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What you need to know about the importing process

Importing from China may sound mysterious, but it's actually a simple process:

1. You place a Purchase Order and remit payment for any molds or tooling charges. The factory makes the molds/tooling and provides you with samples for approval; after sample approval they make the production run.
2. When the shipment is ready, payment for the production order is wired transferred to the supplier in China.
3. 48 hours before the shipment leaves port, we email you the ISF entry data, which your customs broker will file on your behalf with U.S. Customs. We also email you the commercial invoice at this time.
4. The supplier in China makes the shipment.
5. Several days after the shipment leaves port, we email you the bill of lading, which your customs broker needs to obtain the shipment.
6. Once the shipment arrives at the port, your customs broker clears the shipment with U.S. Customs and gets it on the way to you.

We'll be there every step of the way to help.

There are some things you need to know that are important to the process, and we know you have some questions:

You'll note that when we quoted you the prices that they say CIF (city name) or FOB China.

CIF means "cost, insurance and freight". This means that the freight and insurance costs to ship your order to the port shown in our quote are included in the price per part.

For example, CIF Denver means that the sea & inland freight to ship your order from China to the port of Denver are included in the price quoted. (The cost to deliver the shipment from the port of entry to your door is not included.)

FOB means "free on board". We normally don't quote prices this way unless the customer requests it. FOB means that you are responsible for any freight costs from the FOB location to your door.

All quotes are by sea unless otherwise specified. Air freight shipments can also be made at an extra cost.

About the packaging of your product:

If you don't specify how you want your product packaged for shipping, the factory will package them as they see fit. For small parts or products, this could mean shipping them in bulk. Larger items could be supplied in an individual cardboard box of the factory's choosing. There will be an extra cost for custom packaging or labeling.

By U.S. law, all product imported from a foreign country must be marked with the country of origin.

"Made in China" or "China" must appear on the individual packaging and master cartons; for some items, "Made in China" must be marked on the product itself. U.S. Customs has specific regulations regarding how imported products are to be marked with the country of origin.

Although our factory will print "Made in China" on the master cartons, we need your instructions as to how you want any other packaging or parts marked with the country of origin. **Unless we have specific instructions in writing from you we are not responsible for any problems related to the proper marking of your product.** If you have any questions as to how your product should be marked, please contact your customs broker, or the U.S. Customs office closest to you. The U.S. Customs website (<http://www.customs.gov>) has the phone numbers and addresses of all Customs offices in the U.S.. Customs may prevent you from receiving your shipment if there is product that is not properly marked.

If they do stop the shipment, often Customs will allow you to receive the shipment but you will not be allowed to ship or do anything with your product until you've marked it to Customs' satisfaction.

Some items, especially high tech electronic with lasers (like cd players) and clothing items may have certain import quota/restriction issues that require some extra documentation. Check with your customs broker if you have any questions in regards to this.

When your shipment is ready to ship from China:

You will need to be set up with a customs broker several weeks prior to the time the shipment is made. This usually involves signing a power of attorney and setting up an account with them.. Shop around for a reliable broker that will follow your shipment through from start to finish and keep things moving.

The amount of the fees they charge for their services will also vary so it pays to get a few quotes. The US Customs website has a list of brokers in every state that you can call, and you can also find them online. We can refer you to a customs broker upon request

1. We will notify you that the shipment is ready. If you've chosen to use our optional 3rd party inspection service, they will inspect the order and submit a written report, complete with pictures. If any parts are outside of your written specifications provided prior to production, you will have the right to request that the parts are reworked or replaced.
2. Payment is wired to China for the balance of the order.
3. After the supplier in China receives payment, they reserve space on the vessel. It normally takes around one week to get an order on a vessel once the wire is received.
4. 48 hours prior to the time the shipment will leave the port in China, we will email you and/or your customs broker the ISF entry data, which your broker will file on your behalf. By U.S. law, the ISF entry must be filed 24 hours before the ship leaves China or there is a risk of a \$5,000.00 penalty. We also email you the commercial invoice and packing list.
5. Several days after the shipment leaves port, we'll email you the bill of lading, which your broker needs to clear the shipment.
6. Several weeks later, your customs broker, who is shown as the notify party on the bill of lading, will receive an arrival notice from the shipping line.
7. Your customs broker will then do the following:

