

TO CANADA AND BEYOND:

Understanding and Managing Industrial Machinery Customs Issues



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Introduction

To understand the impact of international customs requirements on industrial machinery supply chains, consider a few facts about industry leader Caterpillar. [Caterpillar](#) is the world's largest manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel gas locomotives. The company maintains more than 110 facilities spread across 23 countries. This includes a warehouse and distribution facility located in China's Lingang [industrial zone](#).

The Lingang facility serves as Caterpillar's "hub" for all regional import/export activities. During any given week, the facility receives 10 ocean containers and 50 air shipments of parts from suppliers located across the globe. According to [Armstrong & Associates](#) supply chain consultants, 80 percent of the parts arrive from the United States, 10 percent are from Singapore, and the remaining 10 percent come from a number of different countries. While parts may differ in size and scope, each must successfully comply with rigorous customs mandates and processes. A product must satisfy export requirements of the country it is traveling from and import mandates of the country it is entering.



For Caterpillar, or industrial machinery manufacturers or suppliers of any size, customs compliance is a critically important function that requires the same high degree of attention and planning as any other supply chain process. Failure

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to strictly adhere to all customs requirements could result in fines, delays, or products being refused entry, which could have a devastating impact for a manufacturer that depends on a just-in-time production process. A business must ensure it has a complete understanding of all applicable customs requirements, including security and regulatory mandates, required forms and documentation, any trade embargoes or restrictions, and applicable duties, tariffs, and sales taxes.

Customs expertise has become even more important in recent years as industrial machine exports are expected to increase significantly to meet worldwide demand, especially within the emerging BRICS markets—Brazil, Russia, India, China, and South Africa. Research by [HSBC Bank](#) projects industrial machinery will be the top driver of U.S. export and import trade for the next decade. Industrial machinery is expected to account for 25 percent of all U.S. export growth through 2030 and for 22 percent of all import growth.

As U.S. manufacturers look beyond North America for new customers and investment opportunities, the industry's top customer will continue to be

right next door as Canada is expected to continue to be the top buyer of U.S. machinery. According to the U.S. Trade Representative, Canadian businesses purchased more than \$72 billion worth of U.S. industrial machinery during 2013, while U.S. businesses imported almost \$20 billion in Canadian machinery.

Shipments traveling between the United States and Canada, often thought to be a comparatively “easy” clearance process, must still comply with significant customs mandates—both U.S. export protocols and Canadian import requirements. In fact, though, the process can be challenging, which is why many manufacturers choose to enlist a customs broker or logistics provider to manage the process on their behalf. An experienced customs partner will understand the nuances of U.S./Canadian clearance requirements and take full advantage of opportunities to facilitate the process and minimize filing fees, tariff obligations, and other costs.

An experienced customs partner, in fact, is essential regardless of where a shipment originates or which country is its intended final destination. A skilled partner will ensure that a

shipment arrives at the border with all paperwork prefiled, with all duties and fees paid, and eligible for any type of expedited clearance offered by a particular country. Too many businesses underestimate the complexity of the clearance process and suffer the consequences, not only of financial penalties, but of missed delivery deadlines and disappointed customers.

The following discussion will provide an overview of key customs issues facing U.S. industrial machinery manufacturers, with special emphasis on the Canadian clearance process. However, since every country maintains a unique set of customs requirements, a business may want to consult a customs expert to determine the specific requirements of any country with which it conducts business.

Industrial Machinery—the U.S. Export Process

The U.S. government monitors every commercial shipment leaving the country for statistical and economic purposes. But certain components or products can trigger additional reporting and licensing requirements based on national security precautions. So before a business begins the process of sending a shipment to an international buyer, care must be taken and due diligence exercised to ensure full compliance with all U.S. export requirements.

Determining Eligibility

The first step in the sale of machinery and machine products to an international customer is to make sure that the products are eligible for export and do not violate U.S. restrictions on exports of products related to national security or products deemed to have a military purpose.

