

ATA CARNET FAQs



These FAQs outline general information for use by USEACs. More detailed information is available for exporters and Carnet applicants by calling Carnet HQ or a Service Provider.

1. What is an ATA Carnet?

The ATA Carnet, also known as the Merchandise Passport, is a standard internationally recognized customs document that allows goods to temporarily enter foreign markets duty-free and tax-free.

2. What are the benefits?

The benefits are:

- a. Reducing costs to exporters by eliminating value-added taxes, duties and the posting of security otherwise required at the time of importation
- b. Streamlining customs procedures by using a single document for all customs transactions, and making customs clearance arrangements in advance of departure
- c. Paying in U.S. dollars and at a predetermined cost
- d. Simplifying reentry into the U.S. by serving as a U.S. Customs registration (CF 4455)

3. What merchandise is covered?

The merchandise that can travel on a carnet is pretty much anything business related, as long as it is neither a consumable nor personal, and will be re-exported from the foreign country within the one year period. Computer equipment, jewelry, human skulls, camera equipment, airplanes, art, generators, R&D equipment and musical instruments are just a few items that travel on carnets. You name it and it probably can go on an ATA Carnet. These items fall into three primary categories based on their purpose: commercial samples, professional equipment or tools of the trade, goods for exhibitions and fairs.

4. What is not covered?

Carnets do not cover giveaways, consumable goods, disposable items, personal items, postal traffic, nor goods intended for permanent entry.

5. Where are Carnets accepted?

ATA Carnets are accepted in 75 different customs territories. All of Europe, Canada, most of Asia, a few islands in the Caribbean, Chile is the only country in Latin America that accepts Carnets, and a few countries in Africa. For the complete list of participating countries please visit our website: www.merchandisepassport.org.

6. How long is a Carnet valid for?

An ATA Carnet is typically valid for a 12 month period. A few countries restrict each visit, e.g. China and Singapore typically limit carnets entries for 6 months and 3 months respectively.

7. Can a single Carnet be used for multiple countries and visits?

The ATA Carnet can be used as often as the exporter likes for as many countries as the exporter/shipper needs within the 12 month period, as long as the goods listed on the Carnet do not change. This means that the exporter does not have to travel with or ship all the items listed, he can travel or ship a subset of the goods, just not different items.

8. What are the alternatives to the ATA Carnet?

There are two alternatives to the ATA Carnet. The first alternative is an exporter may deposit with foreign customs the appropriate taxes and duties. At the time of re-exportation additional paperwork must be completed to obtain a refund which will be delivered some months later. Why lay out this money in the first place? Reimbursement will be made in the foreign currency, not

U.S. dollars, leading to the hassle and expense of currency conversion. What's more, duties and taxes can range from 20 to 30 percent in Europe, to 40 percent in China – an enormous initial outlay. Second option for temporary entry is to post a financial guarantee or bond (TIB). An exporter must secure the TIB at the time of entry into each foreign country and must meet foreign customs requirements. These requirements vary from country to country making it harder to plan and prepare. The cost of the TIB is again based on relevant duties and taxes plus a service fee.

9. How much does an ATA Carnet cost?

For a Carnet covering \$50,000 worth of merchandise for two trips to the U.K., the cost is \$500. This includes processing fees of \$300 and a security deposit premium of \$200. For the complete fee schedule please visit www.merchadisepassport.org.

10. Why do I have to provide a security deposit?

The security deposit insulates the USCIB from any financial loss. As the national guaranteeing association for the ATA Carnet in the U.S., USCIB guarantees the payment of foreign taxes and duties, if there were to be any problems or misuse of the Carnet by the exporter.

11. What types of security deposits are accepted?

We accept three forms of security deposits. Cash deposit which is refunded in full upon Carnet cancellation. We also accept an ATA Carnet surety bond, typically 40% of the value of the goods. Finally we waive the security requirement if the exporter is a member of the USCIB.

12. Are there any additional fees?

Yes, if the exporter needs the Carnet in less than 48 hours, expedited fees apply. If the list of goods is longer than one page a \$5 charge for each additional page. If the exporter wants to use the carnet to travel to more than four countries then there is an additional \$10 charge for each additional country including.

13. How do I obtain an ATA Carnet?

An ATA Carnet is obtained through an online application. First the exporter, or the exporter's agent, must register to set up an account on our system free of charge. Once the account is set up then he can go in and start the application. It is a five step application, very easy and simple.

14. What information do I need to provide?

The information required is the exporter's legal name, federal identification number or tax id, and address. The most important part of the application is the list of goods; we require a very clear description of the items including serial numbers, weight, insured value, and country of manufacture, and countries to be visited.

Once the application is submitted online standard processing is two business days. Rush and same-day services are available for an additional charge.

15. Do I still need an export license?

The ATA Carnet only waives the taxes and duties; it does not waive any export or import requirements that the U.S. or the country of import impose.