade agreements exist). The United States currently has free trade agreements with Australia, Bahrain, Chile, Israel, Jordan, Morocco, Singapore, and is a member of the North American Free Trade Agreement (NAFTA), and the Central American Free Trade Agreement (CAFTA). Free trade agreements are pending with the following countries: Colombia, Korea, Oman, Panama, and Peru. To obtain more information regarding certificate of origin requirements for these countries, visit http://export.gov/fta/.

NOTES:
## CERTIFICATE OF ORIGIN

<table>
<thead>
<tr>
<th>Shipper/exporter (name and address including zip code):</th>
<th>Booking/shipment number:</th>
<th>B/L or AWB number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Imaging Wisconsin, Inc.</td>
<td>FYF101</td>
<td>MXVZ 9797503</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Export references:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Imaging Wisconsin, Inc. quote number BT10102</td>
</tr>
<tr>
<td>Mendez Equipo Médico S.A. purchase number M3652</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consignee (name and address):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mendez Equipo Médico S.A.</td>
</tr>
<tr>
<td>Col Roma</td>
</tr>
<tr>
<td>Mexico D.F., C.P. 06760</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forwarding agent (name and address - references):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Freight</td>
</tr>
<tr>
<td>12400 Dupont Avenue South</td>
</tr>
<tr>
<td>Burnsville, WI 55337 USA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Export references:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Imaging Wisconsin, Inc. quote number BT10102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consignee (name and address):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mendez Equipo Médico S.A.</td>
</tr>
<tr>
<td>Col Roma</td>
</tr>
<tr>
<td>Mexico D.F., C.P. 06760</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate consignee/notify party (name and address):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galfiro Montemayor</td>
</tr>
<tr>
<td>Avenida de Colombia</td>
</tr>
<tr>
<td>1025 Veracruz, Mexico</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forwarding agent (name and address - references):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Freight</td>
</tr>
<tr>
<td>12400 Dupont Avenue South</td>
</tr>
<tr>
<td>Burnsville, WI 55337 USA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Point (state and country) of origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>WI, U.S.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic routing / export instructions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Freight</td>
</tr>
<tr>
<td>Milwaukee, WI to Houston, TX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic routing / export instructions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Freight</td>
</tr>
<tr>
<td>12400 Dupont Avenue South</td>
</tr>
<tr>
<td>Burnsville, WI 55337 USA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic routing / export instructions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Freight</td>
</tr>
<tr>
<td>Milwaukee, WI to Houston, TX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exporting carrier:</th>
</tr>
</thead>
<tbody>
<tr>
<td>American President Line</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Port of loading/export:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston, Texas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transportation method:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocean Vessel</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign port of unloading (vessel and air only):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veracruz, Mexico</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Place of delivery by on-carrier:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico, D.F., C.P. 06760</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Containerized (vessel only):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Container No. / Seal No. / Marks and Numbers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model BT002043</td>
</tr>
<tr>
<td>Addressed and Numbered 1 of 4…</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Packages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Crates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of commodities, Model/Serial number, harmonized number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultrasound Imaging Machine</td>
</tr>
<tr>
<td>Tariff Classification 9018.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross weight (kg):</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measurement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>180 Cubic Feet</td>
</tr>
</tbody>
</table>

The undersigned ____________ (Owner or Agent), does hereby declare for the above named shipper, the goods as described on the above date and consigned as indicated and are products of the United States of America. Dated at _____________ on the ___ day of ______, ________. Sworn to before me this ___ day of ______, ________.

______________________________________________
Signature of Owner or Agent

The ____________, 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, finds that the products named originated in the United States of America.

______________________________________________
Secretary ______________________________
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.-ISRAEL FREE TRADE AREA</td>
</tr>
<tr>
<td></td>
<td>CERTIFICATE OF ORIGIN</td>
</tr>
<tr>
<td></td>
<td>(Combined declaration and certificate)</td>
</tr>
<tr>
<td></td>
<td>(See notes over leaf)</td>
</tr>
<tr>
<td>2. Goods consigned to (consignee's name, address)</td>
<td></td>
</tr>
<tr>
<td>3. Means of transport and route (as far as known)</td>
<td>4. For official use</td>
</tr>
<tr>
<td>5. Item number</td>
<td>6. Marks and numbers of packages</td>
</tr>
<tr>
<td>8. Origin criterion</td>
<td>9. Gross Weight or other quantity</td>
</tr>
<tr>
<td>11. CERTIFICATION</td>
<td></td>
</tr>
<tr>
<td>The recognized chamber of commerce, board of trade, or</td>
<td></td>
</tr>
<tr>
<td>under the laws of the State of</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Certifying Official</td>
<td></td>
</tr>
<tr>
<td>EXPOR TER AS PRO DUCER:</td>
<td></td>
</tr>
<tr>
<td>The undersigned hereby declares that the goods named in this invoice and that they comply with the origin requirements specified for those goods in the U.S.-Israel Free Trade Area Agreement for goods exported to Israel.</td>
<td></td>
</tr>
<tr>
<td>Signature of Exporter</td>
<td></td>
</tr>
<tr>
<td>12. DECLARATION BY THE EXPORTER</td>
<td></td>
</tr>
<tr>
<td>The undersigned hereby declares that the above details and statements are correct, that all the goods were produced in the United States of America and that they comply with the origin requirements specified for those goods in the U.S.-Israel Free Trade Area Agreement for goods exported to Israel.</td>
<td></td>
</tr>
<tr>
<td>Signature of Exporter</td>
<td></td>
</tr>
<tr>
<td>Sworn to before me this day of</td>
<td></td>
</tr>
<tr>
<td>day of</td>
<td></td>
</tr>
<tr>
<td>Signature of Notary Public</td>
<td></td>
</tr>
</tbody>
</table>
Bill of Lading

This is a contract for carriage between a shipper and carrier. It also serves as proof of title and receipt for the goods. The bill of lading can be either a straight bill of lading (nonnegotiable), or a negotiable (sometimes called a shipper's bill of lading).