Through the International Traffic in Arms Regulations (ITAR), administered by the Department of State, the Export Administration Regulations (EAR), administered by the Bureau of Industry Security, located within the Commerce Department, and the [Office of Foreign Assets Control \(OFAC\)](#), administered by the U.S. Treasury Department, the U.S. government controls exports of any product considered to be related to national security or highly sensitive.



In general, ITAR has control over all defense articles and systems as found on the [U.S. Munitions List](#). This includes a wide range of materials, such as guns, explosives, ammunition, vehicles, vessels, aircraft, training equipment, personal protection equipment, software/hardware, and certain electronic devices, among other products. ITAR also controls exports of most space-related technology, because of its application to missile technology.



EAR covers products found on the [Commerce Control List \(CCL\)](#), which includes items considered to have “dual use”—that is, products with both civilian and military purposes. This includes computers, software, civilian aircraft, and pathogens, among other products.



[OFAC](#) administers and enforces economic sanctions against countries and groups of individuals such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective and use the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. For example, the United States [currently](#) has restrictions on sales of certain goods to a range of countries, including North Korea, Russia, Libya, and Yemen.

The vast majority of U.S. exports do not require an export license.

Although the vast majority of U.S. exporters do not raise any national security concerns, those with products that have even a remote chance of triggering an export restriction must be aware of U.S. regulations and any potential implications. It is not always obvious which products might be considered "sensitive" by the U.S. government and therefore affected by export controls. For example, ITAR Chapter 21 is labeled "Miscellaneous Articles," which basically states that any product or service not included in any of the preceding 20 chapters, but which might be construed to have military applicability, can be subject to export control.

If a product is determined to fall within the scope of any of these government agencies, a business must apply to the appropriate agency for explicit approval to move ahead with the export transaction. Only after the necessary export license has been granted can the transaction proceed. Any business found to be in violation of any U.S. export restriction will face severe penalties. ITAR penalties, for example, include civil penalties as high as \$500,000 per violation and criminal penalties that could include fines of up to \$1 million and imprisonment for up to 20 years.

While it is important to determine export eligibility, and proactively ensure full compliance with all possible restrictions, a manufacturer should understand that most of its shipments will not trigger any prohibitions or licensing requirements. According to the [U.S. Commercial Service](#), 95 percent of all items exported from the United States do not require an export license, even though the items are subject to U.S. government export control laws. "However," the agency warns, "just because your product is among the 95 percent that don't require a license doesn't mean that you can sell it anywhere and to anyone."

Schedule B— Proper Product Classification Essential

Once a shipment is determined to be eligible for exportation, careful attention must be given to complying with U.S. export protocols, beginning with product classification. Every product that crosses the U.S. border—either entering or leaving—must bear an identifying classification code. For both imports and exports, the code is rooted in the internationally recognized [Harmonized System \(HS\)](#), which is maintained by the Brussels-based World Customs Organization. The HS is a listing of more than 5,000 commodity groups, each identified

by a unique six-digit code. The HS is used by more than 200 countries and helps ensure harmonization in international trade for purposes including determining tariffs, trade statistics, international agreements, rules of origin, and monitoring of controlled goods.

Each participating government uses the Harmonized System code as the root of its own classification system. In the United States, imports are classified based on the Harmonized Tariff Schedule (HTS) administered by the U.S. International Trade Commission. The HTS consists of a 10-digit code—the first six are from the HS, plus an additional four digits that are unique to the U.S.

The U.S. export classification system is called the Schedule B and is administered by the Foreign Trade Division of the U.S. Census Bureau. The 10-digit Schedule B number is also rooted in the international Harmonized System and is used for a variety of purposes including:

- To enable proper collection and analysis of U.S. export statistics
- For use in completing shipping documents
- For submission of Electronic Export Information in the Automated Export System (AES)

Important to note is that while HTS codes and Schedule B codes are each rooted in the HS system, and are each 10 digits in length, they are NOT transferrable. A shipment of

hammers imported into the U.S. will bear an HST code that is different from the Schedule B code that same shipment of hammers would bear if exported.