A. Clear the shipment through US Customs. Your broker will submit an "entry application" to US Customs that shows the duty rates you will pay for their approval, and ask Customs to allow the shipment to be released. US Customs inspects some shipments on a random basis and there is a slight chance your shipment might be inspected. If an inspection does occur there can be a 1-2 week delay at the port. Most of the time Customs clears the shipment and your broker is allowed to proceed to the next step, which is to:

B. Track your shipment through the container unloading process and get it shipped from the port to your door by the shipping company of your choice. You do have the option of picking it up yourself; if you want to do this you will need to advise your broker.

8. Once the shipment arrives at the port of entry, you need to know that you are legally responsible for the shipment from that point on. Make sure that the trucking company you use to pick your shipment up from the port will insure your shipment for the full value.

9. When the trucking company delivers your shipment be sure to count all boxes BEFORE the trucker leaves; there are instances where the domestic carrier doesn't pick up all boxes at the port of entry. Compare your count with the packing list count (you would have made a copy of the packing list of the original documents.) Note any discrepancies on the bill of lading. If the trucker leaves and you don't make any notes on the bill of lading then you're stuck with the loss because you can't prove that you received less boxes than you were supposed to receive.

10. Your customs broker will invoice you for the customs duty and all other costs related to the importing process. Some might require payment up front for a new customer.

Following is an explanation of the additional import costs:

1. US Customs duty. This is the US government's tax on all imported products. The duty rates vary by product class and there are many classes. Your customs broker will be able to look up the duty rate for you.

2. DDC fee (sometimes shown as ocean freight) is the "destination and delivery charge." It is the fee charged by the carrier for handling the shipment or container. The rates vary and are based on weight and volume. An average amount to go on would be \$30.00 per cubic meter.

3. Document fee and/or document transfer fee. This is the shipping agent's charge to transfer the handling of the shipment to your broker. It can run from \$50.00 - \$100.00

4. Bond. This is required by law to back up payment of your duty with US Customs. Normally your broker will pay the bond fee to Customs and then invoice you. Bond fees vary from broker to broker (as they sometimes add a little to the cost) so you should compare prices. In general there is a minimum bond fee of around \$80.00; from there the cost is around \$4.00 per thousand dollars of invoice value. If you will be importing often you can apply for an annual bond, where you pay a 1 time charge for all shipments you bring in for a year. Annual bonds can be purchased through your broker.

5. ISF entry fee. This is the fee the customs broker charges to file the ISF entry.

6. Forklift fee. This is the port of entry's charge to unload your shipment.

7. Your customs broker's fee to do their services. We've heard of rates as low as \$100.00 and as high as \$200.00.

8. Inland freight to ship your shipment from the port of entry to your door.

9. At some ports there may be an additional handling fee. You should contact your customs broker for the fees your port will charge.

More information:

<http://www.customs.gov>

A few extras:

1. For the freight to deliver your shipment from the port of entry to your door, get quotes from different domestic carriers. The rates will vary widely. Don't forget to ask about insurance. Your customs broker should also be able to get you a quote.

2. Good customs brokers:

A. Know the ins and outs of the local port of entry and U.S. Customs office.

B. Can preclear your shipment with U.S. Customs before it arrives.

C. Will make sure you're paying the correct duty rates.

D. Won't fee you to death. (They do have to make a living, but some look for ways to "fee you".)

E. Know how to get answers and they call you back quickly.

F. Know what to watch for (FDA issues or requirements, etc.)

G. Keep things moving.

H. Are up on the latest law changes.