For ocean shipments, the bill of lading can either be negotiable or nonnegotiable. The customer typically needs the original as proof of ownership to take possession of the goods.

For an air shipment, the bill of lading is never negotiable and the customer can show identification and pick up the shipment.
Air Waybill

Issued by

Consignee's Name and Address

Description of Goods

Net Weight

Air Waybill

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. ALL GOODS MAY BE CARRIED BY ANY OTHER MEANS INCLUDING ROAD OR ANY OTHER CARRIER UNLESS SPECIFIC CONTRARY INSTRUCTIONS ARE GIVEN HEREOF BY THE SHIPPER. SHIPPER AGREES THAT THE SHIPMENT MAY BE CARRIED VIA INTERMEDIATE STOPPING PLACES WHICH THE CARRIER DESIGNS APPROPRIATE. THE CARRIER'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.

Issuing Carrier's Agent Name and City

Accounting Information

Agent's IATA Code

Account No.

Airport of Departure (Airport of First Carrier and Requested Routing)

To

By First Carrier

Currency

Declared Value for Carriage

Declared Value for Customs

Amount of Insurance

Handling Information

These commodities licensed by the U.S. for ultimate destination

Diversion contrary to U.S. law prohibited.

<table>
<thead>
<tr>
<th>No. of Pieces</th>
<th>Gross Weight</th>
<th>Legal Weight</th>
<th>Rate Class</th>
<th>Commodity Code</th>
<th>Rate / Change</th>
<th>Total</th>
</tr>
</thead>
</table>

Weight Charge

Collect

Other Charges

Shipment is certified that the particulars on the face herein are correct, and that nothing any part of this consignment contains dangerous goods. Each 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

Signature of Issuing Carrier or his Agent

APPERSHON BUSINESS FORMS, INC. KBB620 (4/90)

ORIGINAL 3 (FOR SHIPPER)
NAFTA: Canada and Mexico

Qualifying a Product for NAFTA

NAFTA Rules of Origin in a Nutshell

The NAFTA grants benefits to a variety of goods from the United States, Mexico and Canada. Benefits are for those goods that “originate” in the countries. Originating is a term used to describe those goods that meet the requirements of Article 401 of the agreement.

There are 4 basic ways defined for "origin criteria" under which goods can qualify for the NAFTA preferential tariff.

1. Wholly obtained or produced in the NAFTA countries.
2. Goods produced wholly from originating materials.
4. Goods that are unassembled and classified with their parts which do not meet the Annex 401 rule but contain 60% regional value content (RVC).

Qualifying Criteria for NAFTA

A. Wholly obtained in one of the territories
   
B. 1. Tariff shift
   
   2. Tariff shift plus a regional value content (RVC)
   
   3. RVC only

C. Made from originating materials

D. 1. Kits plus a RVC
   
   2. Parts in the same rule (commodity and its parts are listed in the same schedule B number) plus a RVC.

Seven Steps to Facilitate Qualifying Process

1. Determine the tariff classification number (schedule B number) of the finished products.
2. Check the duty rate for the product because a NAFTA certificate may not be necessary if MFN tariff rate is "free".
3. Determine the NAFTA rule of origin that applies to the tariff classification of the finished product.
4. Prepare a list of components and materials used to produce the finished product.
5. Determine which of the components or materials used to produce the finished product are originating and which are non-originating.
6. Determine the tariff classification of all NON-ORIGINATING components or materials.
7. Apply the rules of origin and determine whether the change in tariff classification occurs and/or whether the regional value content is met for non-originating components or materials.
Sample Document 1: Preferential Treatment Determination

1. Determine the tariff classification number (schedule B number) of the finished product(s).

   Section XVIII – Chapter 90

<table>
<thead>
<tr>
<th>Schedule B No. and Headings</th>
<th>Commodity Description</th>
<th>Unit of Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>9018 (con.)</td>
<td>Instruments and appliances used in medical, surgical, dental or veterinary sciences,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>or including scintigraphic etc. – (con.):</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electro-diagnostic apparatus (including apparatus for functional exploratory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>examination or for etc. – (con.):</td>
<td></td>
</tr>
<tr>
<td>9018.12.0000</td>
<td>Ultrasonic scanning apparatus</td>
<td>No.</td>
</tr>
<tr>
<td>9018.13.0000</td>
<td>Magnetic resonance imaging apparatus</td>
<td>X</td>
</tr>
<tr>
<td>9018.14.0000</td>
<td>Scintigraphic apparatus</td>
<td>X</td>
</tr>
<tr>
<td>9018.19</td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.4000</td>
<td>Apparatus for functional exploratory examination, and parts and accessories thereof</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.5500</td>
<td>Patient monitoring systems</td>
<td>X</td>
</tr>
<tr>
<td>9018.19.7500</td>
<td>Printed circuit assemblies for parameter acquisition modules</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>9018.19.9530</td>
<td>Basal metabolism and blood pressure apparatus</td>
<td>X</td>
</tr>
<tr>
<td>9018.19.9535</td>
<td>Electroencephalographs (EEG) and electromyographs (EMG)</td>
<td>No.</td>
</tr>
<tr>
<td>9018.19.9550</td>
<td>Other apparatus</td>
<td>X</td>
</tr>
<tr>
<td>9018.19.9560</td>
<td>Parts and accessories</td>
<td>X</td>
</tr>
<tr>
<td>9018.20.0000</td>
<td>Ultraviolet or infrared ray apparatus, and parts and accessories thereof</td>
<td>X</td>
</tr>
</tbody>
</table>