Automated Export System (AES)



The [Automated Export System \(AES\)](#) is an integral part of the process. The AES allows all export-related data to be filed electronically and is a joint venture between multiple U.S. government agencies, including Customs Border Protection (CBP), the U.S. Commerce Department/Census Bureau, and the Department of Homeland Security. In general, a business wishing to export, or its authorized agent, transmits the required electronic export information (EEI) via the AES. The AES then validates the data and either confirms the export transaction or flags it for further review.

Documentation

A manufacturer will be responsible for completing all required paperwork as part of the export process. Although specific requirements may vary, the [U.S. Commercial Service](#) provides a list of frequently required documents:

Commercial Invoice: A bill for the goods from the seller to the buyer. Many governments use commercial invoices to determine the true value of goods when assessing customs duties.

Consular Invoice: Required by certain countries. It describes the shipment of goods and shows information such as the consignor, consignee, and value of the shipment. Certified by the consular official of the foreign country, it is used by the country's customs officials to verify the value, quantity, and nature of the shipment.

Certificate of Free Sale: Required in some countries for certain kinds of goods. A state government will usually supply the document, confirming that the items intended for export were sold in that particular state.

Certificate of Conformity: Required by some countries, usually for certain kinds of manufactured goods. Exporters are required to have the product analyzed and tested by an authorized third party.

Certificate of Origin: A signed statement as to the origin of the export item. Certificates of Origin are usually validated by a semiofficial organization, such as a local chamber of commerce.

NAFTA Certificate of Origin: Required for products traded between the United States, Canada, and Mexico if the goods qualify for NAFTA benefits and the importer is claiming zero-duty preference under NAFTA.

Inspection Certification: Required by some purchasers and countries to verify the specifications of the goods shipped. A

third party, often an independent testing company, usually performs the inspection.

**Electronic Export Information
(formerly known as Shipper's Export Declaration):**

An EEI is required whenever the value of the commodity classified under a Schedule B number is more than \$2,500 or if a validated export license is required. The exporter is responsible for preparing the EEI, which must be filed with CBP electronically through the [Automated Export System \(AES\)](#). Please note that the EEI is not required for shipments to Canada unless the products also require an export license.

Export License: As discussed previously, certain shipments require specific government authorization for exportation. Shipments requiring an export license may include technology, products considered to have "dual" (military and nonmilitary) uses, and shipments to embargoed countries or entities.

Export Packing List: Provides greater detail than a standard packing list. The Export Packing List itemizes each item in a shipment, including product components, weight, and measurements.

Insurance Certificate: Used to assure the consignee that insurance will cover loss or damage to the cargo during transit.

International Customs Clearance

Before an industrial machinery shipment arrives at an international border, great care must be taken to ensure that it is in full compliance with that country's specific customs requirements. For companies that export to multiple international destinations, it's easy to see how the import compliance process can become very complicated.

For one thing, no two countries have the same customs process, and it's very difficult to track compliance mandates in a single country, let alone for multiple destinations. Most businesses engaged in international trade enlist the services of a customs broker that has the depth and resources necessary for detailed knowledge about a specific country's customs requirements, and the capability to stay abreast of changes that can occur on a moment's notice.

Several international customs brokers maintain rolling databases that track daily changes on a worldwide basis. In addition, compliance updates are maintained by individual countries, and in some cases at the regional level. The European Union, for example, maintains the [Tariff of the European Union](#), which is a multilingual database that lists updated information for the movement of goods into and out of European Union nations.

But unless a business or its logistics provider has the resources to continually monitor customs changes, chances are they will not have up-to-date information necessary to successfully clear goods across an international border.

