

Importing into the US is relatively easy, however it is essential that every importer familiarizes themselves with the importation requirement that is mandated by US Customs and Border Protection.

#### Who May Import?

An owner or purchaser of merchandise is allowed to import and file an entry with US Customs. They are also known as the "importer of record". This includes anyone with an economic interest, with permission to act as the importer of record. Foreign companies and/or individuals may also enter goods and be importers of record, by going through an authorized agent in the US. These agents, acting on their behalf, must be authorized to receive the service of processing on behalf of the importer, better known as a customs broker.

#### Documents Required from Importers by a Customs Broker:

- 1. Power of Attorney (and Terms and Conditions)
  - Also known as Customs Form 5291
  - Establishing a POA is necessary in the process or Importing into the US.
  - This document establishes the right to make an entry by a customs broker on behalf of the importer
  - A blank POA will be provided by Ram International upon first quote / booking.
  - Terms and Conditions vary from one broker to another. Importer of Record issuing a POA to the broker of their choice must agree to the terms and conditions attached to the Power of Attorney, by signing the forms with their initials, before the POA can be fully valid.
  - A properly executed POA, along with the initialed Terms and Condition pages, must be on file with your customs broker before they are able to make any entry on your behalf, including filing an ISF 10+2 on your behalf.
- 2. Customs Form 5106
  - This is used by US Customs to input the name, physical address, and IRS number of the importer of record into their database.
  - This must be on file for all consignees at the time of entry.
  - This form must be completed by the Importer of Record and filed with United States Customs, prior to importation.
  - Once this form is completed by the Importer, please send back to Ram International and we can file on your behalf.
  - Form 5106 can be found at the link shown below. (https://www.cbp.gov/document/forms/form-5106-importer-id-input-record)



## \*PLEASE NOTE, IF YOU ARE A FOREIGN IMPORTER, YOU MUST OBTAIN A US EIN#\*

## PLEASE CALL THE IRS AT +1-267-941-1099 AND THEY WILL PROVIDE YOU WITH AN EIN (EMPLOYER IDENTIFICATION NUMBER)

#### 3. Customs Surety Bond

- "A customs surety bond is a contract used for guaranteeing that a specific obligation will be fulfilled between customs and an importer for any given import transaction. The main purpose of a customs bond is to ensure that the payment of import duties, taxes and fees owed to the federal government will be paid"
- If you are importing merchandise into the United States, (U.S.) for commercial purposes, that are valued over \$2,500, or a commodity subject to other federal agencies requirements (i.e. firearms or food), you must post a Customs bond.

- You have the option of obtaining a "single entry" or "continuous bond". The type of bond you elect to obtain ultimately depends on how often you import into the U.S. For instance, if you only import on occasion, the single entry bond is recommended. Note that single entry bonds are only good for up to 5 shipments within a year. You will also be required to elect for an ISF bond, along with the single entry bond for ocean shipments. If you import frequently and through various ports of entry, the continuous bond is beneficial and economically the best choice. This is a yearly subscription and renewal.

- A continuous bond is 10% of duties, taxes and fees paid for the 12-month period. The minimum amount is \$50,000.00. Current bond formulas can be found at <u>www.CBP.gov</u>.
- A single entry bond is generally in an amount not less than the total entered value, plus any duties, taxes and fees. The minimum amount for a single transaction bond is \$100.00.
- Customs brokers, such as Ram International, can help and work as your agent to apply for the bond on your behalf. You should submit a <u>bond application form</u> to your customs broker in order for them to issue the bond.
- The key is to fill in as much information as you can on the form. Your broker is there to guide you.

When to Request for a Quote from your Freight Forwarder?



