



Global Sourcing Team

***Import Compliance Requirements
(HTS)***

Vendor Training 2012

› WHAT IS AN IMPORT?

- › All goods imported into U.S. must undergo legal process called “entry filing” in order to clear Customs and be allowed entry.
- › The ‘Importer of Record’ is the legal entity claiming responsibility of foreign goods. Liable for accurate declarations (value appraisalment, HTS classification, etc.)

› WHAT IS THE HISTORY?

- › Previously the Exchange outsourced the function of HTS assignment.
- › The growing Direct Import initiative and constant changes with Customs requirements has brought Import Compliance/HTS function in house.
- › The Exchange created Import Compliance roles to ensure compliance, minimize risk & clear without delays.

› WHAT IS HTS?

- › Harmonized Tariff Schedule (HTS) 10 digit code that consist of a standardized system of names/numbers used to identify traded products crossing borders.
- › Administered by Department of Homeland Security, Customs Border Protection
- › Maintained by the World Customs Organization.

› WHAT IS THE PURPOSE?

- › The HTS code is used by governments to assess customs duties, enforce domestic regulations, perform risk assessment, and collect trade statistics.
- › This is a good tool in calculating landed cost of imported articles, identify selling and sourcing opportunities abroad, and to link the procurement and compliance elements of the supply chain.

› HOW IS THE EXCHANGE COMPLIANT?

- › To accommodate CBP import requirements, the Exchange team assigns an HTS code for every commodity imported before it is shipped.
- › Where the Exchange is the Importer of Record, internal processes have been developed to ensure an item is not procured without an HTS code.

› HOW CAN VENDORS HELP?

Suppliers assist in the Exchange import compliance effort by providing the following:

- › Detailed information on the nature of each product at time of item induction.
 - › When completing a New Item Induction Form (NIIF), submit a filled out **Product Information (PI)** sheet. Also Include photos or brochures.
- › Document to be sent along with shipment must be complete.
 - › Commercial Invoice with all relevant information (UPC# , HTS code, Country of Origin, Manufacturer Name, payment terms and INCOTerms (FOB, Exworks, etc)
 - › *NOTE: Invoice value in shipping docs should be consistent with PO value.*
 - › Certificate of Origins to claim special duty programs.