2. Check the duty rate for the product being shipped to Canada or Mexico. If the duty rate for "Most Favored Nations" is zero, a NAFTA certificate is not necessary. If there is duty and the product qualifies for NAFTA, the customer can receive preferential duty rates on the product.

   NON-NAFTA duty rate – 10% (WOW…good idea to continue!)
3. Determine the NAFTA rule of origin that applies to the finished product.

9018.12

A change to subheadings 9018.12 through 9018.14 from another heading

*Please note: "subheading" refers to the 6 digit number – 9018.12
"heading" refers to the 4 digit number - 9018

4. Prepare a list of components and materials used to produce the finished product.

Central Processing Unit, Transducer Pulse Controls, Display, Keyboard/Cursor, Disk Storage, Printer

5. Determine which of the components or materials used to produce the finished product are originating and which are non-originating.

Originating: Transducer Pulse Controls
Non-Originating: Central Processing Unit, Display, Keyboard/Cursor, Printer

6. Determine the tariff classification of all NON-ORIGINATING components or materials.

Central Processing Unit – 8471.41 (Taiwan)
Display – 8528.41 (Japan)
Keyboard/Cursor – 8471.60 (China)
Printer – 8443.32 (China)

7. Apply the rules of origin and determine whether the change in tariff classification occurs and/or whether the regional value content is met for non-originating components or materials.

The rule of origin for the 9018.12 subheading states that in order for the machine to qualify as originating, the non-originating components/material used to produce the finished product MUST come from outside the 9018 heading. We know from the previous step, that the headings for the non-originating Central Processing Unit, Display, Keyboard/Cursor and Printer all come from outside the 9018 heading. Therefore, enough value added is being done in one of the three NAFTA countries (U.S., Mexico and Canada) to create a "tariff shift" that results in the product qualifying for preferential duty treatment (zero) under the North American Free Trade Agreement.

**TIP:**
If your product does not satisfy the "tariff shift" option under the specific rule of origin for your product, you may need to calculate a "Regional Value Content." In these cases, feel free to contact your local U.S. Commercial Service office. An International Trade Specialist can walk you through this often difficult process.
North American Free Trade Agreement
Certificate of Origin

19 CFR 181.11, 181.22

<table>
<thead>
<tr>
<th>1. EXPORTER NAME AND ADDRESS:</th>
<th>2. BLANKET PERIOD (DD/MM/YY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Imaging Wisconsin, Inc.</td>
<td>FROM: 01JAN08</td>
</tr>
<tr>
<td>100 North Sixth Street</td>
<td>TO: 31DEC08</td>
</tr>
<tr>
<td>Milwaukee, WI 53202 USA</td>
<td>TAX IDENTIFICATION NUMBER: 87-6543210</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. PRODUCER NAME AND ADDRESS:</th>
<th>4. IMPORTER NAME AND ADDRESS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same as above</td>
<td>Mendez Equipo Médico S.A.</td>
</tr>
<tr>
<td></td>
<td>Col Roma</td>
</tr>
<tr>
<td></td>
<td>Mexico D.F., C.P. 0670</td>
</tr>
<tr>
<td></td>
<td>Attention: Carlos Mendez</td>
</tr>
<tr>
<td>TAX IDENTIFICATION NUMBER:</td>
<td>TAX IDENTIFICATION NUMBER: RFC# ABC 9876543</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. DESCRIPTION OF GOOD(S):</th>
<th>6. H.S. TARIFF CLASSIFICATION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model BT002043 Ultrasound Imaging Machine</td>
<td>9018.12</td>
</tr>
<tr>
<td>7. PREFERENCE CRITERION</td>
<td>8. PRODUCER</td>
</tr>
<tr>
<td>B</td>
<td>Yes</td>
</tr>
</tbody>
</table>

I CERTIFY THAT:
- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSION MADE ON OR IN CONNECTION WITH THIS DOCUMENT;
- I AGREE TO MAINTAIN, AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT WOULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE;
- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES. AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICAN FREE TRADE AGREEMENT. AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES; AND
- THIS CERTIFICATE CONSISTS OF 1 PAGES, INCLUDING ALL ATTACHMENTS.

11a. AUTHORIZED SIGNATURE: Amelia Goeppinger
11b. COMPANY: Medical Imaging Wisconsin, Inc.
11c. NAME (PRINT OR TYPE): Amelia Goeppinger
11d. TITLE: Export Manager
11e. DATE: (DD/MM/YY) 03JAN08
11f. TELEPHONE: 987 654 3210
11g. FAX: 987 654 3211

Customs Form 434 (121793) (Back)
North American Free Trade Agreement Certificate of Origin Instructions

For purposes of obtaining preferential tariff treatment, this document must be completed legibly and in full by the exporter and be in the possession of the importer at the time the declaration is made. This document may also be completed voluntarily by the producer for use by the exporter. Please print or type:

Field 1: State the full legal name, address (including country) and legal tax identification number of the exporter. Legal taxation number is: in Canada, employer number or Importer/exporter number assigned by Revenue Canada; in Mexico, federal taxpayer’s registry number (RFC); and in the United States, employer’s identification number or Social Security Number.