## Importing into the US Guideline/Checklist

For Amazon sellers looking to request for quotation, it is very important to note that you must have a supplier, goods chosen and ready for production, along with the complete details of your shipment such as:

- Origin Pick-up
- Final Destination RAM Chicago, St Louis or Dallas Facility
- # of pieces/cartons (Supplier can advise)
- Dimensions of each carton (Supplier can advise)
- Weight per carton (Supplier can advise)
- Terms of Sale / Incoterms (i.e. FOB, EXW)
- Mode of Transport Air or Ocean

\*\* Having all of this information available before requesting a quote from your freight forwarder will help the experts provide more accurate pricing\*\*

#### What is an HTS Code?

- All merchandise coming in to the US are statistically categorized. Each item will have its own applicable tariff rates.
- It is very important to know that your customs broker or freight forwarder cannot delegate or assign an HTS code to use for your shipment.
- Typically, your supplier provides the HTS code for your product.
- As an importer, you must be in agreeance to the code that is being used, as this will dictate the duty rate applicable for your shipment, which you are ultimately responsible for.
- Your customs broker may only suggest and help provide binding rulings associated to your HTS code.

#### I am accepting the quote. What happens next?

- If the quote you received from Ram International, satisfies your needs and you are willing to accept, all customs forms such as, POA, 5106, and terms and conditions must be executed and sent back to your agent.



- If you are applying for a continuous bond, the bond application must also be filled out and sent back to your agent.
- Credit card information must be provided, to secure the transaction, but only to be kept **secure**, in your organizational records, where your forms will also be stored, to serve as a security deposit. Payment transactions will only be conducted with your approval, after a finalized invoice has been issued by the agent you are working with.
- Ram will then liaise with their agent overseas to contact your shipper to begin the booking arrangements.
- Sit back, relax, and wait for the shipment to arrive. Your forwarding agent will contact you via email with updates, as movement of your shipment progresses.
- Your final invoice should come before the freight arrives or becomes available at the final port of destination.
- Payment must be secured as soon possible, after receipt of the final invoice, to help ensure timely customs and freight release.



## INTERNATIONAL, WAREHOUSING AND DISTRIBUTION AGREEMENT

This agreement is made and entered into as of the \_\_\_ day of \_\_\_\_\_ by and between \_\_\_\_\_ and Ram International, a Corporation organized and existing under the laws of the State of Illinois, USA.

The rates quoted below pertain to custom brokerage, storage, handling, and order fulfillment of \_\_\_\_\_\_ owned products, at a facility located at \_\_\_\_\_\_.

- 1. Term and Termination: The term of this Agreement is \_\_\_\_\_\_ through Dec 31, 20\_\_, thereafter subject to a 5% rate adjustment until provisions are completed for an extension to the Agreement and mutually agreed upon rate adjustments. Subject to completion of the term listed above, either party has the right to cancel or terminate this Agreement, without liability, upon 90 days prior written notice to the other party.
- 2. Services: During the term of this Agreement, Ram International agrees to provide International, distribution and warehousing services including storage, handling, and fulfillment for [Customer] at the Ram International warehouse facility located in Wood Dale, IL. In providing such services, Ram International will be considered a warehouseman as described in Article 7 of the Uniform Commercial Code ("UCC"), and is entitled to all rights and subjects to all obligations described therein. Ram International shall have the sole discretion to select the area within such facility to store [Customer] merchandise (the "Goods") and may, without notice, move the Goods within the facility. Additionally, subject to mutual agreement in writing, Ram International may elect to move goods to another facility controlled by Ram International.
- 3. Description of Goods: [Customer] represents and warrants to Ram International that there are no potential health, safety or environmental hazards associated with the storage and handling of the Goods tendered to Ram International under this Agreement. All Goods shall be delivered to Ram International by [Customer] properly marked and packaged for handling. Ram International may, at its sole discretion, reject any shipment of Goods that it deems to be improperly marked, packaged or contains any hazardous material (unless specifically agreed to by Ram International). [Customer] agrees and acknowledges that Ram International shall maintain a warehouseman's lien under the UCC for all Goods in Ram International's possession, regardless of whether a specific receipt is issued by Ram International, to cover all charges set forth in this Agreement. In the event Ram International is required to exercise its lien, [Customer] shall be responsible for all necessary and reasonable costs incurred by Ram International including, but not limited to, reasonable attorney fees.
- 4. Liability Limitation: Ram International limits its damage liability to the lesser of the actual product value (manufacturers' cost of the Goods) or ten times the monthly Storage rate per unit for any damage however caused, including damages caused by the negligence of Ram International employees. Client, declares that the Goods at this warehouse facility will throughout the term of this agreement have a value of \$\_\_\_\_\_\_ (manufacturer's cost) or less on any single day, with a maximum of \_\_\_\_\_\_\_ pallets at any one time. Ram International shall not be liable for any loss or damage to the Goods unless the loss or damage resulted from the failure of Ram International to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances. Ram International shall not be liable for any such loss or damage, which could not have been avoided by the exercise of such care.