For example, a U.S. business exporting to any EU nation would need to be aware that [changes](#) to the Value Added Tax (VAT) assessment took effect during January 2015. Or for shipments to or from Singapore, a business would need to know that the U.S. and Singapore, in late 2014, signed a "mutual recognition agreement" that affects goods moving between the two countries.

While care must be taken to ensure awareness of, and full compliance with, each country's unique requirements, following is a list of procedures that apply to all exports:

- **Proper Tariff Classification:** Every product crossing an international border must be assigned a product classification code, which, among other things, determines the level of tariff to be assessed and helps countries track the flow of goods crossing their borders. The vast majority—[98 percent](#)—of the world's trade merchandise is coded according to the [Harmonized System \(HS\)](#), which is a uniform system of unique six-digit codes that address roughly 5,000 different commodity groups. The HS is maintained by the Brussels-based [World Customs Organization \(WCO\)](#), which regularly updates the codes and establishes precise requirements for each code category.

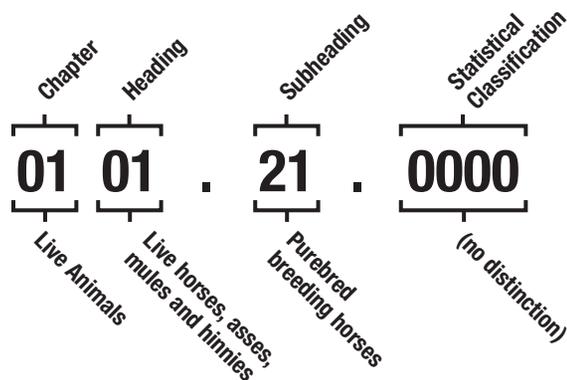
In addition to the six-digit HS code, each country adds its own qualifying code as a way to capture data about goods entering

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and leaving its borders. In the United States, for example, export codes, known as [Schedule B](#), are maintained by the U.S. Census Bureau. Import codes, known as the [Harmonized Tariff Schedule of the United States](#), are developed and maintained by the International Trade Commission.

HARMONIZED TARIFF SCHEDULE

Every product entering the United States must be assigned a 10-digit code from the U.S. Harmonized Tariff Schedule.



Source: Descartes Customs Info, 2012

By way of comparison, China's tariff codes are known as the China Tariff Schedule, European Union nations follow a uniform system called [TARIC](#), and goods crossing the Indian border are subject to the Harmonized Tariff Schedule of the Republic of

India. Each of these nations follows the globally recognized Harmonized System plus its own unique product classification code.

- Compliance With All Local Labeling/Marketing Restrictions:** Many shipments have been waylaid at the border due to failure to comply with local marketing and labeling requirements. Canada, for example, requires bilingual labeling (English and French) for most products.
- Advance Filing Of All Pre-Entry Manifests And Paperwork:** Technology has allowed governments to facilitate the customs compliance process, most notably by enabling electronic filing of documents previously completed by hand, cross-referencing of data between intragovernment agencies, and better tracking who and what is crossing the border. For most countries, though, adapting entrenched customs processes to technological formats has proven to be a years-long undertaking.

But as more countries [make the jump](#) from paper to digital, accompanying mandates for advance notifications of shipments and supply chain safety requirements have changed customs processes. An exporter must have up-to-date information about electronic capabilities and know *what* has to be filed electronically and *when* it must arrive. Failure to understand or comply with these new mandates could cause serious delays for a time-critical shipment.

Canada—Largest Buyer of U.S. Industrial Machinery



Canada Border Services Agency (CBSA) is responsible for managing the movement of goods to and from Canada, and it has in place strict compliance mandates to determine exactly which products may—and those that may not—enter the country. In addition, CBSA implements customs-related initiatives on behalf of other government agencies and departments that have authority over various aspects of the trade process. Here is an abbreviated overview of regulations a business transporting goods into Canada may face:

- **Business Number:** Any business importing or exporting goods to Canada must register with the Canada Revenue Agency and be issued a [business number](#) that must be used on all paperwork, which is used to track all customs-related documentation and payments.

