Export Checklist

**Restrictions on shipments leaving 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 (EAR: Export Administration Regulations), the State Department (ITAR: International Trafficking in Arms Regulations), or the Treasury Department (OFAC: Office of Foreign Assets controls).

**Step 1**

Determine the Export Classification and Tariff Code - The export classification and the tariff code are two completely separate systems for identifying exports.

**Tariff code**

The Harmonized Tariff Schedule (HTS) of the United States assigns a ten-digit classification code to each of about 17,000 descriptions of goods. This number is used to determine an item's tariff schedule, as well as providing a basis for reporting trade statistics. The HTS is based on the World Customs Organization's six-digit Harmonized Commodity Coding and Classification System, as are the tariff schedules for other countries. The HTS is always used for import into the U.S. It can also usually be used for exports from the U.S., supplanting the earlier Schedule B. HTS and Schedule B are similar but not always the same -- the Census Bureau has a list of [HTS numbers than cannot be used for export. Click here for More information on Schedule B and Harmonized System](https://www.census.gov/foreign-trade/aes/documentlibrary/concordance/hts-not-for-aes.txt).

* The best source of tariff code for a purchased item is the vendor or manufacturer.
* The Census Bureau offers a [Schedule B Search Engine](https://uscensus.prod.3ceonline.com/#/p=0) and a tool [to browse or validate](http://www.census.gov/foreign-trade/schedules/b/index.html) a number.
* An [HTS search engine](http://www.google.com/url?q=http%3A%2F%2Ffindhts.com%2F&sa=D&sntz=1&usg=AFrqEzfjNqu47XJQg_yUxnLGgskBzRJOtA) is available, or you may download the entire HTS.

**Export classification (ITAR)**

The State Department's International Trafficking in Arms Regulations (ITAR) control the export of items, technical data, and services that are either on the [US Munitions List](https://www.ecfr.gov/cgi-bin/text-idx?SID=4a69bb8f358731a60e65ff863512b9d0&mc=true&node=se22.1.121_11&rgn=div8) or were "specifically designed, developed, configured, adapted, or modified for a military application". All ITAR-controlled exports require a license from the State Department, unless they qualify for one of several exemptions.

**Export classification (EAR)**

If an item is not subject to the ITAR, then it is likely subject to the Commerce Department's Export Administration Regulations (EAR). If an item subject to the EAR is on the [Commerce Control List](https://www.ecfr.gov/cgi-bin/text-idx?SID=0981e1f5cf3cbbce1a3bae0cdd23a9f7&mc=true&node=ap15.2.774_12.1&rgn=div9) (CCL, an [Index](http://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear) is also available), it will have a five-digit Export Control Classification Number (ECCN). If it is subject to the EAR and not on the CCL, its ECCN is EAR99. All EAR items are subject restrictions based on the end use, end user, and country. In addition, all EAR items except EAR99 are subject to list-based controls, specified in the CCL, which consider the item and destination country.

Determining whether an item is subject to ITAR or EAR is critical, and determining the correct ECCN for EAR items is very important. Mistakes here can have serious consequences to VCU and to individual shippers.

* The best source of export classification for a purchased item is the vendor or manufacturer.
* If it cannot be gotten from the vendor or manufacturer, then it will be necessary in all but the most obvious cases to consult the Export Control Officer.

**Step 2**

Determine whether a [license](http://osp.mit.edu/compliance/export-controls/shipping/export-checklist/licenses) is required

**ITAR**

If an item is ITAR-controlled and no exemptions apply, it will need an ITAR license. The application for an ITAR license is a detailed summary of what the item is, who will be using it and for what, the identities of individuals and entities who will have custody on its way to the end user, its value, and other information. Once submitted, it can take 14-60 days to receive a license.

* When making an ITAR shipment, consult the Export Control Officer.

**EAR**

If an item is EAR-controlled, it may need a license based on its ECCN, destination country, the end user and the end use, if no exceptions apply. The application for an EAR license is a detailed summary of what the item is, who will be using it and for what, the identities of individuals and entities who will have custody on its way to the end user, its value, and other information. Once submitted, it can take 14-60 days to receive a license.

* When making an EAR shipment of low-tech items, and the ECCN, destination country, end user and end use have been determined, work with the forwarder/broker or use a package delivery service's online tool to determine whether a license is needed. If it is, consult the Export Control Officer to start the application process.
* Otherwise, consult the Export Control Officer to determine whether a license is needed and start the application process if needed.

**Step 3**

Check the receiving individuals and entities

**Restrictions on shipments entering the destination country**

Countries control imports to protect their citizens, control internal affairs, and influence foreign affairs. Animals, plants, pathogens, genetic material, drugs, radioactive materials, electronic devices with encryption may be restricted (prior approval, quarantine, inspection, prohibition). The shipment will need to satisfy the destination country's requirements.

* Determine the Destination Country requirements – the first step is to contact the recipient. They may know what will be required or who to contact for help.
	+ It may be advisable for the receiving party to designate a forwarder/broker in the destination country.
	+ Exercise judgment when using a package delivery service. Their business is simple shipments, and they may not look for complications.
	+ Export.gov has a high-level summary of [Foreign Standard and Certification Information](https://2016.export.gov/regulation/eg_main_018220.asp)
	+ FedEx has a useful [Global Trade Manager website](https://www.fedex.com/GTM?cntry_code=us)
	+ Countries may have a useful web page – Google “<countryname> import” and look for a government link
* Determine the methods and terms

**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 materials).

* [Environmental Health and Safety Training Sessions](https://srm.vcu.edu/about-us/units/training/)

**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. There are some restrictions; for instance, some FedEx services will not handle carnets for temporary import. If the shipment will need individual attention, a broker/forwarder may be necessary.

A freight forwarder/customs broker can assemble the right combination of carriers, clearances, and documentation for more complicated shipments.

* Determine which forwarder/broker will handle the shipment

**Forwarders and Brokers**

Customs brokerage is the role of facilitating items through customs, and includes submitting documentation, paying taxes and duties, and working with importers to identify and get necessary clearances (FDA, USDA, Fish & Wildlife, etc.). In the U.S., customs brokers are licensed by Customs & Border protection.

Freight forwarding is the role of arranging with carriers for items to move from origin to destination (their trade association calls them "Architects of Transport"). Often, a single company will act as both freight forwarder and customs broker. If you use an international package/freight delivery network, the freight forwarding and customs brokerage roles are bundled into the service:

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

Shipments that need special attention (export licenses, temporary exports, special requirements for import into receiving country, etc.) may be best handled through a freight forwarder/customs broker,

**Shipping Documentation**

A delivery service or forwarder/broker can help with documentation, but they rely on the person ordering the delivery for information about the shipment (and that person is responsible, not them). It will be necessary to provide the shipment address, item descriptions (including export classification, tariff code, and value), the purpose of the shipment, export control authorization, and declaration control statement. Instruction to the forwarder or carrier are documented in the Shipper's Letter of Instructions. Information for customs officials in both the ending and receiving parties is documented in a Commercial Invoice (for Sales Transactions) or Proforma Invoice (when not a sale). [See the Shipping Documentation document for more information](https://research.vcu.edu/media/office-of-research-and-innovation/exportcontrol/shipping_documentation.docx).

**Financial**

Small-package shipments under $2,500 can be insured with the carrier.

* Determine whether insurance will be needed, and whether to buy it from the carrier

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 in posting a temporary import bond, or plan to drawback the import duty when the item is returned.