Field 2: Complete field if the Certificate covers multiple shipments of identical goods as described in Field #5 that are imported into a NAFTA country for a specified period of up to one year (the blanket period). “FROM” is the date upon which the Certificate becomes applicable to the good covered by the blanket Certificate (it may be prior to the date of signing this Certificate). “TO” is the date upon which the blanket period expires. The importation of a good for which preferential treatment is claimed based on this Certificate must occur between these dates.

Field 3: State the full legal name, address (including country) and legal tax identification number, as defined in Field #1, of the producer. If more than one producer’s good is included on the Certificate, attach a list of additional producers, including the legal name, address (including country) and legal tax identification number, cross-referenced to the good described in Field #5. If you wish this information to be confidential, it is acceptable to state “Available to Customs upon request”. If the producer and the exporter are the same, complete field with “SAME”. If the producer is unknown, it is acceptable to state “UNKNOWN”.

Field 4: State the full legal name, address (including country) and legal tax identification number, as defined in Field #1, of the importer. If the importer is not known, state “UNKNOWN”; if multiple importers, state “VARIOUS”.

Field 5: Provide a full description of each good. The description should be sufficient to relate it to the invoice description and to the Harmonized System (H.S.) description of the good. If the Certificate covers a single shipment of a good, include the invoice number as shown on the commercial invoice. If not known, indicate another unique reference number, such as the shipping order number.

Field 6: For each good described in Field #5, identify the H.S. tariff classification to six digits. If the good is subject to a specific rule of origin in Annex 401 that requires eight digits, identify to eight digits, using the H.S. tariff classification of the country into whose territory the good is imported.

Field 7: For each good described in Field #5, state which criterion (A through F) is applicable. The rules of origin are contained in Chapter Four and Annex 401. Additional rules are described in Annex 703.2 (certain agricultural goods), Annex 300-B, Appendix 6 (certain textile goods) and Annex 308.1 (certain automatic data processing goods and their parts). **NOTE: In order to be entitled to preferential tariff treatment, each good must meet at least one of the criteria below.**

### Preference Criteria

A. The good is “wholly obtained or produced entirely” in the territory of one or more of the NAFTA countries as referenced in Article 415. **Note: The purchase of a good in the territory does not necessarily render it “wholly obtained or produced”.** If the good is an agricultural good, see also criterion F and Annex 703.2. (Reference: Article 401(a) and 415)

B. The good is produced entirely in the territory of one or more of the NAFTA countries and satisfies the specific rule of origin, set out in Annex 401, that applies to its tariff classification. The rule may include a tariff classification change, regional value-content requirement, or a combination thereof. The good must also satisfy all other applicable requirements of Chapter Four. If the good is an agricultural good, see also criterion F and Annex 703.2. (Reference: Article 401 (b))

C. The good is produced entirely in the territory of one or more of the NAFTA countries exclusively from originating materials. Under this criterion, one or more of the materials may not fall within the definition of “wholly produced or obtained”, as set out in Article 415. All material used in the production of the good must qualify as “originating” by meeting the rules of Article 401(a) through (d). If the good is an agricultural good, see also criterion F and Annex 703.2. Reference: Article 401(c).

D. Goods are produced in the territory of one or more of the NAFTA countries but do not meet the applicable rule of origin, set out in Annex 401, because certain non-originating materials do not undergo the required change in tariff classification. The goods do nonetheless meet the regional value-content requirement specified in Article 401 (d). This criterion is limited to the following two circumstances.
1. The good was imported into the territory of a NAFTA country in an unassembled or disassembled form but was classified as an assembled good, pursuant to H.S. General Rule of Interpretation 2(a), or
2. The good incorporated one or more non-originating materials, provided for as parts under the H.S., which could not undergo a change in tariff classification because the heading provided for both the good and its parts and was not further subdivided into subheadings, or the subheading provided for both the good and its parts and was not further subdivided.

**Note:** This criterion does not apply to Chapters 61 through 63 of the H.S. (Reference: Article 401(d))

E. Certain automatic data processing goods and their parts, specified in Annex 308.1, that do not originate in the territory are considered originating upon importation into the territory of a NAFTA country from the territory of another NAFTA country when the most-favored-nation tariff rate of the good conforms to the rate established in Annex 308.1 and is common to all NAFTA countries. (Reference: Annex 308.1)

F. The good is an originating agricultural good under preference criterion A, B, or C above and is not subject to a quantitative restriction in the importing NAFTA country because it is a “qualifying good” as defined in Annex 703.2, Section A or B (please specify). A good listed in Appendix 703.2B.7 is also exempt from quantitative restrictions and is eligible for NAFTA preferential tariff treatment if it meets the definition of “qualifying good” in Section A of Annex 703.2. Note 1: This criterion does not apply to goods that wholly originate in Canada or the United States and are imported into either country. Note 2: A tariff rate quota is not a quantitative restriction.

Field 8: For each good described in Field #5, state “YES” if you are the producer of the good. If you are not the producer of the good, state “NO” followed by (1), (2), or (3), depending on whether this certificate was based upon: (1) your knowledge of whether the good qualifies as an originatization good; (2) your reliance on the producer’s written representation (other than a Certificate of Origin) that the good qualifies as an originating good; or (3) a completed and signed Certificate for the good, voluntarily provided to the exporter by the producer.