# INTERNATIONAL, WAREHOUSING AND DISTRIBUTION AGREEMENT (Cont'd)

- 5. Client's Insurance Obligations: [Customer] shall at its sole cost and expense, maintain in full force and effect the following types and amounts of insurance, or [Customer] shall elect to self-insure any portion thereof: (a) All-Risk Property Damage insurance insuring the Goods in an amount not less than the actual Replacement Cost thereof, subject to any commercially reasonable deductible amounts as determined solely by [Customer], and (b) Cargo Insurance on an all risk basis for any and all transportation exposures, whether related to an owned vehicle or a third-party contract or common carrier, in an amount not less than the actual replacement value thereof, subject to any commercially reasonable deductible amounts as determined solely by [Customer]. Upon Ram International's request, [Customer] shall provide Ram International a certificate of insurance showing that such insurance coverage has been obtained and procured by [Customer]. Furthermore, [Customer] agrees to indemnify and hold harmless Ram International and related companies harmless against loss of any kind except as provided under Warehouseman's Legal Liability coverage.
- 6. Force Majeure: Neither party shall be liable to the other for failure to perform its obligations under this Agreement if prevented from doing so because of an act of God, fire, flood, war, civil disturbance, interference by civil or military authority or other causes beyond their responsible control of the parties.
- 7. Confidentiality: [Customer] and Ram International agree to maintain confidentiality of information contained in or related to this Agreement.
- 8. Rates and Charges: [Customer] agrees to pay Ram International the rates and charges set forth in the Schedule of Rates below. All payments shall be made fifteen (15) days after Ram International's initiated invoice date. Payments not received within fifteen (15) days from receipt of invoice shall constitute default and be assessed at the rate of 1% per month until paid together with any and all collection costs incurred by Ram International, including reasonable attorney fees.
- 9. Arbitration: [Customer] and Ram International agree that disputes arising from this Agreement will be settled by binding arbitration, with [Customer] selecting an arbitrator, Ram International selecting an arbitrator and with a representative chosen by each party jointly selecting a third arbitrator. At its sole discretion, Ram International, may forego mandatory arbitration and instead seek a collection action to recover any monies owed by [Customer] under this Agreement.



## Importing into the US Guideline/Checklist

## **SERVICES OFFERED**

#### International, Warehousing, Storage, Handling, and Inventory Management

Ram International will provide the following services according to the agreed upon monthly fee schedule listed below.

- Inventory Receipt and Handling of Goods Devanning, Sort & Segregating of mixed loads, palletizing and Wrapping according to product type.
- Monthly Storage of Goods A per pallet fee per month, including monthly Inventory Control and Management of Goods.
- Order Pick, Pack and Fulfillment A per carton fee for picking and delivery labeling.
- Shipment Tendering A per pallet fee to palletize cartons, wrap, and tender to carrier.
- Weekly Inventory Reconciliation
- Quarterly Physical Inventory Count

Additional services subject to mutually agreed rates and charges:

