



C.H. ROBINSON



Introduction to Import Compliance General Awareness

July 2020

→ Agenda

- 01** Introduction to Import Compliance
- 02** Importer Responsibilities and Common Areas of Risk
- 03** Commercial Enforcement and Penalties
- 04** Compliance Roadmap



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Introduction to Import Compliance

→ What is Reasonable Care?



The importer of record shall, using reasonable care:

- Make timely entry with Customs
- Complete entry with declared value, classification, and rate of duty

Why...



- Properly assess duties
- Collect accurate trade statistics
- Determine admissibility

How...



- Become aware of legal requirements
- Seek guidance from Customs and other outside parties such as consultants, trade attorneys, etc.

Authority: 19 U.S.C. 148(a)

→ How do we demonstrate reasonable care?

- Follow customs regulations
- Know the terms of transactions
- Know the description, use, composition, and origin of merchandise
- Enter merchandise correctly
- Provide experts with material facts and circumstances
- Establish ongoing procedures and policies to maintain compliance
- Detect and report violations

→ What is due diligence?

Each broker must exercise due diligence in making:



Financial settlements



Answering correspondence



Preparing or assisting in the filing of records related to any
Customs business matter

Authority: 19 CFR 111.29(a)

→ What is informed compliance?

- Binding ruling program
- Informed compliance publications
- Customs bulletin and decisions
- Federal register
- Customs' website: www.cbp.gov
- Outreach programs
 - Participation in trade conventions (e.g., ICPA, AAEL, etc.)
 - Local seminars and training events
- **NEW** – informed compliance letters





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Importer Responsibilities and Common Areas of Risk

→ “The 12 deadly sins”

1

Record retention

2

Additions to price

3

Commissions

4

Manufacturing assists

5

Non-Dutiable costs

6

Related parties

7

Classifications

8

Country of origin

9

Free trade agreements

10

Chapter 98

11

Quantity verification

12

ADD/CVD

→ Other common areas of risk

- Duty drawback
- Special entry types
- Reconciliation
- Sample shipments
- Incoterms®
- Import Security Filing (“ISF”)
- Forced labor





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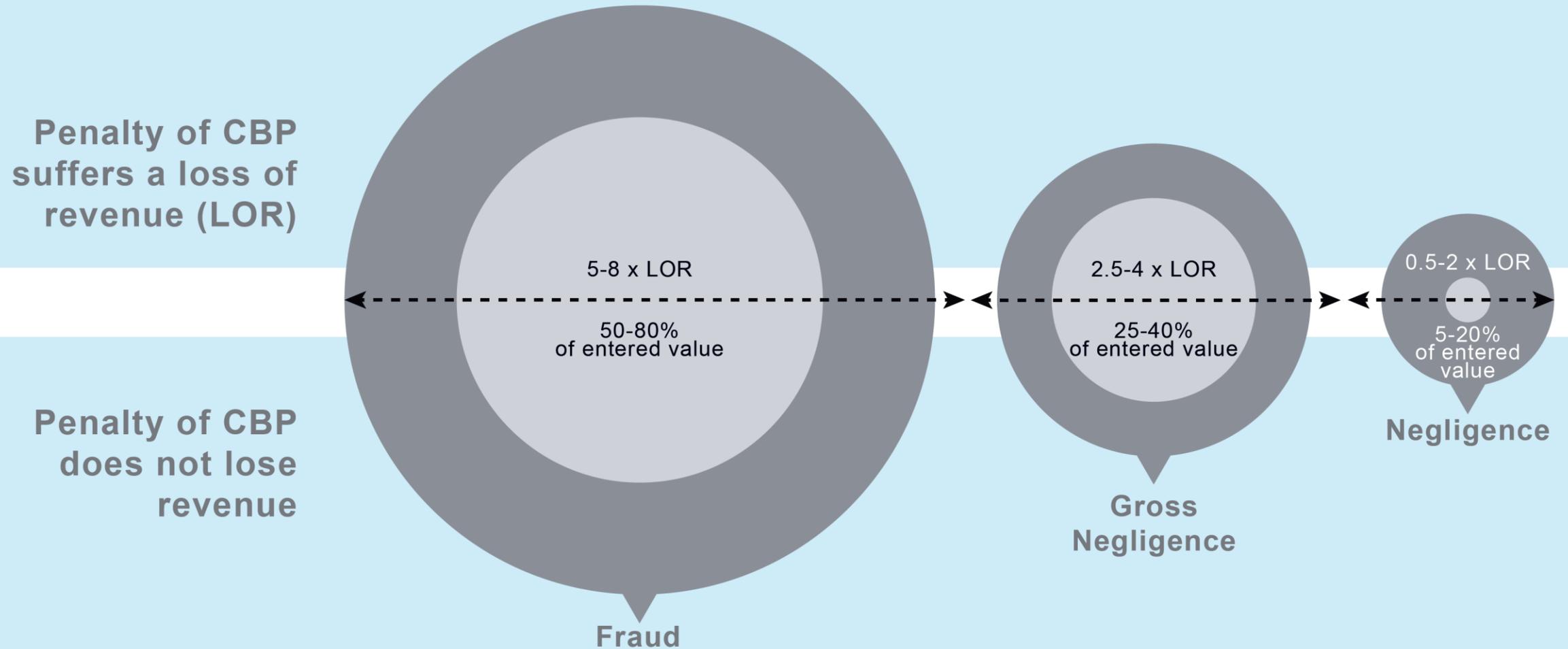
Commercial Enforcement and Penalties