- **Cargo Control Document (CCD):** Canada Border Services Agency (CBSA) requires that a [cargo control document](#) accompany each shipment. The CCD is also referred to as a manifest and includes an itemized list of the contents contained in a shipment.
- **Commercial Invoice or Canada Customs Invoice:** A commercial invoice is the primary document a buyer/importer uses to pay a vendor/exporter and generally contains information including: description of the goods, direct shipment date, tariff treatment, country of origin, tariff classification, value for duty, appropriate duty or tax rates, and calculation of duties owed.
- **Canada Customs Coding Form—B3:** CBSA requires Form B3 as a way to account for goods, regardless of their value, for commercial use in Canada. This document captures a wide range of information about each shipment, including country of origin, tariff treatment, mode of transport, and tax liabilities.
- **NAFTA Certificate of Origin:** Shipments eligible for preferential treatment as outlined by the North American Free Trade Agreement must be accompanied by a Certificate of Origin. This document contains detailed information about the contents of a shipment, including the origination of each component part.

- **Import Permits:** CBSA assists [other government departments \(OGDs\)](#) in administering entry requirements for products that fall within their areas of control. Many goods subject to OGD requirements necessitate special permits, licenses, certificates, or other paperwork. Special examination by customs officers may also be required for certain goods.

Duties and Fees

Critically important to doing business in Canada is an understanding of that country's unique sales tax code. In Canada, sales taxes are collected at the federal and provincial levels of government, and a business must be careful to comply with all applicable levies. Please note that sales taxes are different from import duties. Import duties on goods between the U.S. and Canada were virtually eliminated via NAFTA.

- A federal Goods and Services Tax (GST) of five percent of value is assessed on just about all goods entering the country.
- Provincial sales taxes are levied at the province level and are collected locally.
- The provinces of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, and Ontario have opted to “harmonize” their provincial sales tax with the general sales tax.

This combined rate is called the “harmonized tax” and represents the sum of the five percent federal GST plus the appropriate provincial tax.

U.S./Canada Security Mandates

Border security is an important part of the cross-border clearance process, with programs in place on either side of the border to minimize the risk of contraband or terrorist-related materials from entering the United States or Canada.

In Canada, CBSA's cornerstone security program is called [Advance Commercial Information](#). Through ACI, CBSA officers are provided with electronic pre-arrival information for all shipments scheduled to arrive—via air, sea, rail, or land—at the border. The pre-arrival notification allows CBSA agents to focus their resources on higher-risk shipments, and it allows low-risk shipments to arrive at the border precleared for entry. As of May 2015, all data is captured in CBSA's customized eManifest reporting system.

A similar program being developed in the U.S. is the [Automated Commercial Environment \(ACE\)](#). As described by CBP, when fully developed, ACE will serve as the backbone for the International Trade Data System (ITDS) and will ultimately become the single window for all trade and government agencies involved in exporting and importing.

Industrial Machinery—“Special” Situations

Trade Shows

International trade shows are an important venue for manufacturers to showcase new equipment models, interact with suppliers and potential buyers, and lock in orders. Each year trade shows are held worldwide and attract manufacturers and suppliers from across the globe. But transporting equipment across international borders can require a high level of skill and expertise with local customs procedures.

In general, equipment intended for a trade show will be classified as a “temporary import” and allowed certain conveniences on the premise that it will be reexported within 12 months. However, in most cases, the trade show equipment is still liable for duties and taxes that are ultimately refundable. Naturally, a business will want to minimize its tax obligation, and it has a number of choices available:

- Duties and taxes can be paid to the country “hosting” the trade show and then returned after the materials leave the country. However, the reimbursement process can take from six to 36 months.
- A country may offer a foreign temporary bond option. In this scenario, the business will pay a cash deposit to a bond surety company, which in turn will ensure that the business will pay the duties and taxes in the event the trade show materials are not



*U.S. manufacturers find value and opportunity in international trade shows.
But all trade show materials must comply with local customs mandates.*

reexported. Once the trade show goods leave the country, the business can ask to have the bond cancelled and their deposit returned.