### \*\*Transportation Rates will be provided on shipment-by-shipment basis due to constant changes in the market place.



## NON-NEGOTIABLE WAREHOUSE RECEIPT: TERMS AND CONDITIONS

- 1. Rights to Goods. The Customer warrants that it is the owner and/or has lawful possession of the goods and has sole legal right to store and thereafter direct the release and/or delivery of such goods. The Customer agrees to indemnify and hold harmless (including legal fees and costs) Ram of and from any claim by others relating to ownership, storage and release of the goods, and/or any other services provided by Ram under this Warehouse Receipt.
- 2. Services Provided. Ram shall receive, store and release the goods in its Facility as indicated on the Warehouse Receipt. Ram may provide other services as requested by the Customer, at the rates set forth in the Schedule of Rates from time to time promulgated by Ram with respect to such services; however, such additional services shall be provided by Ram not as a bailee or warehouseman but solely as agent for the Customer.
- 3. Rates and Charges. Whenever provision is made herein for a charge by Ram, such charge shall be based upon Ram's Schedule of Rates in effect at the time such charge accrues or the service is performed. The Schedule of Rates shall be provided to the Customer with or prior to the initial deposit of goods into storage, and may thereafter be obtained by the Customer from time to time upon written request to Ram. Storage rates shall be computed as set forth in the Schedule of Rates. A warehouse handling charge shall be made for placing goods in storage and for removing goods to a platform for delivery, as set forth in the Schedule of Rates. Charges for other services performed by Ram shall be billed as such services are performed according to the Schedule of Rates. The Customer, as well as the shipper, owner and consignee of goods themselves, shall remain jointly and severally liable for all damages.
- 4. Payment. All charges are net, due and payable without offset or deduction, as set forth in the applicable Schedule of Rates. Handling-out charges shall be due and payable at the time the entire lot of goods is removed from storage.
- 5. Customer Warranties. In addition to the warranties set forth in Section 1 above, the Customer warrants that the information as to count, weight, description and condition of the goods set forth on any delivery document is accurate and complete and may be relied upon. The Customer acknowledges and agrees that Ram has no obligation to verify the quantity, content, condition or quality of the goods delivered to Ram for storage. The Customer further warrants that all individual packages, pieces and items are clearly marked.
- 6. Lien and Security Interest. Ram shall have a warehouseman's lien upon all goods and property of the Customer deposited or stored with Ram, and upon the proceeds from the sale thereof, in accordance with provisions of all applicable laws, for all lawful charges for storage and preservation of the goods; also for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing, coopering and other charges and expenses in relation to such goods, and for the balance on any other accounts that may be due or for any other services that may have been rendered, and also for all reasonable charges and expenses for notice, advertisement and sale of the goods where default has been made, and for all costs, including legal fees, incurred in enforcing such lien, collecting charges or defending itself in the event Ram is made party to any litigation concerning such goods and/or property. This lien may be enforced by Ram at any time and from time to time. In addition, the Customer hereby grants to Ram a security interest in the goods and all proceeds derived there from, in accordance with the Uniform Commercial Code of the jurisdiction in which the Facility is located, for the full amount of the fees, charges and expenses identified above, and interest thereon, whether incurred before or after delivery, and the Customer agrees to execute and deliver all such documents as may be required to perfect such security interest.
- 7. Corrections. Unless written notice is given to Ram within ten (10) days after receipt hereof by the Customer, this Warehouse Receipt shall be deemed complete and correct.
- 8. Transfer, Removal of Goods, Termination. Ram reserves the right to move, at its own expense of transfer, any goods in storage from the Facility in which they may be stored to any other warehouse owned or leased by Ram or any of its affiliates; in which case such new warehouse shall be deemed the Facility for all purposes hereunder. Ram can move goods within the Facility without notice to the Customer or any other party. Upon not less than thirty (30) days' prior written notice to the Customer and to any other party known by Ram to claim an interest in the goods, Ram may require the removal of the goods, or any portion thereof, and the immediate payment of all amounts owing hereunder, for any reason, with or without cause, and whether or not there has been any default by the Customer. Such notice shall be given by delivery in person or certified mail addressed to the last known place of business or abode of the person to be notified
- 9. Liability of Ram. Ram shall be responsible for exercising reasonable care under the circumstances, and shall not be liable for any loss, damage or injury to the goods that could not have been avoided by the exercise of such reasonable care. In particular, and not in limitation hereof, Ram shall not be responsible for loss or damage resulting from sprinkler leakage, fire, insect or rodent infestation, or any other cause, unless such damage results from Ram's failure to exercise the degree of care required hereby or under the law. Goods are stored at the Customer's risk of loss or damage by acts of God, seizure or other acts of civil or military authority, insurrection, riot, strike, or enemies of the government, for loss or damage resulting from inadequate packaging or wear and tear, or from any cause beyond Ram's control. In the event of loss, damage, shortage, failure to deliver and/or mis-delivery involving the goods for any cause or reason for which Ram is legally liable, Ram shall be responsible only to the extent of the lesser of the actual cost to repair, restore and/or replace such goods or the amount specified on the first page of this Warehouse Receipt. If the Customer has declared a higher value on the first page of this Warehouse Receipt, an excess valuation charge shall be assessed in accordance with the applicable Schedule of Rates. The Customer agrees that the foregoing shall be its exclusive remedy against Ram for any claim or cause of action whatsoever relating to the goods or services hereunder. IN NO EVENT SHALL THE CUSTOMER BE ENTITLED TO ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE OR NATURE.
- 10. Insurance. The goods are not, and shall not at any time be, insured by Ram. It is agreed that the charges assessed hereunder do not include any insurance charges.