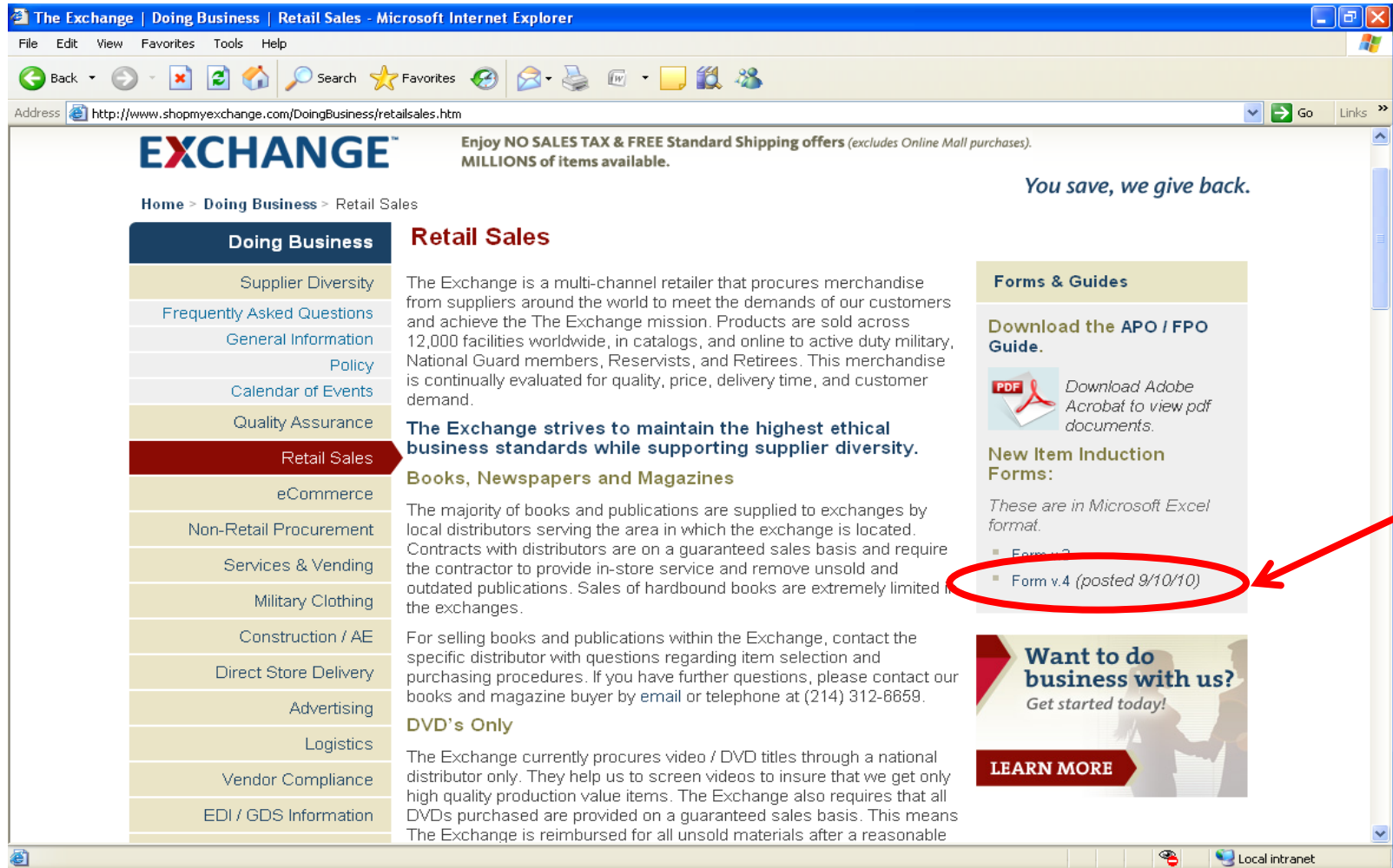
Import Compliance – USHTS Codes

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
6403 (con.)		Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (con.):				
6403.59		Other footwear with outer soles of leather (con.):				
6403.59.10	00	Other: Footwear made on a base or platform of wood, not having an inner sole or a protective metal toe-cap	prs.	Free <u>1/</u>		33 1/3%
6403.59.15		Other: Turn or turned footwear		2.5% <u>1/ 2/</u>	Free (AU,BH,CA, CL,D,IL,J+,JO, MA,MX,OM, P,PE,R,SG)	10%
	20	For men	prs.			
	45	For women	prs.			
	61	Other	prs.			
6403.59.30		Welt footwear		5% <u>1/</u>	Free (AU,BH,CA, CL,D,E,IL,J+,JO, MA,MX,OM, P,PE,R,SG)	20%
	20	For men:				
	40	With pigskin uppers	prs.			
	60	Other	prs.			
	81	For women	prs.			
		Other	prs.			
6403.59.60		Other: For men, youths and boys		8.5% <u>1/</u>	Free (AU,BH,CA, CL,D,IL,J+,JO, MA,MX,OM, P,PE,R,SG)	20%

