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## 10 Tips for New Importers

For anyone new to the world of global trade, it's easy to feel overwhelmed by the complexity of import compliance. Scott Byrnes, vice president of marketing for Amber Road (formerly Management Dynamics), offers these 10 basic tips for new importers.

**1. Build a personal glossary** — Trade compliance is an alphabet-soup of abbreviations and acronyms regarding trade regulations, shipping terms, government agencies and more. Creating a list of and becoming familiar with these abbreviations is a good first step.

**2. Understand the Importer Security Filing (ISF) requirements** — Originally known as “10+2,” the ISF affects goods shipped to the United States via ocean. It specifies 12 data elements that must be submitted prior to goods being allowed to enter the US. The importer is responsible for ten of them, and the carrier must provide two — but ultimately, the importer of record is on the hook for accurate filings.

**3. Classify products correctly** — It is critical to correctly classify the product according to the Harmonized Schedule (HS). Incorrect classification can lead to delays in clearing goods, inaccurate duty payments and possible penalties.



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**4. Track certificates of origin** — Product origination is as important as classification for determining the duties, taxes and fees on imported goods. If some products are eligible for preferential duty treatment, the certificate of origin is required as proof.

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**5. Know which agencies have jurisdiction over your imports** — Clearing US Customs isn't the only hurdle. According to a survey by *American Shipper* in May, 2011, roughly 50% of respondents reported that they must also adhere to Food and Drug Administration trade regulations. Close behind were the Federal Communications Commission, Department of Agriculture, and Environmental Protection Agency.

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**6. Look into duty avoidance programs** — Why pay more when there are legitimate ways to claim duty drawback or avoid duty completely? Make sure your products are properly qualified and certified and that there is a robust audit trail to support your duty avoidance initiatives.

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**7. Implement standard communication practices** — Auditors want to see whether changes to corporate and regulatory policies are sufficiently communicated. Be sure you have a consistent process in place, such as alerts from the compliance team, regular meetings or postings to internal websites.

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**8. Deliver regular training** — Trade-related training is a best practice for compliant companies. Given the complexity of import compliance, investigate a mix of in-person and online training to achieve the best results.

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**9. Be willing to invest in import compliance** — Investment should be financial and institutional. Ensure that senior management is involved and engaged with compliance initiatives and that everyone understands the impact of compliance, and non-compliance, on the business.

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**10. Where appropriate, use technology to automate compliance** — Based on shipping volumes, not all companies need a full-blown compliance solution, but automating a few core compliance functions — like restricted party screening — is critical. At a minimum, technology can provide you with an audit trail of due diligence.

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