- A business can secure an [ATA Carnet](#) through its customs broker or logistics provider. An ATA Carnet is used to clear customs in more than 70 countries and territories without paying duties or import taxes on products that will be in the country for less than 12 months. In addition, customs procedures are generally expedited and a “temporary” exporter is allowed to use a single document for all transactions and can often make arrangements for entry to many countries prior to arrival.

According to Leslie Levy August of [Boomerang Carnets](#), a key benefit of using an ATA Carnet is that it is valid for up to a year and can be used for multiple trips. “Not only does it allow exhibitors to enter foreign countries temporarily without paying duties or taxes,” August notes, “but it allows them to do so in 70+ Carnet countries and territories throughout the period of its validity.”

While a manufacturer will need to evaluate its own unique circumstances, choosing to use an ATA Carnet would offer the added benefits of shifting the responsibility for customs management to the customs broker and, perhaps most important, preventing a business from having to pay duties and taxes every time it participates in a trade show.

Goods-In-Transit

In some situations, industrial equipment will follow a transportation route that requires it to pass through a country while en route to its ultimate destination. This generally happens when a shipment is headed to a landlocked country, if an especially large piece of equipment can more easily be transported via highway or in situations in which a country that does not have a seaport [uses another country](#) as its “gateway port.” Moldova, for example, uses the port of Constanta in Romania as its gateway port, and Uganda uses Kenya’s port of Mombasa.

Regardless of the reason, a shipment “passing through” another country is considered to be goods-in-transit and will trigger requirements and customs obligations unique to that country. The [European Union](#), for example, suspends in-transit shipments from having to comply with customs mandates.

Finding Efficiencies in the Compliance Process

While most businesses understand that duty payment is an integral part of any trade transaction, less understood are the steps a business can take to minimize its duty obligations or to even have their products clear an international border duty-free. Following are options available to U.S. businesses to possibly reduce compliance costs and improve efficiency.

- **Non-Resident Importer (NRI)**: The Non-Resident Importer program is administered by CBSA as a way to increase U.S. sales to Canada. An NRI is a U.S. company that does not have a physical presence or any assets in Canada but imports into Canada under its company name. The NRI essentially serves as both the importer and exporter of record, which facilitates the sale of goods to Canadian customers in several ways: All fees and taxes can be collected at time of sale, so Canadian customers are charged a comprehensive “landed” cost up front. In addition, doing business with an NRI frees a Canadian customer from involvement in the import process, which levels the playing field—buying from a U.S. NRI becomes virtually the same as interacting with a company physically located in Canada.
- **Duty Drawback**: Businesses that import goods that are used in the manufacture of products that are subsequently exported are eligible for a refund of up to 99 percent of the amount of duty initially paid. This refund is called a drawback and is available through CBP’s Duty Drawback program. Be forewarned, though, CBP considers drawback to be a privilege, rather than a right, and as such the application process is very confusing and detailed. Detailed paperwork and record keeping are required, but the benefits can be quite substantial. A qualified logistics provider should be consulted about implementing a record-keeping process to ensure that a business is able to claim the drawback to which it is legally entitled.
- **North American Free Trade Agreement (NAFTA)**: NAFTA provides for the elimination of tariffs on virtually all domestic goods traveling between the U.S., Canada, and Mexico. The agreement sets clear “rules of origin” that specify the conditions of production in order for a product to be eligible. For example, a product imported into the United States from a non-NAFTA country, and then shipped to Canada, may not qualify for duty-free treatment. The applicable rule of origin for the product in question would have to be consulted for a definitive answer.
- **Free Trade Agreements**: In addition to NAFTA, the U.S. maintains free trade agreements with [18 additional countries](#): Australia, Bahrain, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore. While the specifics of each agreement vary, businesses can generally expect reduced, or eliminated, tariff treatment. However, the onus falls on the business to determine eligibility and to submit the necessary paperwork upon arrival at the border. In other words, no customs agent will proactively provide free trade benefits.
- **Tariff Reclassification**: Ensuring that a product has been assigned the correct tariff classification can have significant financial considerations. Every product that crosses the border is assigned a tariff code as set out in the universally recognized Harmonized System (HS). The HS includes more than 10,000 product categories, which leaves a fair degree of interpretation in determining the code to assign to a particular product. Which code is assigned could determine whether a product is eligible for Free Trade Agreement benefits or if punitive anti-dumping or countervailing duties apply. Thus, great care should be taken in determining a tariff code to ensure a product receives fair treatment.