Go to *Doing Business with the Exchange site:*

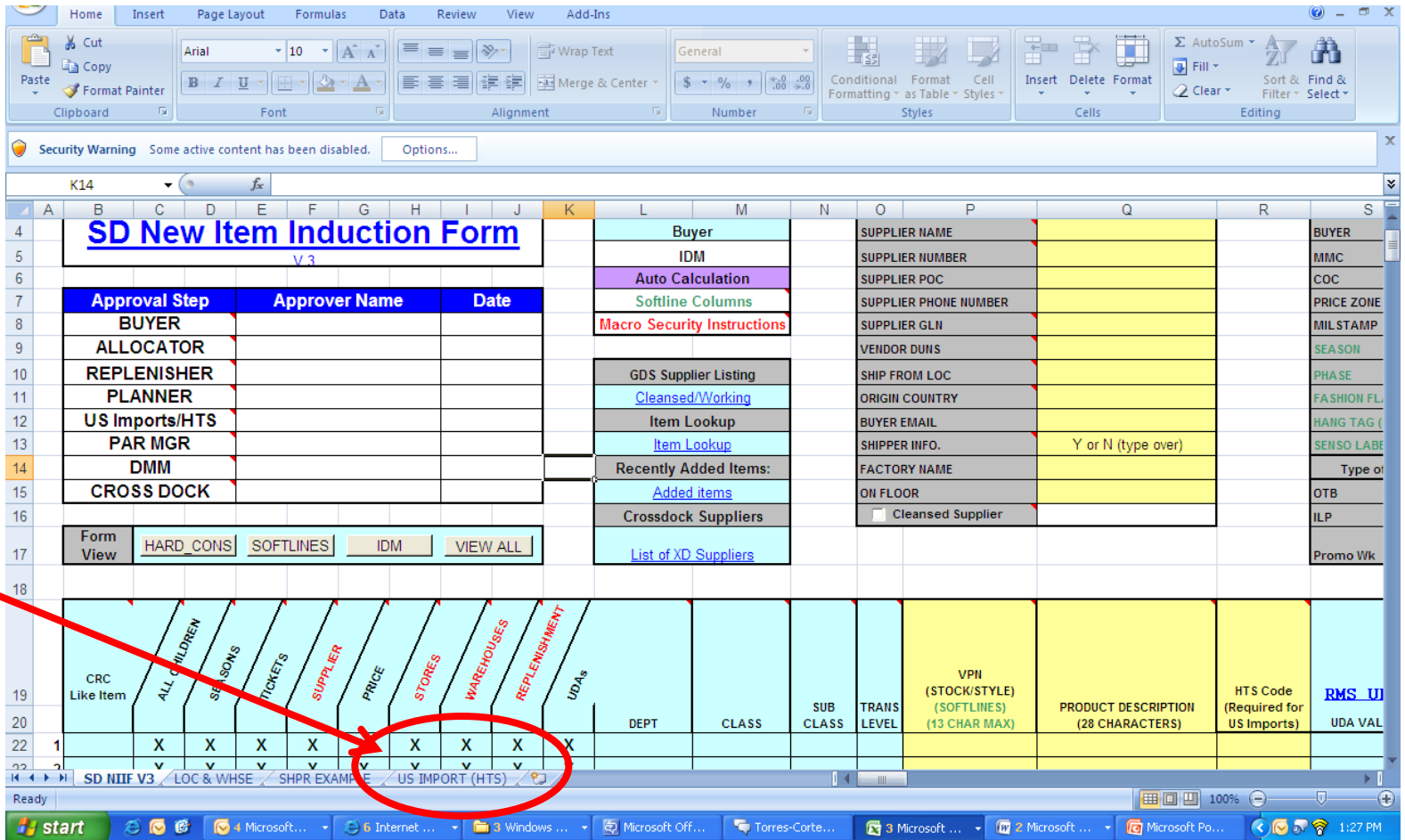
<http://www.shopmyexchange.com/DoingBusiness/retailsales.htm>

Open the excel file. SD New Item Induction Form v.4



The screenshot shows a Microsoft Internet Explorer browser window displaying the 'Retail Sales' page on the Exchange website. The browser's address bar shows the URL: <http://www.shopmyexchange.com/DoingBusiness/retailsales.htm>. The website header includes the Exchange logo and the text 'Enjoy NO SALES TAX & FREE Standard Shipping offers (excludes Online Mall purchases). MILLIONS of items available.' The main navigation menu is on the left, with 'Retail Sales' highlighted. The 'Retail Sales' section contains several paragraphs of text and a list of 'New Item Induction Forms'. The list includes 'Form v.2' and 'Form v.4 (posted 9/10/10)', which is circled in red. A red arrow points from the right side of the page to the circled text. Other elements on the page include a 'Forms & Guides' section with a 'Download the APO / FPO Guide' link, a 'Want to do business with us?' banner, and a 'Local intranet' link in the bottom right corner.

