

# Import/Export & International Trade — Workbook

This workbook turns the course into a working cross-border operation. As you move through it you will reality-check a real import opportunity, vet and shortlist overseas suppliers, reason through the right Incoterm, classify your product and find its duty, build a true landed-cost figure, assemble a consistent customs document set, and stand up the compliance and risk plan that keeps shipments clearing cleanly. Use the templates to keep your sourcing, costing, documents, and clearance organized in one place so nothing slips at the dock or surprises you on the duty bill.

## Foundations of Cross-Border Trade

Map how a shipment really moves, line up the right partners, and run the threshold checks before you commit cash to importing or exporting.

### Exercise: Trace Your Shipment End to End

Take one product you import or plan to import and walk it through every stage from factory gate to your warehouse. The goal is to see where cost is added, where risk transfers, and where delay can strike, before any money is committed.

- List each stage in order: production, export haulage and clearance, main carriage, arrival and port handling, import clearance, and final delivery.
- At which stage does the risk of loss transfer to you, and does your chosen Incoterm match that intent?
- Where in the chain are demurrage and detention charges most likely to bite, and what would prevent them?
- Which single stage is most under your control through preparation, and what will you do to keep it clean?

### Worksheet: Your Trade Partner Directory

Identify and record the specialists you will rely on. You can hire a forwarder and broker before any goods move, and you cannot clear a commercial shipment without an importer number on file.

Freight forwarder (company / contact / does it also broker?)

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Customs broker (company / licence / contact)

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Carrier or shipping line used

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Customs authority for your country (e.g. CBP, CBSA)

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Product-specific agency that may apply (e.g. FDA, CPSC)

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Importer number / customs bond status (US: EIN + bond; Canada: BN with RM account)

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Who to call first when a shipment is held

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### Exercise: Import / Export Reality Check

Before committing to a cross-border order, answer the threshold questions honestly. If any answer is shaky, fix it before you place an order rather than after.

- After a full landed-cost estimate, does the product still clear a healthy margin, or did duty and freight eat it?
  - Can you fund the deposit, balance, freight, and duty and still survive the two to three months before goods sell?
  - Can you absorb the supplier's minimum order quantity without drowning in unsellable inventory?
  - Is the product subject to special regulation (food, cosmetics, electronics, children's goods) that adds cost and risk?
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### Checklist: Before You Enter Cross-Border Trade

- End-to-end shipment path mapped with cost, risk, and delay points identified
- Freight forwarder identified and quoted
- Customs broker engaged and importer number / bond set up
- Validated that the product sells at your price, ideally with a small test
- Full landed-cost estimate confirms margin survives duty and freight
- Cash plan covers the months between paying and earning
- Checked whether the product triggers any special agency regulation

## Sourcing Overseas Suppliers and Incoterms

Find a real factory you can trust, negotiate the levers that matter, and choose the Incoterm that puts cost and risk where you intend.

### Worksheet: Overseas Supplier Vetting Sheet

Complete this for each shortlisted supplier before you commit. Confirm factory versus trading company, and always order a paid sample. The point is to verify before you trust.

Supplier name and country

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Channel found (Alibaba, trade show, referral, import records)

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Factory or trading company? (and how confirmed)

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Verified Supplier / years operating / export experience

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MOQ and quoted unit price at your order quantity

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Sample ordered and evaluated? (result against spec)

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Third-party audit done? (firm / result) for meaningful spend

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Red flags (outlier-low price, evasive answers, no license)

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### Exercise: Plan Your Supplier Negotiation

Decide which levers you most need to move before you negotiate, then design the payment structure so neither side holds all the leverage.

- Which levers matter most for your first order: price, MOQ, lead time, sample policy, or terms? Rank them.

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- What deposit-and-balance split will you propose, and what verifiable event releases the balance?

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- What trial, steady-state, and stretch volumes will you share to earn better pricing?

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- What will you check line by line on the pro forma invoice before wiring the deposit?

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### Worksheet: Incoterm Decision Sheet

For your actual next shipment, reason through the Incoterm rather than accepting whatever the supplier quotes. Use the terms a small importer meets (EXW, FOB, CIF, DAP, DDP) and confirm you are on the 2020 edition.

Candidate Incoterm and named place (e.g. FOB Ningbo)

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Who pays international freight under this term?

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Who clears export, and who clears import customs?

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Where exactly does risk of loss transfer to you?

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Who arranges marine cargo insurance, and is it bought?

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Does the term land duty/clearance where you intend? (Y/N)

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Final chosen term with named place

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### Checklist: Pro Forma Invoice Verification

- Product description, specification, and quantity match the negotiated order
- Unit price, total, and currency correct; sample/tooling fees stated
- Incoterm with named place is explicit
- Payment terms (deposit % and balance trigger) correct
- Supplier bank details verified independently (guard against wire-redirect fraud)
- Lead time and quote validity period confirmed
- Sample policy and inspection rights noted

## Customs Classification, Duties, and Documentation

Find the correct HS code, turn it into a real duty and landed cost, and assemble a customs document set that is internally consistent.

### Worksheet: HS Classification Worksheet

Classify your product using the official tariff schedule (USITC HTS or CBSA Customs Tariff), reading the chapter and section notes. Document your reasoning so a defensible answer protects you if customs questions it.

Product (precise description, material, and function)

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Chapter (2 digits) and why

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Heading (4 digits)

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Subheading (6 digits, internationally harmonized)

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Full national tariff line (8 to 10 digits)

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Duty rate found (ad valorem % or specific)

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Any controls, permits, or antidumping/Section 301 flag

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Binding ruling requested? (Y/N) and reasoning notes

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### Exercise: Build Your Landed Cost

Work one product up from factory price to true landed cost, component by component, using the course build-up. Apply duty to the correct customs value for your country (US: FOB; Canada/EU: CIF).

- What is the unit price at your order quantity, plus any amortized tooling or sample fees?
  - What are the per-unit shares of freight, insurance, brokerage, port fees, and last-mile delivery?
  - What is the duty (rate x correct customs value), plus any antidumping, countervailing, or Section 301 tariff?
  - What is the total landed cost per unit, and how far above the factory price is it (percent)?
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### Worksheet: Commercial Invoice Builder

Draft the master customs document for your shipment. State the true transaction value (undervaluation is fraud) and make sure every field cross-checks against your packing list and bill of lading.

Seller (exporter) name and address

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Buyer (importer) name and address

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Precise goods description (specific, not generic)

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HS code(s)

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Quantity, unit price, line totals, and currency

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Incoterm with named place

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Country of origin

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Total invoice value and terms of sale

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### Checklist: Document Set Consistency Check

- Commercial invoice complete with description, HS code, value, origin, Incoterm, currency
- Packing list matches invoice on quantities, packages, and weights
- Bill of lading / air waybill values and descriptions agree with the invoice
- Certificate of origin prepared if claiming an FTA preference
- Any required import/export licenses or permits obtained
- Supplier-vs-buyer responsibility for each document confirmed (in writing)
- Original bills of lading scheduled to arrive in time to avoid demurrage
- Full document set retained on file for the required period (5 years US/Canada)

## Clearance, Compliance, and Scaling Your Trade

Clear cleanly, use trade agreements to cut duty legally, stay on the right side of the agencies, and protect your cash as you grow.

### Worksheet: Free Trade Agreement Qualification

Check whether an FTA can cut your duty, and confirm your goods genuinely qualify. The preference is not automatic; you must satisfy the rules of origin and hold the proof.

Source country and your country: is there an FTA? (e.g. USMCA, EU/UK)

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Standard (MFN) duty rate vs preferential rate under the FTA

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Rule of origin that applies (regional value content or tariff-shift)

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Does the product genuinely originate (not just trans-shipped)? (Y/N)

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Certification of origin available and valid? (form / data elements)

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Duty saving per unit if the claim holds

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Origin proof retained on file for audit? (Y/N)

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### Exercise: Pre-Clearance Readiness Drill

Before your vessel arrives, run this drill so the container clears in hours and storage charges never start. Demurrage and detention are almost always avoidable with preparation.

- Is the full, consistent document set ready and with your broker before arrival?

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- Are duty and import-tax funds available for the broker to remit on your behalf?

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- Is trucking (drayage and last-mile) arranged for pickup within the free days?

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- If the shipment is selected for examination, who manages it and what is the cost/time exposure?

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### Worksheet: Product Compliance & Restricted-Goods Check

Confirm your product is admissible and compliant before you order, not after it is detained. Duty paid does not guarantee entry; the other agencies can still refuse it.

Regulating agency that applies (FDA, CPSC, FCC/ISED, USDA, none)

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Certification or testing required (e.g. children's product cert, FCC mark)

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Country-of-origin marking plan (Made in ..., permanent and conspicuous)

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Labeling rules (bilingual EN/FR for Canada, CE/UKCA for EU/GB, warnings)

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Restricted or prohibited? (permit/quota needed, or barred)

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IP / trademark right to import confirmed (not counterfeit)

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Wood packaging meets ISPM 15 if applicable

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### Exercise: Cross-Border Payment & Risk Plan

Choose the payment instrument and risk protections that fit the size and trust of the deal, then plan for the risks trade adds beyond payment.

- Which payment instrument fits this order (T/T, L/C, documentary collection, escrow), and why?

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- Is marine cargo insurance sized to the full landed value and actually bought?

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- For recurring or large orders, will you hedge the currency exposure, and how?

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- Do you have a qualified backup supplier (ideally another country) for this product?

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### Your Action Plan

1. Map your end-to-end shipment path and identify every point where cost, risk, or delay arises before you commit to an order.
2. Engage a freight forwarder and a customs broker, and set up your importer number and customs bond so you can legally clear shipments.
3. Run the import/export reality check and a full landed-cost estimate, and only proceed if margin survives duty and freight.

4. Shortlist five to ten overseas suppliers, confirm factory versus trading company, and order a paid sample from your top candidates.
5. Reason through the right Incoterm with a named place, then verify the pro forma invoice line by line (especially bank details) before wiring a deposit.
6. Classify your product to the full national tariff line from the official schedule, confirm it with your broker, and request a binding ruling when stakes are high.
7. Build the true landed cost per unit component by component, applying duty to the correct customs value, and set your price off that figure.
8. Assemble a consistent commercial invoice, packing list, and bill of lading, and confirm with the supplier who produces each document.
9. Check whether a free trade agreement applies, confirm the goods qualify under the rules of origin, and keep the certification of origin on file.
10. Run the pre-clearance readiness drill before each vessel arrives, confirm product compliance with any regulating agency, and choose payment and insurance protections sized to the deal.