Finding the Right Logistics Provider

As this discussion has made clear, customs compliance is a highly complicated and critical part of the industrial machinery supply chain. And whether a business is a global conglomerate that regularly transacts with customers worldwide or a small U.S. business that limits its international exchanges to Canada, thorough compliance with all mandates is essential.

Most businesses wisely choose to enlist an experienced customs broker or logistics provider to manage the process on their behalf. But when it comes to selecting a provider, there are many options from which to choose, and not every customs broker or logistics provider is the same. For one thing, many will claim to have “complete visibility into worldwide customs requirements,” a claim that should be met with a fair degree of skepticism.

Rather, an expedited carrier that makes such a claim likely has a general sense of customs issues, enough to move a shipment through a particular country’s customs process, but not the level of detailed knowledge that could facilitate the process and avoid delays. Many “big name” logistics carriers fall into the former category, offering a general understanding of customs processes but unable to drill down and take advantage of favorable provisions within a country’s regulations, about which only someone with detailed insight would know.

Instead, it’s important to choose a broker with a comprehensive network in place that truly does have personnel located in each country who monitor a country’s customs process, know the intricacies of full compliance, and are updated about any new requirements or changes.

A truly knowledgeable logistics provider will offer specialized services, including an on-the-ground courier who will meet an arriving shipment and personally oversee the customs process. In many instances, the local courier will be known to customs officials and enjoy a level of familiarity and respect among agents.

A machinery manufacturer does not want to learn the hard way—when a shipment of parts is delayed at the border or when an international customer is faced with an unexpected bill for additional duties—that its “experienced” logistics provider was not up to the job.

Conclusion

The good news for U.S. industrial machinery manufacturers is that the United States is the world's largest market for machinery and the world's third-largest supplier. And, as [HSBC Bank](#) has noted, industrial equipment exports will drive the nation's export growth for the foreseeable future.

But with every sale to an overseas country comes the unavoidable trip through an international customs process. Every country has its own customs procedures, and every product entering that country must be in full compliance.

Easier said than done, especially at a time when customs requirements have increased significantly and compliance at times can seem very arbitrary.

For many manufacturers, the solution is to enlist an experienced customs broker or logistics provider. Not only will an experienced partner ensure full customs compliance but a machine manufacturer can enjoy peace of mind knowing that part of its supply chain is well managed.

Purolator. We deliver Canada.

Purolator is the best-kept secret among leading U.S. companies who need reliable, efficient, and cost-effective shipping to Canada. We deliver unsurpassed Canadian expertise because of our Canadian roots, U.S. reach, and exclusive focus on cross-border shipping.

Every day, Purolator delivers more than 1,000,000 packages. With the largest dedicated air fleet and ground network, including hybrid vehicles, and more guaranteed delivery points in Canada than anyone else, we are part of the fifth largest postal organization in the world.

But size alone doesn't make Purolator different. We also understand that the needs of no two customers are the same. We can design the right mix of proprietary services that will make your shipments to Canada hassle free at every point in the supply chain.

For more information:

Purolator International

1.888.511.4811

wedeliverycanada@purolator.com

www.purolatorinternational.com

<http://blog.purolatorinternational.com>



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