

Exporting America with the Merchandise Passport



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For the Department of Commerce
U.S. & Foreign Commercial Service

What do these have in Common?

- A jeweler hand carrying \$14 million in one of a kind pieces to Basel Watch and Jewelry Show
- A technician carrying specialized tools worth \$20,000 to repair Moscow airport's radar system
- A medical device manufacturer shipping a sample machine to a hospital in Malaysia for evaluation



And all these Items to?

- Computer equipment
- Wearing apparel
- Billiards tables
- Camera equipment
- Aircraft, autos, boats
- Display booths
- Human skulls
- Theatrical scenery
- Catering equipment
- Trade show booths
- Jewelry
- Live animals
- Sporting goods
- Musical instruments
- Power systems
- Rare books



What is an ATA Carnet?

- Merchandise Passport
- International customs document
- Allows **temporary** entry of items, duty-free and tax-free, whether shipped or hand-carried
- Established by international ATA convention
- Governed by:
 - World Customs Organization
 - International Chamber of Commerce and its World Chambers Federation





Where can Carnets be used?

- 71 member countries and the customs territories they administer:
France/Monaco; South Africa/Namibia,
Lesotho/Botswana/Swaziland; Spain/Canary Is.
- New: Mexico, Bosnia and United Arab Emirates
- Except for Chile, South America does not accept Carnets



What can go on Carnets?

Not Trade Show items only!

3 Primary Categories:

1. **CS**--Commercial Samples
2. **PE**--Professional Equipment (tools of the trade)
3. **EF**—Goods for Exhibitions and Fairs



What are the Benefits of ATA Carnet?

- Eliminates posting of a financial guarantee
 - Deposit of duties and taxes e.g., yen, euro, sterling.
In EU, minimum 20% of value
 - Temporary importation under bond (TIB)

- One document for all customs transactions
(except export/import licenses)

- Unlimited entries/departures for up to one year





More Carnet Benefits

- Acts as U.S. Customs registration (CF4455)
- Minimizes language problems
- Split and partial shipments possible
- **No surprises!** Arrangements made in advance and in U.S. dollars



How does an ATA Carnet Work?

- Like a passport
- Stop at all (real or imagined) customs checkpoints, even if you are not asked for it
- when in doubt, ASK!, especially on re-exportation



Secret to Carnet Success

The Carnet, along with the goods,
must **ALWAYS** be available for
customs clearance.



How does a U.S. Exporter get a Carnet?

- Apply online
- Forwarders can manage many customers/holders (with POAs)
- www.merchandisepassport.org



The Application Process.

6 Part Process:

1. Pre-register to setup an account
2. Info on Exporter and their Freight Forwarder
3. Describe the goods
4. Countries



How much does the Carnet cost?

Step 5: Security Deposit: 40% of the General List

- Cash
- Surety Bond

Step 6: Basic Fee: \$215-\$355 based on the value of the General List. Sample: \$50,000 in value

- Processing: \$305
- Bond: \$200
- Total: \$505





How long does it take to get the Carnet?

- **Standard Processing** 2nd Business day
- **Rush Processing** Next business day \$75/\$100
- **Same Day Pick up** \$150/\$200



Additional Services

- **Extra Sets:** additional counterfoil/voucher sets enable more country visits. Purchased subsequent to initial application
- **Duplicate Carnet:** used for a lost, stolen or destroyed Carnet. Expiration date remains the same
- **Replacement Carnet:** by foreign customs approval, extends time during which goods may remain in-country



Are there any Alternatives to the ATA Carnet?

- Duty and tax deposit
- Temporary Import under Bond (TIB)
- Smuggling





Duty & Tax Deposit

- At ports of entry, importer completes local documentation in local language and deposits applicable duty and taxes. Repeat for multiple countries
- At time of departure and at same port, importer completes exit document
- Deposit will be returned in full in 2-6 months, in local currency (e.g., yen, euros, bhat)



Temporary Importation under Bond

Importer secures a financial guarantee,
e.g. TIB from customs broker at time of entry

- Fees: Non-refundable bond premium based on applicable duties and taxes, plus broker fee, plus close out fee
- Goods **MUST** enter and exit **SAME** port
- Must be posted for each visit to each country
- Financial guarantee varies from country to country



Who is the USCIB?

- USCIB manages ATA Carnet system in U.S.
- U.S. Customs appointed USCIB in 1969, as National Guaranteeing Association (NGA)
- ATA Carnet HQ: New York City and 2 Service Providers: Roanoke Trade Services and Corporation for International Business
- Strategic Partner of the Department of Commerce
- Non-profit business organization formed in 1945
- 300 members: companies, associations and professional service firms



Where do USEACs fit in?

With an ATA Carnet USEACs can:

- Help U.S. exporters reach foreign markets
 - Easier
 - Cost effectively
- Add-value and promote fee-based services:
 - Gold Key
 - Trade show pavilions
 - Trade missions



What have USEACs & Carnet done so far?



Cross promotion for USA Pavilions

Guest speaking rolls at Carnet sponsored seminars and at USEAC events

Visit: www.ATACarnetGateway.org

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