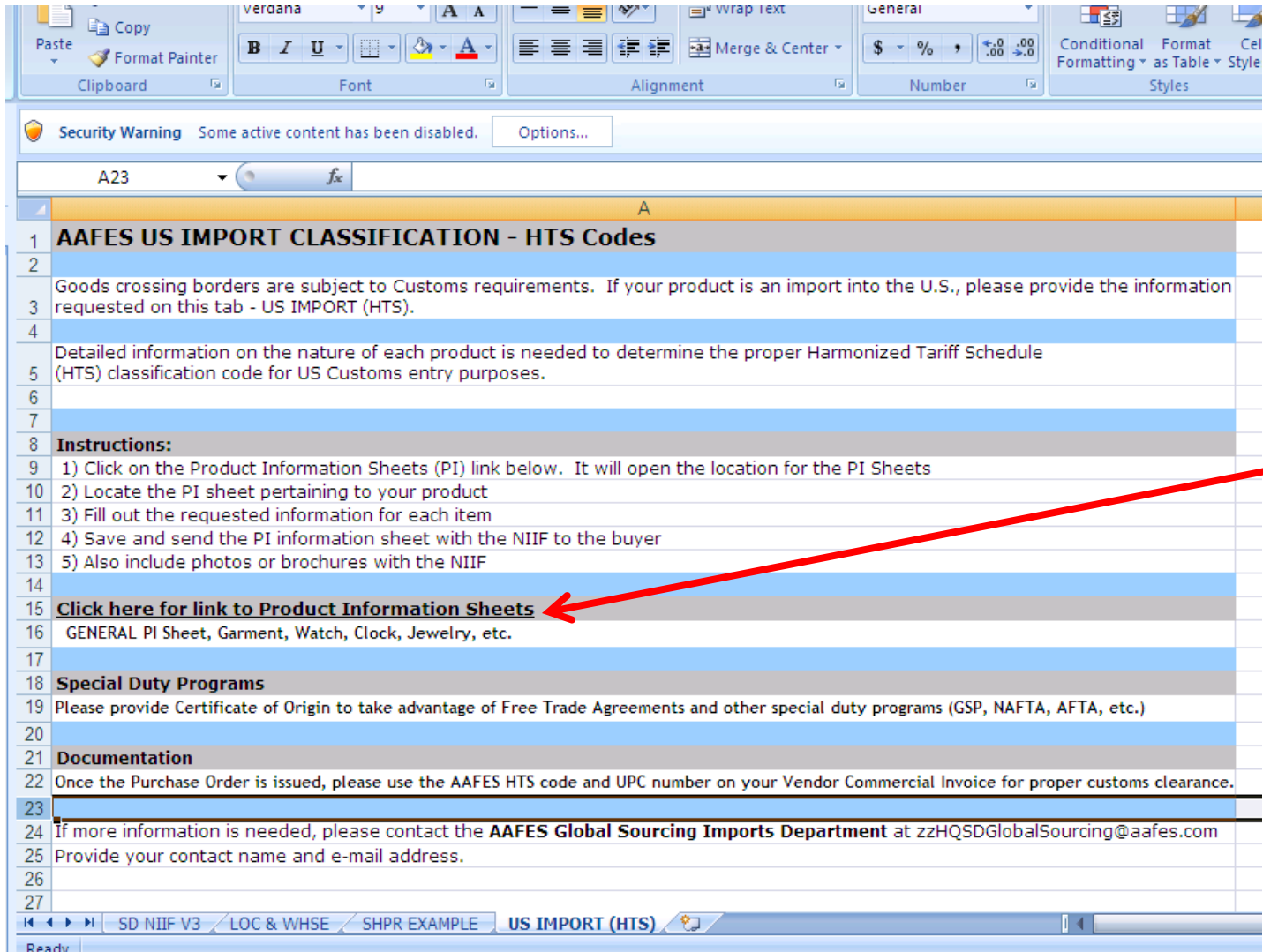
Click on US Import (HTS) tab:



The screenshot displays an Excel spreadsheet titled "SD New Item Induction Form". The spreadsheet is organized into several sections:

- Form Header (Rows 4-6):** Includes fields for Buyer, Auto Calculation, and Softline Columns.
- Approval Step Table (Rows 7-15):** A table with columns for Approval Step, Approver Name, and Date. Steps include BUYER, ALLOCATOR, REPLENISHER, PLANNER, US Imports/HTS, PAR MGR, DMM, and CROSS DOCK.
- Supplier Information (Rows 16-18):** Includes a "Form View" section with buttons for HARD_CONS, SOFTLINES, IDM, and VIEW ALL, and a "List of XD Suppliers" link.
- Data Entry Grid (Rows 19-22):** A grid with columns for various attributes: CRC Like Item, ALL CHILDREN, SEASONS, TICKETS, SUPPLIER, PRICE, STORES, WAREHOUSES, REPLENISHMENT, UDAs, DEPT, CLASS, SUB CLASS, TRANS LEVEL, VPI (STOCK/STYLE) (SOFTLINES) (13 CHAR MAX), PRODUCT DESCRIPTION (28 CHARACTERS), HTS Code (Required for US Imports), and RMS_U. Row 22 shows 'X' marks in the SUPPLIER, PRICE, STORES, WAREHOUSES, and UDAs columns.
- Sheet Bar (Row 23):** Shows multiple tabs: SD NIIF V3, LOC & WHSE, SHPR EXAM, and US IMPORT (HTS). A red arrow points to the "US IMPORT (HTS)" tab.

