



INTERNATIONAL FREIGHT SERVICES INC.

IMPORT CUSTOMS COMPLIANCE PACKET

Dear Valued IFS Client,

The Customs Modernization Act (MOD) has created a shift in the legal burden from the US Customs Service to the importer for the correct entry of merchandise. Since the passage of the MOD Act, importers are required under section 484 of the tariff act, as amended, (19 U.S. C. 1484), to file the correct classification, value, country of origin, determination, marking, and duty rate as well as provide sufficient information for Customs to determine whether these and any other requirements have been accurately fulfilled. The United States Congress has made it clear that importers must exercise "REASONABLE CARE" in conducting Customs business.

Importers must comply with the standards stated under Reasonable Care. Failure to exercise reasonable care will lead to penalties under 19 U.S.C. 1592. Reasonable care is best achieved by the implementation of an internal control structure. This requires an accounting system which identifies, assembles, analyzes, classifies, records, and reports an importer's transaction. An internal control structure also includes control procedures to provide reasonable assurance that the structure's objective will be met.

The commercial invoice must contain all information that is required by law or regulations, and every statement of fact contained in the documents must be true and accurate. Invoices for "Integrated Circuit" companies must have the total cost of the product, which includes cost of the die, cost of assembly, and any other assist that may apply. Each product must be classified based on its specifications and the end use.

Attached is a complete Customs Compliance package. Inside this package, please see IFS's Import profile which contains all information that IFS Import currently has on file. Please check the accuracy of contact information, country of manufacture, and classification. If there is no classification listed for your product, I have attached a copy of the Harmonized Tariff Schedule for classifying your product. IFS as a Customs Broker will be happy to help you in this area. Please keep in mind that this is only for Import products.

I thank you in advance for your prompt response. It would be appreciated if all documents can be completed, signed, and returned either by e-mail or regular mail, as soon as possible.

I apologize for any inconvenience or duplication of past efforts.

If you have any questions, please contact me at (650) 222-8862

Sincerely,

Yvonne Fazzino LCHB, Executive Vice President



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Customs Duty Payment Election

In accordance with Customs Regulations Part 111.29 (b) we are required to furnish you with the following information:

"If you are the importer of record, payment to the broker will not relieve you of liability for customs charges (duties, taxes, or other debts owed CBP) in the event the charges are not paid by the broker. Therefore, if you pay by check, customs charges may be paid with a separate check payable to the "U.S. Customs and Border Protection" which will be delivered to CBP by the broker."

As clarification to the above statement, an Importer may pay duties either:

- A: Directly to Customs whether or not a licensed Customs Broker is used; or
- B: Through a licensed Customs Broker. When an importer uses a broker and elects to pay by check or bank draft, the importer may issue the broker either:
 - 1: One check or bank draft payable to the broker covering both duties and the broker's fees and charges, in which case the broker shall pay the duties to Customs on behalf of the importer.
 - 2: Separate check or bank draft, covering duties payable to "U.S. Customs and Boarder Protection" for transmittal by the broker to Customs, and the other covering the broker's fees and charges. The importer's check or bank draft for duties shall be delivered to Customs by the broker.

Please check one of the following boxes to elect how you would like to pay duties and taxes to U.S. Customs:

☐

I would like to pay US Customs directly.

☐

I would like IFS to help set up ACH Payments from my bank account directly to US Customs.

☐

I would like to issue one check to IFS that will cover all my charges, including both US Customs charges and the charges for services rendered by IFS

COMPANY NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____



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POWER OF ATTORNEY (POA)

In accordance with U. S. Customs Regulations, we are required to obtain and retain a current Power of Attorney in our office to enable us to process Customs transactions on your behalf.

If the email that accompanied this import compliance packet contained a Power of Attorney form, or if you are a new client filling out IFS application documents for the first time, please fill out the Power of Attorney document as well as this document.

If the email that accompanied this import compliance packet DID NOT contain a Power of Attorney form AND you are a new client filling out IFS application documents for the first time, then IFS has a current Power of Attorney on file and you do not need to fill out a POA form at this time.

Thank you in advance for your accurate completion and prompt response in this matter.

RELATED PERSON DECLARATION

A "Related Person" transaction is defined in the Customs Regulation Part 152.102 (g) as:

- (1) Members of the same family, including brothers and sisters whether by whole or half blood, spouse, ancestors and lineal descendants.
- (2) Any officer or director of an organization, and that organization.
- (3) An officer or director of an organization and an officer or director of another organization, if each individual also is an officer or director in the other organization.
- (4) Partners.
- (5) Employer and employee.
- (6) Any person directly or indirectly owning, controlling or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization, and that organization.
- (7) Two or more persons directly or indirectly controlling, controlled by, or under common control with any person.

Based on the information stated above, please fill out the following form:



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SELLER / IMPORTER RELATIONSHIP STATEMENT

(To be completed and signed by Importer)

Please check the box that correctly states the nature of your transactions with your vendors and clients. Have this form signed by an officer of the corporation, member of firm, partner, or proprietor and return to IFS

- ☐ All our transactions are “NOT RELATED”, as defined on the previous page.
- ☐ All our transactions are “RELATED”, as defined on the previous page.
- ☐ Some of our transactions are “NOT RELATED” and some are “RELATED”. The following is a list of vendors in which we have ownership or control, as defined in the cover letter. Any transactions which these vendors is “RELATED”:

NAMES AND ADDRESSES OF VENDORS

Related Vendor Name	Related Vendor Address

COMPANY NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____



PRODUCT INFORMATION FOR IMPORT

Note that IFS can help you obtain this information if you do not already have it. Please contact IFS if you need assistance.

[illegible]

COMPANY NAME: _____

SIGNATURE: _____

TITLE:

DATE: _____