Field 9: For each good described in Field #5, where the good is subject to a regional value content (RVC) requirement, indicate “NC” if the RVC is calculated according to the net cost method; otherwise, indicate “NO”. If the RVC is calculated over a period of time, further identify the beginning and ending dates (DD/MM/YY) of that period. (Reference: Articles 402.1, 402.5).

Field 10: Identify the name of the country (“MX” or “US” for agricultural and textile goods exported to Canada; “US” or “CA” for all goods exported to Mexico; or “CA” or “MX” for all goods exported to the United States) to which the preferential rate of customs duty applies, as set out in Annex 302.2, in accordance with the Marking Rules or in each party’s schedule of tariff elimination.

For all other originating goods exported to Canada, indicate appropriately “MX” or “US” if the goods originate in that NAFTA country, within the meaning of the NAFTA Rules of Origin Regulations, and any subsequent processing in the other NAFTA country does not increase the transaction value of the goods by more that seven percent: otherwise “JNT” for joint production. (Reference: Annex 302.2)

Field 11: This field must be completed, signed, and dated by the exporter. When the Certificate is completed by the producer for use by the exporter, it must be completed, signed, and dated by the producer. The date must be the date the Certificate was completed and signed.
Certificate of Origin Suggestions

1. Read instruction carefully for each field.

2. Keep copies of the **rules of origin** for your specific HS classifications on file. You cannot fill out this form without them. (See resource page on how to obtain copies).

3. Only products that originate in the U.S., Canada, or Mexico **and** qualify under the NAFTA rules of origin may be listed on the certificate of origin. **Non-originating products** are listed on the invoice but **NOT** on the certificate of origin.

4. This form may be sent to the importer and need not accompany the shipment. However, a statement should be placed on your invoice that the NAFTA certificate of origin is on file with the importer. This helps to avoid delays and questions at the border. If there is no NAFTA certificate of origin on file because the goods do not qualify under the rules of origin, a statement to that effect should also be placed on the invoice.

5. To save time, in field 4 (Importer’s Name and Address), it is acceptable to put "**Various**" to cover multiple importers. Also, in field 3 (Producer’s name and Address), if you are not the manufacturer, it is acceptable to put "**Available to Customs upon request**". This can protect the confidentiality of your sources.

6. In field 9 (Net Cost), if your rule of origin stipulates that you must meet a **regional value content requirement** and you use the net cost method formula, you put "**NC**" in that field. Otherwise, you put "**No**".

7. Preference criteria "**A**" is very often misused. There are very few U.S. processed goods which have absolutely no imported parts or components. If you are a reseller, try to get written origin verification from the manufacturer if possible.

8. NEVER ASSUME that since you purchased some component, ingredient, or other parts in the United States, that the item qualifies as **originating**.

9. Qualifying parts and accessories can be difficult and time consuming for some companies if origin is unknown. Many companies choose to qualify their equipment, but not the spare parts. Or you may wish to try to qualify only those parts that are shipped in the greatest quantity or have the highest dollar value.

10. Importers, exporters, and producers may obtain advance rulings from the United States, Mexican, or Canadian Customs regarding application of the NAFTA to imports. Check in NAFTA reference section for addresses of customs.

11. An exporter or producer who falsely represents that goods qualify as originating on a NAFTA certificate of origin may be penalized. An importer may also be penalized for making a false claim for preferential treatment.

**TIP:**
Fax your completed NAFTA Certificate of Origin to your local U.S. Commercial Service office. An International Trade Specialist can proof read your document to make sure all the fields are completed properly. A few extra minutes preparation can save a lot of time and prevent future delays and issues.
Temporary Admission of Goods

Article 306 of the NAFTA

Each party shall grant duty-free temporary admission for:

A. **Professional** equipment necessary for carrying out the business activity, trade or profession of a businessperson.
B. Equipment for the **press** or for sound or television broadcasting and cinematographic equipment.
C. Goods imported for **sports** purposes and goods intended for **display** or demonstration.
D. **Commercial samples** and advertising films.

According to the NAFTA, for items A-C, such goods must also:

1. Be imported by a national or resident of another party who seeks temporary entry. For example, if a U.S. company wishes to send commercial samples to Canada temporarily, they may not be imported by a Canadian.
2. Be used solely by or under the personal supervision of such person in the exercise of the business activity, trade or profession of that person.
3. Not be sold or leased while in its territory.
4. Be accompanied by a bond or other security if the goods are non-originating (do not qualify under the NAFTA rules of origin for preferential treatment). No bond is required for originating goods.
5. Be capable of identification upon exportation.
6. Be exported in an amount of time reasonably related to the purpose of the temporary admission.
7. Be imported in no greater quantity than is reasonable for its intended use.

For display or exhibition goods, since no bond is required on originating goods, a NAFTA certificate of origin should accompany the goods. It is also advisable to bring along a receipt for the booth space or other exhibition literature. Give away promotional items are not covered under this category and must be invoiced separately. Duties are charged on give away items according to their specific HS category.

For item D, commercial samples, such goods must:

1. Be imported solely for the solicitation of orders for goods or services provided from any country other than the country of importation. For example, if you wish to import commercial samples into Canada, you may not solicit orders for Canadian goods.
2. Not be sold, leased or put to any use other than exhibition or demonstration.
3. Be capable of identification when exported.
4. Be exported within such a time frame as is reasonably related to the purpose of the temporary admission.
5. Be imported in no greater quantity than is reasonable for its intended use.