Click on link for Product Information

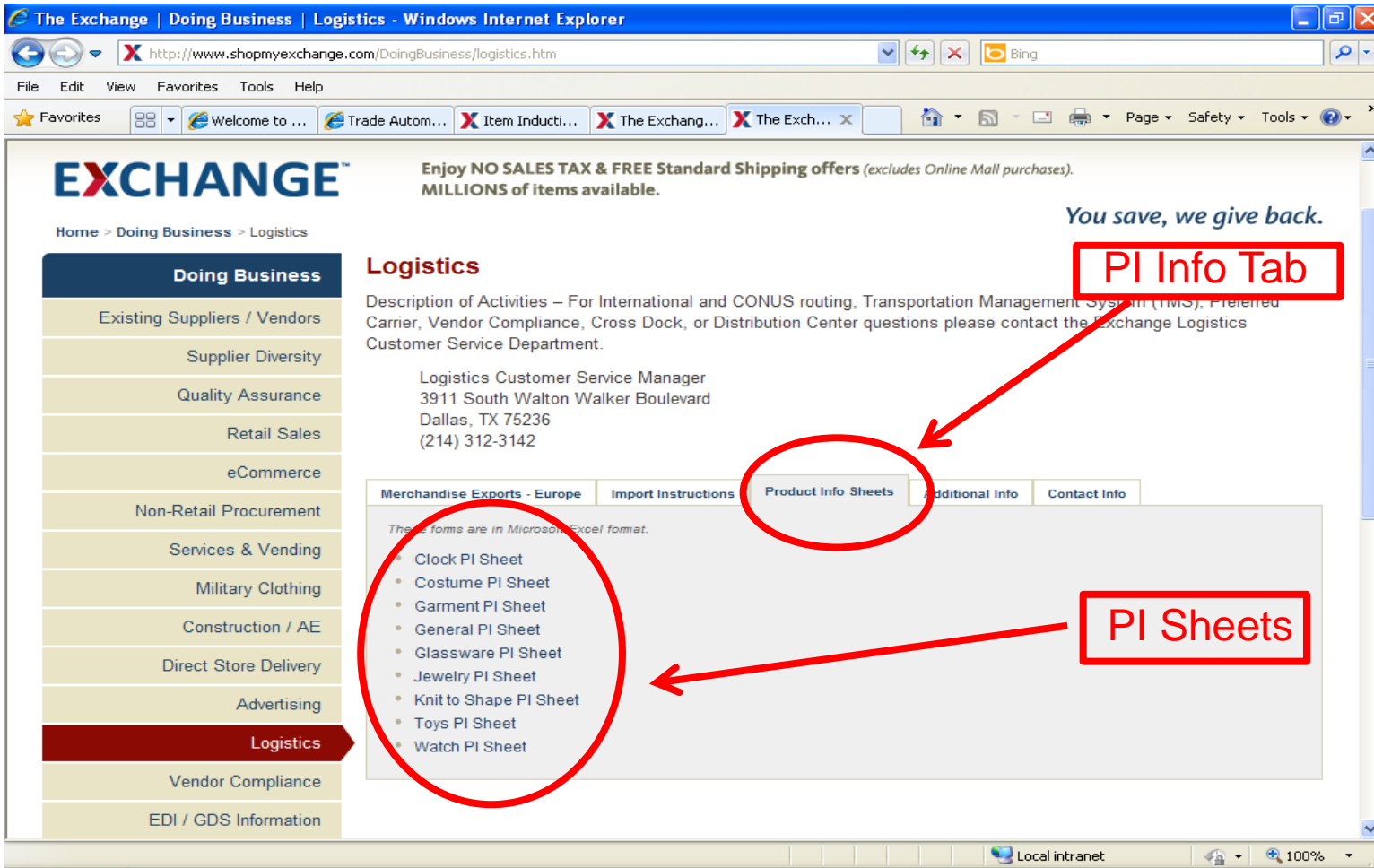


The screenshot shows an Excel spreadsheet with the following content:

