

Office of Research Compliance and Assurance

International Shipping Guidance Document

This document serves as a guidance document for shipping items overseas.

General Information:

Everything that crosses the border is an export...

- ...even if it's temporary
- ...even if it wasn't sold
- ...even if it will be used for research

International shipping is subject to export and import controls, duties, taxes and regulations of the 196 countries.

Shipping to foreign countries incorrectly can result in fines, payment of unnecessary taxes, confiscation, or incarceration. Some items, as well as some software and information, are subject to U.S. export controls. The impact of these controls on a particular shipment depends on the item, the country it's being shipped to, the entity or individual who will receive it, and the use to which it will be put.

There are additional U.S. restrictions on transactions — including but not limited to shipping — with certain countries, entities, and individuals.

Some items are hazardous, and need to be packaged and labeled appropriately:

- Biologicals
- Chemicals
- Batteries and fuel cells
- Radioactive materials

Every export from the U.S. is an import somewhere else — all shipments will need to go through Customs in the destination country. Some items may be prohibited or require prior authorization. Some items may incur duty or VAT costs.

Below is a checklist to aid in preparing packages to be shipped overseas.

1. Does the shipment need a license to leave the US?

Depending on the shipment, who will receive it and in what country, and how they will use it, it may require a license from the Commerce Department. To determine if the shipment needs a license, follow the following steps:

- Determine the export classification (if any)
- Determine whether an export license is required based on the classification
- Identify the person and entity who will receive the item, and how they will use it
- Determine whether the end user or end use will require an export license

For questions regarding export licenses, consult the Office of Research Compliance and Assurance.

2. Customs in the destination country

Any export from the US will be an import to the destination country. Animals, plants, pathogens, genetic material, drugs, radioactive materials, and electronic devices with encryption may be restricted, by requiring prior approval, quarantine, or inspection, or prohibited outright).

- Determine the destination country's requirements
- Plan to meet the destination country's requirements
- Make sure the shipping paperwork addresses the destination country's requirements.
- To determine the destination country's requirements, the best source for information about what clearances the destination country may require is usually someone in that country (such as the recipient).

For questions regarding Customs issues, consult the Office of Research Compliance and Assurance.

3. Shipping Logistics

Packages (up to 150 pounds) and freight (over 150 pounds) can be handled by the international networks of delivery services like FedEx Express International, FedEx Freight International, DHL or UPS.

If you use an international package/freight delivery network, the freight forwarding and customs brokerage roles are bundled into the service. A freight forwarder/customs broker can assemble the right combination of carriers, clearances, and documentation for more complicated shipments. There are some restrictions (for instance, some FedEx services will not handle carnets for temporary import).

The following companies provide international package/freight delivery network service:

- FedEx Express International
- FedEx Freight International
- DHL
- UPS Global Trade

4. Packaging and labeling

Any shipment needs to be packaged for protection against damage in transport. Some items will require special packaging to protect the contents (e.g., biological samples packaged with dry ice). Other items will require special packaging and labeling to protect the transport system (e.g., hazardous biological, chemical, or radioactive materials). Consult the Office of Research Compliance and Assurance for special packaging requirements for these items.

5. Documentation

Complete and accurate documentation helps a shipment leave the US legally and enter the destination country smoothly. This is even more important if the item is intended to be a temporary import that will return to the U.S.

A carrier or forwarder/broker can help with documentation, but remember that the shipper of record (referred to as the "Principal Party in Interest" or PPI) is responsible for what the documentation says, that the carrier or forwarder may not have the familiarity with the item that is being shipped to determine the correct export control classification or tariff code, and that errors can lead to delays, expense, or legal issues. It will be necessary to provide the shipment address, item descriptions (including export classification, tariff code, and value), and the purpose of the shipment, export control authorization, and declaration control statement.

International documentation: a commercial invoice (for sales) or pro forma invoice (for shipments not related to a sale, but containing essentially the same information) is the central document that typically accompanies an international shipment.

US government documentation is required through an Electronic Export Information (EEI) filing to the Automated Export System (AES) if certain criteria are met, including:

1. If an export license is required
2. If the ECCN is 9x515 or nx6nn (items formerly subject to the ITAR)
3. If the Strategic Trade Authorization (STA) license exception is being used
4. If the value is over \$2,500 under a single tariff code (Schedule B or HTS)

The key elements of a typical commercial invoice, pro forma invoice, or EEI (AES) filing are listed below:

- Date
- Sender
- Recipient
- Destination port of entry (*not required for EEI*)
- Waybill number (*not required for EEI*)
- Item description
- Item quantity
- Item country of origin (*not required for EEI*)
- Item value
- Item tariff code (Schedule B or HTS)
- Export Control Authority (*not required for commercial or pro forma invoice*) for EEI: license, exception, or NLR; ECCN may be required
- Destination control statement (DCS) for all items except EAR99. According to 15 CFR 758.6: At a minimum the DCS must state, "*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*".
- Shipper representation of compliance (*not required for commercial or pro forma invoice*)

For additional assistance, contact the Office of Research Compliance and Assurance.

6. Insurance

Generally, items that are university owned should be covered by the university's insurance. The legal or insurance department should be contacted for advice.

7. Temporary Exports

If this is a temporary export (the item will be returned) then some slightly different rules may apply.

When exporting something with significant commercial value that will be returned to the U.S., it may be possible to arrange for it to be treated as a temporary import by the destination country and avoid having to pay import duty and value-added tax (VAT), if applicable.

The destination country may accept a *carnet* (effectively a merchandise passport-- see atacarnet.com), which facilitates duty-free entry into the destination country, for temporary imports of up to a year. It's important to export the item on time and to make sure the export transaction also uses the same carnet to close out the temporary import — otherwise you could be charged for duty and VAT, and these problems can be difficult or impossible to rectify after the fact.

The alternatives are more cumbersome. It is possible to apply for Temporary Importation Under Bond (TIB), in the destination country, or you can pay the duty and VAT on import into the destination country and apply for duty drawback (refund) after the item is returned to the U.S. Either of these should be arranged with a customs broker in the destination country.

8. Tax

The shipment will be subject to duty and possibly tax (e.g., VAT) on entering the destination country. Some tariff codes have a 0% rate, and many countries allow duty-free importation for temporary imports.

- Research and estimate duty and VAT if it's a concern
- For temporary exports, get a carnet, plan on posting a temporary import bond, or plan to drawback the import duty when the item is returned.