**Commercial samples of negligible value and printed advertising materials. Article 306 of the NAFTA.**

The NAFTA provides for duty-free importation of certain commercial samples and printed advertising materials, regardless of their origin. The commercial samples must be of a negligible value, that is, their value cannot exceed one U.S. dollar (or the equivalent in the currency of Mexico or Canada) or they must be marked, torn, perforated or otherwise unsuitable for sale or use except as commercial samples. Requirements are:

1. Such samples be imported solely for the solicitation of orders for goods, or services provided by any country other than the country of import; or,
2. Such advertising materials be imported in packets that each contain no more than one copy of each such material and that neither such materials nor packets form part of a larger consignment.

REPAIRS AND ALTERATIONS

UNDER WARRANTY: None of the NAFTA countries may assess customs duties on goods that are exported for repair or alteration in another NAFTA country pursuant to a warranty and then re-imported. This is true regardless of the origin of the goods and regardless of whether the goods could have been repaired or altered in the exporting country.

NOT UNDER WARRANTY: A NAFTA country may, however, choose to assess customs duties on the value of the repairs or alterations performed in another NAFTA country that are not pursuant to a warranty. The rate of duty is the NAFTA preferential rate, regardless of whether the goods repaired or altered are originating.

Canada will assess duties on the value of such repairs or alterations performed in Mexico and the United States using the rate of duty applicable under the NAFTA. Mexico will not assess duties on repairs or alterations performed in the United States or Canada. The United States will not assess duties on repairs or alterations performed in Mexico, but will assess duties on those performed in Canada.

The export of products for repair or alteration must be done under the supervision of the Customs authority and documented so that at the time of return, this document can be presented with the invoice. The value of the repair or alteration must be shown in the body of the invoice. If under warranty, the invoice should be accompanied by a statement from the supplier showing that the repair to the goods was done free of charge under the terms of the warranty.
NAFTA CERTIFICATE OF ORIGIN FORMS

You can fill in the NAFTA document free on the Milwaukee U.S. Department of Commerce web site: www.exportassistance.com

There is also links to other information about NAFTA on the site.

NAFTA INFORMATION

U.S. Department of Commerce Trade Information Center
1-800/872-8723

Office of NAFTA and Inter-American Affairs,
U.S. Department of Commerce, Washington, D.C.
202/482-0393
http://www.mac.doc.gov/nafta

U.S. Customs and Border Protection web site: http://www.cbp.gov
- On home page select the “Trade” category
- Under Trade Program Areas, select “International Agreements”
- Select “International Free Trade Agreements”
- Select NAFTA

Canada Border Services Agency –
“Automated Customs Information Services” - (ACIS)
Phone: 204/983-3500 or 506/636-5064
Web site: http://www.cbsa-asfc.gc.ca

Mexican Customs and SECOFI
Web site: http://www.naftaworks.org

Canada Documentation

Shipments of CAN$1600 or less:
Commercial Invoice: The shipper’s regular commercial invoice is sufficient. Four copies are required - three for customs clearance and one for the importer.

NAFTA Certificate of Origin: Goods for which preferential treatment is being claimed under the provisions of the NAFTA are not required to be covered by a formal certificate. Instead the following statement can be provided on the invoice.

Statement of Origin for Low Value Commercial Exportations

"I certify that the goods referenced in this invoice/sales contract originate under the rules of origin specified for these goods in the NAFTA, and that further production or any other operation outside the territories of the Parties has not occurred subsequent to production in the territories."

Name
Title
Company
Signature
Date
Phone
Fax

I am the manufacturer (and exporter) of the goods ___or;
I am the exporter (not manufacturer) of the goods ___

Statement of Origin for Shipments Over CAN$1600 Commercial Exportations

Commercial Invoice and/or Canada Customs Invoice: The shipper’s regular commercial invoice may be used provided it contains all the information required in the Canada Customs Invoice. A copy of the Canada Customs Invoice is included in this section for your review.

Shipper’s Export Declaration: With very few exceptions, the SED is not required for shipments to Canada.

Certificate of Origin: A formal NAFTA certificate is required for goods which preferential treatment is being claimed. Forms can be obtained from the companies listed in the references at the end of this section.

Indicate on your invoice items that are NAFTA eligible. For example;

If you have an invoice of products from several countries, you can mark NAFTA eligible items with a * and put a note on your invoice as follows:

NOTE: * Items are NAFTA eligible, a NAFTA certificate of origin is in the buyer's possession.
<table>
<thead>
<tr>
<th>Revenue Canada</th>
<th>Customs and Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenu Canada</td>
<td>Douanes et Accise</td>
</tr>
</tbody>
</table>