A	
1	AAFES US IMPORT CLASSIFICATION - HTS Codes
2	
3	Goods crossing borders are subject to Customs requirements. If your product is an import into the U.S., please provide the information requested on this tab - US IMPORT (HTS).
4	
5	Detailed information on the nature of each product is needed to determine the proper Harmonized Tariff Schedule (HTS) classification code for US Customs entry purposes.
6	
7	
8	Instructions:
9	1) Click on the Product Information Sheets (PI) link below. It will open the location for the PI Sheets
10	2) Locate the PI sheet pertaining to your product
11	3) Fill out the requested information for each item
12	4) Save and send the PI information sheet with the NIIF to the buyer
13	5) Also include photos or brochures with the NIIF
14	
15	<u>Click here for link to Product Information Sheets</u>
16	GENERAL PI Sheet, Garment, Watch, Clock, Jewelry, etc.
17	
18	Special Duty Programs
19	Please provide Certificate of Origin to take advantage of Free Trade Agreements and other special duty programs (GSP, NAFTA, AFTA, etc.)
20	
21	Documentation
22	Once the Purchase Order is issued, please use the AAFES HTS code and UPC number on your Vendor Commercial Invoice for proper customs clearance.
23	
24	If more information is needed, please contact the AAFES Global Sourcing Imports Department at zzHQSDGlobalSourcing@aafes.com
25	Provide your contact name and e-mail address.
26	
27	

The spreadsheet is titled "US IMPORT (HTS)" and is part of a workbook containing "SD NIIF V3", "LOC & WHSE", and "SHPR EXAMPLE". A red arrow points to the link in row 15.

Click on the Product Info Sheets Tab and then the relevant PI Sheet



The screenshot shows a web browser window displaying the Exchange website. The browser's address bar shows the URL <http://www.shopmyexchange.com/DoingBusiness/logistics.htm>. The website header includes the Exchange logo and the text "Enjoy NO SALES TAX & FREE Standard Shipping offers (excludes Online Mall purchases). MILLIONS of items available." and "You save, we give back." The navigation menu on the left includes "Doing Business" (highlighted), "Logistics" (highlighted), "Vendor Compliance", and "EDI / GDS Information". The "Logistics" section is active, displaying a description of activities and contact information for the Logistics Customer Service Manager. Below this, there are tabs for "Merchandise Exports - Europe", "Import Instructions", "Product Info Sheets" (circled in red), "Additional Info", and "Contact Info". A red box labeled "PI Info Tab" points to the "Product Info Sheets" tab. Below the tabs, a list of PI sheets is displayed, including "Clock PI Sheet", "Costume PI Sheet", "Garment PI Sheet", "General PI Sheet", "Glassware PI Sheet", "Jewelry PI Sheet", "Knit to Shape PI Sheet", "Toys PI Sheet", and "Watch PI Sheet". A red box labeled "PI Sheets" points to this list.

Home > Doing Business > Logistics

Doing Business

- Existing Suppliers / Vendors
- Supplier Diversity
- Quality Assurance
- Retail Sales
- eCommerce
- Non-Retail Procurement
- Services & Vending
- Military Clothing
- Construction / AE
- Direct Store Delivery
- Advertising
- Logistics**
- Vendor Compliance
- EDI / GDS Information

Logistics

Description of Activities – For International and CONUS routing, Transportation Management System (TMS), Preferred Carrier, Vendor Compliance, Cross Dock, or Distribution Center questions please contact the Exchange Logistics Customer Service Department.

Logistics Customer Service Manager
3911 South Walton Walker Boulevard
Dallas, TX 75236
(214) 312-3142

Merchandise Exports - Europe | Import Instructions | **Product Info Sheets** | Additional Info | Contact Info

These forms are in Microsoft Excel format.

- Clock PI Sheet
- Costume PI Sheet
- Garment PI Sheet
- General PI Sheet
- Glassware PI Sheet
- Jewelry PI Sheet
- Knit to Shape PI Sheet
- Toys PI Sheet
- Watch PI Sheet



Questions?



Thank You!
