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| <b>Import/Export Compliance Best Practices</b> | <b>SUBJECT</b><br>Import Compliance  | <b>LAST UPDATE</b><br>July 2018   |
|  | <b>APPLIES TO</b><br><ul style="list-style-type: none"> <li>• Manufacturers</li> <li>• Importers</li> </ul>  | <b>FOCUS ON</b><br>Understanding the importance of creating and following an effective import compliance manual |
|  | <b>QUICK LINKS</b> <ul style="list-style-type: none"> <li>• PPAI Corporate Responsibility: <a href="http://www.ppai.org/corporate-responsibility/">www.ppai.org/corporate-responsibility/</a></li> <li>• UL: <a href="http://www.ul.com/consumer-retail-services/en/industries/premium-promotional-and-licensed-goods/">www.ul.com/consumer-retail-services/en/industries/premium-promotional-and-licensed-goods/</a></li> <li>• Consumer Product Safety Commission: <a href="http://www.cpsc.gov">www.cpsc.gov</a></li> </ul> |   |

**Intended for beginner compliance programs**

*Italic grey text indicates a hyperlink listed in the Online Resources section of this document.*

### Introduction

An import compliance manual describes the policies and procedures regarding a company’s import processes. It is a good method for identifying and organizing a company’s procedures in a single location. Having and adhering to an import manual minimizes a company’s risk of violations, and mitigates risk if any violations occur.

### Roles and Responsibilities

Some of the essential elements in an import manual include a message from the company leader, periodic updates and reviews, and a documented delineation of responsibilities. These responsibilities must be unambiguously and specifically expressed, along with identifying the people who are responsible for the actions. There should also be effective communication about the import manual, for example training or a large-scale visible rollout. Everyone in the company needs to know that the manual exists, and they need to not only have access to it, but they also need to be informed that they have access to the manual.

### Organization

There are two ways to organize an import manual—by subject or chronologically.

When organizing by subject, there are numerous categories that should be included:

- Recordkeeping
- Classification
- Valuation
- Country of origin and marking
- Quantity
- Training
- Post entry
- Fines and penalties

It is not necessary for an import manual to address all of these categories with equal detail. Rather, the manual should focus its



resources covering topics critical to that company. For example, if a company uses free trade agreements, then that company’s

import manual would need to provide guidance to address those agreements. Conversely, if a company does not use foreign trade zones in their business, then that company’s import compliance manual would not need to cover foreign trade zones. The writers of the manual could simply include a statement saying that the company currently does not operate in any foreign trade zones, and if such operation is to begin in the future, then the compliance manual will be updated to include the relevant information.

The other method of organizing an import compliance manual is chronologically. This organizes the policies and procedures into the three major phases:

- Pre-Entry
- Entry
- Post-Entry

Within the three phases, there are many topics that should be addressed. For the pre-entry stage, the requirements for origin and marking must be determined. This is also the stage where the product’s value must be determined, as well as the classification of the product.

For the entry stage, the import compliance manual should have information about the entry process for whatever locations entry is being made. This is also the section where broker oversight is covered.

With the post-entry stage, the import manual should educate users on how to make post summary corrections, respond to government inquiries, and how to lodge any potential protests regarding decisions made by the authorities. This stage of the import manual should also include information about making prior disclosures to the authorities, and recordkeeping with regard to the regulations and expectations of the government agencies that are involved in the import process where the company is operating. Recordkeeping is also beneficial in the event of scrutiny by a governing authority. Maintaining good records is an effective way for a company to show a governing agency that the company followed compliant procedures, and attempted to comply with regulations.

### ***Education and Implementation***

In addition to organizing the import compliance manual and having it readily accessible, there should also be a concerted effort to educate the people responsible for compliance. It is valuable to gather and arrange the company's policies and procedures into an organized, single location. This adds strength to a company's compliance efforts, by making it easier for the people tasked with certain responsibilities to identify what those duties are, and properly and consistently execute them. However, it is not enough to have the manual on site and accessible to everyone. The value is drawn from utilizing the manual. The effort and expense that is directed toward preparing and ensuring adherence to the compliance manual will far outweigh any potential penalties or fines incurred as the result of regulatory noncompliance. The best way for a company to minimize risk of violations, and mitigate risk if violations occur, is to ensure that a well-prepared import compliance manual is being followed consistently.

### ***Online Resources:***

**PPAI Product Safety Frequently Asked Questions:** [ppai.org/corporate-responsibility/product-responsibility/product-responsibility-faqs/](https://ppai.org/corporate-responsibility/product-responsibility/product-responsibility-faqs/)

**PPAI Business Partner:** [ppai.org/members/affinity-partners/#8ed9d94d-cb76-488a-9919-c94f8345d123](https://ppai.org/members/affinity-partners/#8ed9d94d-cb76-488a-9919-c94f8345d123)

**Basic Importing and Exporting:** <https://www.cbp.gov/trade/basic-import-export>

**Tips for New Importers and Exporters:** <https://www.cbp.gov/trade/basic-import-export/importer-exporter-tips>

**Making Your Import Compliance Manual Work For You Webinar:**

<https://onlineeducation.ppai.org/products/making-your-import-compliance-manual-work-for-you>

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