**CANADA CUSTOMS INVOICE**

**FACTURE DES DOUANES CANADIENNES**

1. **Vendor (Name and Address)/ Vendeur (Nom et adresse)**
2. **Date of Direct Shipment to Canada/ Date d'expédition directe vers le Canada**
3. **Other References/ Autres références (Include Purchaser's Order No.):**
   (Indiquer le n° de commande de l'acheteur)
4. **Consignee (Name and Address/ Destinataire (Nom et adresse)**
5. **Purchaser's Name and Address (If other than Consignee)/ Nom et adresse de l'acheteur (S'il différent du destinataire)**
6. **Country of Transshipment/ Pays de transbordement**
7. **Country of Origin of Goods/ Pays d'origine des marchandises**
   - **IF SHIPMENT INCLUDES GOODS OF DIFFERENT ORIGINS, ENTER ORIGINS AGAINST ITEMS IN 15 SI L'EXPÉDITION COMPREND, DES MARCHANDISES D'ORIGINES DIFFÉRENTES, PRECISEZ LEURS PROVENANCES EN 15**
8. **Transportation: Give Mode and Place of Direct Shipment to Canada/ Transport: Précisez mode et point d'expédition directe vers le Canada**
9. **Conditions of Sale and Terms of Payment/ (i.e. Sale, Consignment Shipment, Leased Goods, etc.)/ Conditions de vente et modalités de paiement**
   - **(p. ex. vente, expédition en consignation, location de marchandises, etc.)**
10. **Currency of Settlement/ Devises du paiement**

<table>
<thead>
<tr>
<th>11. No. of Pieces/ Nbre de colis</th>
<th>12. Specification of Commodities (Kind of Packages, Marks and Numbers, General Description and Characteristics, i.e. Grade, Quality)/ Spécification des articles (Nature des colis, marques et numéros, description générale et caractéristiques, p. ex. classe, qualité)</th>
<th>13. Quantity/ Quantité (State Unit/ Unité)</th>
<th>14. Unit Price/ Prix unitaire</th>
<th>15. Total/ Total de la facture</th>
</tr>
</thead>
</table>

16. **Total Weight/ Poids Total**

| 18. If any of fields 1 to 17 are included on an attached commercial invoice, check this box/ Si les renseignements des zones 1 à 17 figurent sur la facture commerciale, cocher cette boîte |
| Commerical Invoice N°/ N° de la facture commerciale |

19. **Exporter's Name and Address (If other than Vendor)/ Nom et adresse de l'exportateur (S'il différent du vendeur)**

20. **Originator (Name and Address)/ Expéditeur d'origine (Nom et adresse)**

21. **Departmental Rating (If applicable)/ Decision du Ministère (S'il y a lieu)**

22. **If fields 23 to 25 are not applicable, check this box/ Si les zones 23 à 25 sont sans objet, cocher cette boîte**

23. **If included in field 17 indicate amount/ Si compris dans la zone 17, préciser**: (i) Transportation charges, expenses and insurance from the place of direct shipment to Canada/ Frais de transport, dépenses et assurances à partir du point d'expédition directe vers le Canada $ ___________
   (ii) Costs for construction, erection and assembly incurred after importation into Canada/ Les frais de construction, d'installation et d'assemblage après l'importation au Canada $ ___________
   (iii) Export packing/ Le coût de l'emballage d'exportation $ ___________

24. **If not included in field 17 indicate amount/ Si non compris dans la zone 17, préciser**: (i) Transportation charges, expenses and insurance to the place of direct shipment to Canada/ Frais de transport, dépenses et assurances à partir du point d'expédition directe vers le Canada $ ___________
   (ii) Amounts for commissions other than buying commission/ Les commissions autres que celles versées pour l'achat $ ___________
   (iii) Export packing/ Le coût de l'emballage d'exportation $ ___________

25. **Check (If applicable):**
   (i) Royalty payments or subsequent proceeds are paid or payable by the purchaser/ Des redevances ou produits sur eux seront versés par l'acheteur
   (ii) The purchase has supplied goods or services for use in the production of these goods/ L'acheteur a fourni des marchandises ou des services pour la production des marchandises

**DEPARTMENT OF NATIONAL REVENUE—CUSTOMS AND EXCISE**

**MINISTÈRE DU REVENU NATIONAL—DOUANES ET ACCISE**
**Mexico Documentation**

**Commercial Invoice:** The commercial invoice should be provided with up to 11 copies, the number determined by the needs of the importer. It should be accompanied by a Spanish translation. Mexican customs brokers often assist in the translation. To expedite customs clearance, a copy should be forwarded to the importer. The original and each copy should contain a statement signed by the exporter to the effect that the value and other details are true and correct.

**Automated Export System:** It is required for shipments of more than $2500 per Schedule B number.

**NAFTA Certificate of Origin:** The formal NAFTA certificate is required for shipments in which the goods qualify for NAFTA preferential treatment. For shipments of non-commercial imports with a value of less than US$1,000 a NAFTA certificate is not required.

**Other Certificates of Origin:** If the goods entering Mexico do not qualify for NAFTA treatment, there are two types of certification procedures. One is *soft certification*. This procedure is applicable to all products other than apparel, textiles, or footwear. The exporter will file a standard certificate of origin with the goods and it doesn’t need to be certified by a chamber of commerce.

- Apparel, textiles, and footwear products originating in certain countries are subject to *hard certification*. This involves more stringent requirements and the use of a special certificate. Imported components must be listed on the certificate in addition to the information required above.

- Goods originating in Cambodia, China, Laos, Taiwan and Vietnam must be inspected and their origin verified by a designated official in the country of origin. The certificate must be legalized by a Mexican diplomatic representative in that country.

- Certificates for goods from Bangladesh, Cyprus, Hong Kong, India, Indonesia, Korea, Macao, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, and Thailand must be issued and authenticated by a local chamber of commerce in the country of origin, but need not be legalized. Only original certificates will be accepted by Mexican customs.