→ Commercial enforcement activities

- Requests for information
- Notice of action
- Assessment of liquidated damages, penalties, and Fines
- Examinations
- Inspections
- Investigations
- Laboratory analysis
- Criminal prosecution
- National sanctions
- Import focused assessment
- **NEW** – Informed compliance letters



→ The Cost of non-compliance

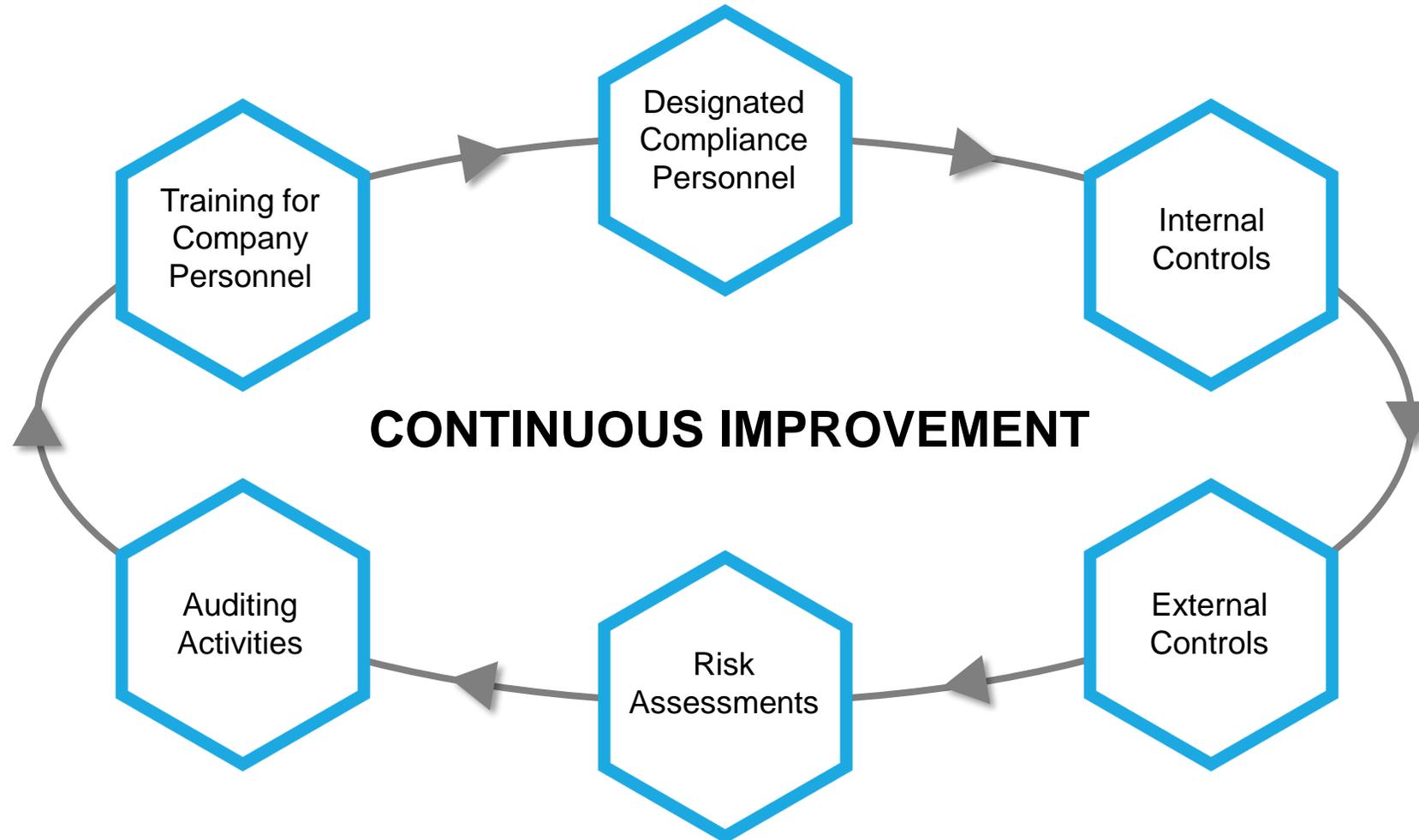




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Compliance Roadmap

→ The compliance roadmap



→ Global Suite of Services

Delivering an average of over 3 services per top 500 customer



Truckload



Last mile



Customs & compliance



Managed services



LTL



Ocean



Consolidation



Sourcing



Intermodal



Air



Consulting



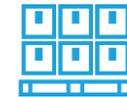
Move the
most truckload freight
of any company
in the world



C.H. Robinson is
larger than
our
next 5 LTL competitors
combined



#1 NVOCC
China to U.S.
#2 NVOCC
Asia & India to U.S.
and U.S. to Oceania



Nearly
\$20b
freight under
management

Based on 2019 net revenues

→ C.H. Robinson Commitment to Customers

Global suite of services

Work with a provider that can reliably meet all of your logistics services and technology needs today and in the future

Technology built by and for supply chain experts

Tailored, market-leading solutions that work for supply chain professionals and drive supply chain outcomes

Information advantage driving smarter solutions

Drive better outcomes for your business by taking advantage of our experience, data, and scale

People you can rely on

Our global network of experts acts as an extension of your team

→ Trade Policy Group Service Offerings

- HTS Classification
- Binding Rulings
- Supply Chain Security
- Audits
- Development of Internal Controls
- Trade Data Analysis
- Customized Training Services
- FTA Qualifications
- Ad Hoc Import & Export Consulting

→ Legal disclaimer

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Thank You