## Importing into the US Guideline/Checklist

- 11. Change of Address. Notice of any change of address of the Customer must be given by the Customer to Ram in writing and acknowledged in writing by Ram on the following monthly statement and no notice of any change of address shall be valid or binding against Ram if given in any other manner.
- 12. Claims. The Customer shall notify Ram in writing of any loss, damage, shortage, failure to deliver and/or mis-delivery of goods within three (3) business days after the discovery by the Customer of such loss, damage, shortage, failure to deliver and/or mis-delivery. The Customer must retain and permit Ram to inspect the goods relating to such claim. Any lawsuit or arbitration proceeding must be commenced within nine (9) months following the date such claim arose. Failure to comply with any of the foregoing shall preclude the Customer from maintaining any claim or suit against Ram. Any dispute or claim arising out of or for the breach of this Agreement or in connection with any goods stored hereunder, whether founded in tort or contract, shall be settled by arbitration under the arbitration laws of the jurisdiction in which the Facility is located and under the rules of the American Arbitration Association, provided, however, that upon any such arbitration, the arbitrator may not vary, modify or disregard the provisions contained herein, including those respecting the declared or agreed valuation of the goods and the limitation of liability of Ram. The award may be entered as a judgment of a court of record in the county where the award is made. The Customer and Ram shall share equally the cost of arbitration. Court costs shall be borne by the losing party.
- 13. Law and Forum. This Warehouse Receipt shall be construed in accordance with, and governed by, the laws of the state in which the Facility is located. Notwithstanding any provision requiring arbitration of claims, any litigation arising out of this Warehouse Receipt or performance hereunder must be filed in any state or federal court located in the state in which the Facility is located, with the substantially prevailing party entitled to recover its reasonable legal fees and costs.
- 14. Severability. Ram's failure to insist upon the strict compliance with any provision hereof shall not constitute a waiver or estoppel of its right to demand strict compliance. If any provision hereof is found to be invalid, illegal and/or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof shall remain intact.
- 15. Counterparts and Signatures. This Warehouse Receipt may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single instrument. Any electronic or facsimile signature to this Warehouse Receipt shall be deemed equivalent to an original signature. Integration. The headings used in these terms and conditions are for convenience of reference only, and may not be construed so as to give any substantive meaning. This Warehouse Receipt, in conjunction with any Schedule of Rates and any Release Order issued in connection herewith, constitutes the entire agreement between Ram and the Customer, and may not be altered or amended unless through writing signed by both parties.