**Pre-shipment Inspection** is required for non-NAFTA imports such as textiles, apparel, and footwear. For more information about products originating in the countries listed above, contact one of the following agencies:

- **Bureau Veritas:** 305/593-7878, [http://www.bivac.com](http://www.bivac.com)
- **Cotecna:** 305/828-8141, [http://www.cotecn.com](http://www.cotecna.com)
- **Societe Generale Surveillance:** 973/575-5252, [http://www.sgs.com](http://www.sgs.com)
- **Intertek Testing Service:** 305/513-3000, [http://www.intertek.com](http://www.intertek.com)
- **Inspectorate America Corp:** 713/944-2000, [http://www.inspectorate.com](http://www.inspectorate.com)
- **Control Union Inspection Inc:** 504/468-5485, [http://www.controlunion.com](http://www.controlunion.com)
Role of the Freight Forwarder

Freight Forwarders are key members of your international team! If chosen carefully a forwarder will help make your international business a success!

Role in the International Transaction

1. Assist with freight quotes and costs of international shipping.
2. Provide an itemized list of costs.
3. Arrange for booking space for freight on airlines, vessels and other modes of transport.
4. Consolidate shipments from different suppliers.
5. Provide a shipper with the foreign destination's documentary requirements.
6. Prepare shipping documents, banking and other collection papers necessary in the transaction.
7. Process shipping documents and handle certification and legalization procedures, when necessary.
8. Distribute documents to the necessary parties in the transaction - banks, offices, buyers, suppliers, etc.
9. Arrange for insurance coverage, if needed.
10. Arrange for U.S. and/or foreign customs clearance and pre-shipment inspections, if necessary.
11. Provide facilities for warehousing in foreign destinations.
12. Provide information on hazardous materials, if needed.
13. Provide other specialized services, if needed.

Important Information to Consider for Choosing a Freight Forwarder

- **General Information about the company**
  - Is the company a full-service freight forwarder?
  - Staff experience and size.
  - Years in business and what are their business hours?
  - Does the company specialize in certain commodities and shipping methods?
  - Is company certified to handle hazardous shipments?
  - Weekly tonnage to various cities, and countries.
  - Support services: experienced in handling letters of credit.
  - Other charges: is there a charge for faxes and other incidentals?
  - What are charges for documentation handling, local and destination handling charges, and banking?
  - What are future growth plans?
  - Do they have warehouse facilities and what type of security is available for those facilities?
  - Communications between offices: are foreign offices as dependable as the local office?

- **Global Capability - What services are available globally. In which countries are they strong. Do they have:**
  - Agent or foreign owned facilities?
  - Bonded warehousing facilities?
  - Packing functions such as JIT and pick-and-pack, administrative functions such as invoice capabilities, where are the international locations?
  - Where are they weak?

- **Price - how is price determined?**
  - Flat rate?
  - Volume price breaks.
  - Based on total weekly commitment.
  - Seasonal increases.
  - What are fuel and storage charges?
➢ Transit times
  • Percentage of on-time deliveries.
  • Money back guarantee.
  • Alternative shipment methods and pre-alert notifications.

➢ Allocations with airlines, trucking, etc.
  • What is the tonnage per week?
  • Daily or weekly consolidations?
  • How many of the weekly consolidations have extra space?
  • Is charter service available in peak seasons, i.e. Christmas?
  • Top 3 preferred carriers (Air), if needed.
  • Inland carriers are utilized to and from what cities?
  • Transit time, direct or cross-dock - on truck and off loaded?

➢ Computer/EDI capabilities
  • Is the forwarder capable of connecting to a shipper's company, bank, and/or other parties in the transaction?
  • Are they filing SED's on the Automated Export System (AES)?
  • Any future plans for electronic transmission of documents?
  • Are they a member of C-TPAT (Customs Trade Partnership Against Terrorism) program?

➢ Insurance
  • Cost of insurance.
  • Availability of insurance policy photocopy.
  • Specifics of coverage available.

➢ Experience with certain types of products and transactions
  • Returns and repairs.
  • ATA Carnets.
  • Temporary import bonds.
  • Drawback program.
  • Palletizing, crating and handling of cargo.
  • Sensitive to damage and other packing issues.
  • Hazardous material regulations.

➢ Invoicing options
  • Do they have monthly billing?

➢ Industry references
  • Ask for references from freight forwarders.

➢ Interview a number of freight forwarders and ask to visit their facilities.

➢ Negotiate rates based on services the company will use.
Freight Forwarder Expectations of a Company

➢ General information about the company

- Company information - contacts, phone numbers.
- Product information - special handling, packaging, etc.
- Export licensing and clearance information for AES filing.
- Power of Attorney or individual shipment authority.

➢ What services will the company require?

- Special types of delivery needs.
- Volume the company will be shipping.
- Letters of credit transactions.
- Documentation needs - preparation and legalization.
- Marine insurance.
- Consolidations.
- Warehousing.
- Special shipments - drop shipping to certain customers.
- Will the company be processing ATA carnets.
- Temporary import bonds.
- Labeling and marking.

➢ The company will involve the forwarder early in the transaction and early in the planning process for expansion efforts.

- The freight forwarder must know the parties to the transaction. If the transactions involve letters of credit, the forwarder must have a copy or the original so documents can be prepared exactly as needed to comply with the letter of credit.
- Involve the forwarder early in the process if the product needs special crating, handling, consolidating and/or any other type of special service.
- If warehousing, JIT, pick-and-pack services are needed in other countries, ask your forwarder about these special needs.
- If new strategies involve moving some of the production to other countries, contact the forwarder for services they can provide very early in the planning process.

NOTES: