“Business around the world”

Anita van Kooten
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Assistance on : information about microprocessors

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Assistance on : information about Mongolia

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1 Introduction

Three potential customers have contacted me for assistance and guidance regarding the transport of their products. All the customers are trying to make their first overseas sale but they know nothing about transporting their product or the countries to which the goods are destined. The applicable regulations and laws must be taken into consideration for each country.

The customers need a good and clear advice so their first overseas sale will be a success.

In chapter three the customer will be advised on how to get his product called “Molybdenum Pentachloride” from the Netherlands to Ecuador, in the most cost effective and best way.

The next chapter will deal with the transport of Intel Pentium IV microprocessors from the United States to the Netherlands which are of a very high value. Special measurements will be discussed to get this product to its final in a safe way.

Chapter five contains costed options and different ways to ship rolled sheets of steel from the Netherlands to Mongolia.

At the end of the dissertation you will find some examples of documents which have to accompany the goods when transported.

I hope this dissertation will give you a good idea of the things that have to be taken into consideration when arranging transport to or from different countries.
2 Summary

This dissertation will tell you everything about the transportation of different kinds of goods to or from different countries which have their own regulations, laws, customs regulations etcetera. I will let you know why I chose to transport the goods in the way I mentioned, which documents are required, the things that have to be arranged before the shipment can actually be shipped and what the customer has to take into consideration. I acted like it was a real shipment and have asked for quotations with different transport companies in order for me to make it as realistic as possible. Because not many information was given, for example about the measurements and value of the goods with each topic, I interpreted it in my own way. I informed with companies who deal with these products and I have added information which is as realistic as possible. The rate of exchange that I used for my quotations is: Euro €1 = USD $1,1975. These quotations and charges include a table with my buyingrates. Off course this table will not be shown to the customer but is just for your information so that you get an idea of the amount of profit which will be added. At last I want to mention that some of the companynames that I used for my appendices are fictive and some are existing names.
3 Ecuador

3.1 Subject of the dissertation

To advise a potential customer who knows nothing about transport on all aspects concerning the transporting of 17 drums “Molybdenum Pentachloride” from the Netherlands to Quito, Ecuador. The customer is situated 100 km’s from the nearest Port or Airport. The terms of sale are DDP Quito. Exworks price $3.750 per tonne. Delivery against a letter of credit value.

3.2 Letter of credit

A Letter of Credit (L/C) is used in international trade when the seller and the buyer hardly know each other. The advantage for the buyer is that he has more opportunity to conduct business abroad and the seller is exposed to less financial risk. I would advise to sell against an irrevocable L/C because the issuing bank puts its financial standing in the place of the buyer. (see enclosure I)

3.3 Choice of transport

The product mentioned is classified as “dangerous“ when transported by road, sea, air or rail. I would explain to the customer that there are specific regulations and provisions concerning the shipment of dangerous goods.

This product is classified as a “corrosive substance”, class 8, UN 2508, Packing group III.

I would chose to ship this product over sea via Less Container Load (LCL), simply because airfreight is way too expensive (Euro 3,11 per kg incl. surcharges x 3808 kgs = €11.842 or $14.181 only for the airfreight!) and because this shipment isn’t urgent.

I would book this order with a consolidator, named Freightcon. They have given me the best quotation to Guayaquil. I will ask our agent in Ecuador, who has given me the quotation from Guayaquil to DDP Quito, to arrange the customs clearance etc. and final delivery to Quito. Before shipment I have to provide Freightcon with a “Dangerous Goods Declaration” which they need for final approval by the shipping line. (see enclosure II)

The international regulations concerning packing, labelling and marking for hazardous goods when shipped overseas are set out in the “International Maritime Dangerous Goods Code (IMDG code) available from the International Maritime Organisation (IMO).
(For more information see www.imo.org)

When the IMO is approved I will get a booking confirmation and delivery reference. Now the goods have to be delivered to their depot before the mentioned closing date.
For the pre-carriage by road the ADR regulations are applicable. This is an European Agreement on the international carriage of dangerous goods by road. (for further information see www.unece.org/trans/danger/publi/adr/adr_htm)

At the collection address the driver has to:

- Get a Tremcard which contains safety instructions in the event of an accident. This has to be provided in the language of the country of origin, transit and destination and has to be issued in the language which is understandable to the driver. (see enclosure III);
- Get a CMR note filled in accordance with ADR (see enclosure IV).

The details for sea freight are:

- Dimensions per drum : 91 x 60 x 60 cm
- Gross weight per drum : 224 kgs
- Net weight per drum : 200 kgs

For sea freight you have to pay by (gross) weight or by measurement. The volumetric ratio per sea freight is 1 cbm = 1000 kgs = by a factor of 1.

- Volumetric weight : 17 x 0.91 x 0.60 x 0.60 = 5,569 cbm
- Total gross weight : 17 x 224 kgs = 3808 kgs

3.3.1 Options for Less Container Load

Ship it via the port of Manta or via the port of Guayaquil to Quito. Although Manta is closer to Quito I will chose to ship via Guayaquil because the sea freight is much cheaper (100 Usd/210 USD w/m) and to Manta there isn’t a direct sailing. The container will be transhipped in Miami which can be permitted in the L/C.

![Figure 1: map of Ecuador](image)

After departure I’ll send a copy Bill of Lading (B/L) in compliance with the L/C to our customer, who can send this to his bank for approval. After approval I will send the original B/L to the customer. Now he can send all the papers required in the L/C to his bank.
3.4 Delivery Terms

DDP stands for *Delivery Duty Paid*. This means that the seller has the obligation to deliver the goods cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear all costs and the risks involved in bringing the goods thereto including any duty, the responsibility for and the risk of the carrying out of customs formalities, customs duties, taxes and other charges for import in the country of destination. The seller has a maximum obligation.

I would not recommend to the customer to sell under DDP terms because he than has to arrange customs clearance in a strange country where the customs is inefficient, corrupt and where there is tax evasion. It sometimes takes weeks to get an imported container out of customs unless the process is greased with money or influence with all costs resulting. I would strongly recommend delivering CIF or CFR Guayaquil or DDU. (see incoterm 2000). This way the customer doesn’t have to bear all the risks/costs. I have split the costs so that the customer can see the difference when using another delivery term.

3.4.1 Insurance

Although with the Delivery Terms DDP insurance is not an obligation I would recommend insuring this transport completely from door-to-door, especially if the customer chooses to transport it under DDP terms because he has to bear all the risks and costs. He can chose to arrange the insurance himself or we can arrange it for him via our own insurance company. The charges will be: €200, -. These are the minimum charges. This amount is based on All Risks insurance covering also Molest and Strikes and Civil Commotions.
### 3.5 Quotation

#### Table 3.1 Quotation

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges in USD *</th>
<th>Charges in USD **</th>
<th>Charges in Euro *</th>
<th>Charges in Euro **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucking costs to Rotterdam</td>
<td>$149,70</td>
<td>$179,65</td>
<td>€125,00</td>
<td>150,00</td>
</tr>
<tr>
<td>Loading charges €12,00 per tonne</td>
<td>$54,75</td>
<td>$114,00</td>
<td>€45,70</td>
<td>95,20</td>
</tr>
<tr>
<td>Export Document</td>
<td>$35,95</td>
<td>$35,95</td>
<td>€30,00</td>
<td>30,00</td>
</tr>
<tr>
<td>IMO documentation fee</td>
<td>$35,95</td>
<td>$35,95</td>
<td>€30,00</td>
<td>30,00</td>
</tr>
<tr>
<td>Issuing B/L</td>
<td></td>
<td>$30,00</td>
<td>Incl.</td>
<td>25,00</td>
</tr>
<tr>
<td>A.M.S Fee</td>
<td>$29,95</td>
<td>$29,95</td>
<td>€25,00</td>
<td>25,00</td>
</tr>
<tr>
<td><strong>FOB costs (FOB)</strong></td>
<td><strong>$306,30</strong></td>
<td><strong>$425,50</strong></td>
<td><strong>€255,70</strong></td>
<td><strong>355,20</strong></td>
</tr>
<tr>
<td>Sea freight USD 100 w/m</td>
<td>$556,90</td>
<td>$600,00</td>
<td>465,05</td>
<td>501,00</td>
</tr>
<tr>
<td>BAF USD 5 w/m</td>
<td>$27,85</td>
<td>$27,85</td>
<td>23,25</td>
<td>23,25</td>
</tr>
<tr>
<td>Imo surcharge 10% on sea freight</td>
<td>$55,70</td>
<td>$60,00</td>
<td>46,50</td>
<td>50,10</td>
</tr>
<tr>
<td><strong>Cost Freight (CFR)</strong></td>
<td><strong>$946,75</strong></td>
<td><strong>$1113,35</strong></td>
<td>790,50</td>
<td>929,55</td>
</tr>
<tr>
<td>Insurance</td>
<td>$239,50</td>
<td>$239,50</td>
<td>€200,00</td>
<td>200,00</td>
</tr>
<tr>
<td><strong>Cost Insurance Freight (CIF)</strong></td>
<td><strong>$1186,25</strong></td>
<td><strong>$1352,85</strong></td>
<td><strong>990,50</strong></td>
<td><strong>1129,55</strong></td>
</tr>
<tr>
<td>Cost to Customs Brokerage Commission</td>
<td>$250,00</td>
<td>$250,00</td>
<td>208,75</td>
<td>208,75</td>
</tr>
<tr>
<td>Pay verificadora obtaining certified</td>
<td>$201,60</td>
<td>$225,00</td>
<td>168,35</td>
<td>187,90</td>
</tr>
<tr>
<td>Issue Security Document</td>
<td>$150,00</td>
<td>$150,00</td>
<td>125,25</td>
<td>125,25</td>
</tr>
<tr>
<td>Local Charges</td>
<td>$150,00</td>
<td>$175,00</td>
<td>125,25</td>
<td>146,15</td>
</tr>
<tr>
<td>Warehouse (estimated)</td>
<td>$80,00</td>
<td>$80,00</td>
<td>66,80</td>
<td>66,80</td>
</tr>
<tr>
<td>On carriage to Quito</td>
<td>$505,00</td>
<td>$530,00</td>
<td>421,70</td>
<td>442,60</td>
</tr>
<tr>
<td><strong>Delivery Duty Unpaid (DDU)</strong></td>
<td><strong>$2522,85</strong></td>
<td><strong>$2762,85</strong></td>
<td><strong>2106,60</strong></td>
<td><strong>2307,00</strong></td>
</tr>
<tr>
<td>Import duties ***</td>
<td></td>
<td>$780,65</td>
<td></td>
<td>651,90</td>
</tr>
<tr>
<td>VAT 12 % ***</td>
<td></td>
<td>$1786,00</td>
<td></td>
<td>1491,45</td>
</tr>
<tr>
<td><strong>Delivery Duty Paid (DDP)</strong></td>
<td><strong>$5329,50</strong></td>
<td></td>
<td></td>
<td><strong>4450,35</strong></td>
</tr>
</tbody>
</table>

* buying rate  
** selling rate incl. USD 75,00 for agent Ecuador  
*** to be paid in USD to the bank in Ecuador

Transit time: approximately 23 days

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1The A.M.S. filing: this is a new 24-hours Advance Cargo Manifest Declaration regulation which US customs began enforcing Feb 2, 2003. It requires ocean carriers and NVOCC’s to submit detailed shipment manifest information before loading at a foreign port. This information will be submitted to the US customs via the Automatic Manifest System (AMS)
3.6 Documents required

- Commercial Invoice (1 original, 3 to 5 copies) issued in Spanish.
- Bill of Lading (3 original, 5 copies) issued in Spanish.

A Bill of lading is a freight note issued and signed by the designated carrier once the goods have been placed in their care. It serves as:

- evidence of a contract between the exporter or importer and a shipping company to transport the goods;
- a receipt for goods;
- a description on the condition of the goods when transferred to the shipper;
- a document of title indicating the person or business who has the right to possess the goods.

- Certificate of Origin: to be issued by the Chamber of Commerce
  When shipping goods under a L/C banks in Ecuador usually require a certificate of Origin

- Inspection certificate
  All imports to Ecuador must be inspected on price, quantity and quality prior to shipment by an Ecuadorean Government selected inspection company, for example SGS. The importer has to pay for the charges and has to arrange the inspection. He has to contact SGS in Quito who will give him an Inspection Order Number and reference. SGS Quito will than contact SGS Spijkenisse, the Netherlands and they will contact the shipper over here and arrange the inspection. Prior to inspection the customer has to fill in an information form (see enclosure V). After approval an inspection certificate will be granted which guarantees the customs clearance in Ecuador and the transfer to Ecuador of the foreign exchange for payment of the import duties. (see enclosure VI)

- Export document
- Dangerous Goods Declaration: to be issued by the shipper.

3.7 Important notification

The customer has to:

- check with the importer if he has an import license to import this product;
- ask for authorisation with the health ministry in Ecuador to import this product to Ecuador. This products needs previous authorization before shipment;
- provide me with a copy of the L/C at least 5 days before the closing date because of the AMS filing and so that I can make sure that everything will be in compliance with the L/C;
- affix IMO dangerous goods labels (10 x 10 cm) on each drum + proper shipping name of the good, UN number (see figure 2);
- make sure the goods have been inspected by SGS.
3.8 Liability
Our liability in case of shipping goods by sea is 666,67 Special Drawing Right (SDR) per collo or 2 SDR per kg.

3.9 Payment
I will first check the solvency of the customer via Graydon, which is a company that provides solvency reports. If this is ok I will make an agreement with the customer to pay all the costs within 15 days after invoice date.
4 import out of United States

4.1 Subject of the dissertation

This potential customer has purchased goods from the USA and asks how to get the goods to their factory including documentary requirements and costs options.

Details of the shipment:

- Product: Intel Pentium IV Microprocessors 3.0 GHz
- Quantity: 1,250 processors
- Terms of Sale: Ex works Paso Robles, California, USA
- Value of goods: USD $273,750.00

Table 4.1 Two ways of packaging:

<table>
<thead>
<tr>
<th>Description</th>
<th>Measurement</th>
<th>Gross Weight</th>
<th>Amount of processors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boxed version</td>
<td>18x16x8 cm</td>
<td>0.5 kgs</td>
<td>1</td>
</tr>
<tr>
<td>12 trays per box</td>
<td>40x25x30 cm</td>
<td>8.0 kgs</td>
<td>288</td>
</tr>
</tbody>
</table>

4.2 choice of transport

Because the processors are part of a production process it is critical that they arrive in time. Otherwise the factory can run into a production stop. I will choose to send the processors per airfreight so that the transit time is max 4 days.

Alternative

There is also a possibility to send them per courier, for example per FEDEX which is familiar with the shipment of these kinds of goods. You can send the processors per FEDEX International Priority Service in a FEDEX 10 kgs box, which is a neutral packaging but I wouldn’t choose for this option because:

- FEDEX only ship goods with a maximum value of $50,000 and this is also the value where they can insure it for (only from airport to airport);
- You have to ship it in four times which increases the chance of theft and total loss;

With airfreight you have to pay for the weight, per kg, or for the volume of the goods (which one is the highest). The volumetric ratio: 1 cbm = 166.66 kg = by a factor of 6. I’ll advise the customer to buy the processors in trays because this will cost less because the volume is not so big and the weight is less.
Table 4.2 Benefit in weight for customer

<table>
<thead>
<tr>
<th>Description</th>
<th>Volumetric weight</th>
<th>Measurement</th>
<th>Effective Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boxed version</td>
<td>480 kg</td>
<td>18X16X 8 cm</td>
<td>625 kg</td>
</tr>
<tr>
<td>Trays</td>
<td>20 kg</td>
<td>40X25X30 cm</td>
<td>35 kg</td>
</tr>
</tbody>
</table>

4.3 Delivery terms & Insurance

With the terms ex works the buyer has to bear all the risks and costs for the transport. It is highly recommended to insure the goods. I asked my agent in the USA and he can insure the goods for the total amount under FPA terms of total loss. This means coverage for total damage and theft and non-delivery of the entire shipping package.

4.4 Packing details

The customer wants to import 1250 processors and because the distributor normally delivers only boxes with 288 trays, the customer asked the distributor if it is possible to put 1 tray extra per box. This was no problem. The distributor would pack the two remaining processors in a small package, suitable packed and would put these in one of the boxes.

The processors are wrapped in polystyrene foam and packed in an official Intel cardboard box, completely sealed with Intel tape with a rope tied around the box.

The goods are of very high value and are very theft sensitive. Security is therefore very important. I found out that KLM has a service from airport-to-airport which is called "Secure Val" and is specially designed for these kind of goods. It stands for security, speed and dedication. It includes the following security measurements:

- vault storage;
- secured packaging including seals and anti theft containerisation;
- guarded loading / unloading of aircraft;
- fully secured vehicles;
- last in, first out loading and unloading of aircraft;
- last acceptance of shipment at origin;
- shipment monitoring throughout journey.

Because KLM only accepts loose cargo with this service I would advise to let the supplier pack the boxes in neutral boxes or wrap them with black tape. This is only for the transport from Paso Robles to Los Angeles Airport.

The value is no problem with KLM because the declared value is not in excess of the limit of $1.000.000.
4.5 Airfreight charges

Table 4.3 Charges via the Secure Val way

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges in USD</th>
<th>Charges in Euro *</th>
<th>Charges in Euro **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pick-up charges Paso Robles – LAX²</td>
<td>$90,00</td>
<td>€75,15</td>
<td>€115,00</td>
</tr>
<tr>
<td>Documentation</td>
<td>$25,00</td>
<td>€20,90</td>
<td>€25,00</td>
</tr>
<tr>
<td>Shippers Export Declaration (SED)</td>
<td>$12,00</td>
<td>€10,00</td>
<td>€15,00</td>
</tr>
<tr>
<td>Airfreight charges LAX =&gt; AMS³</td>
<td>$267,75</td>
<td>€223,60</td>
<td>€258,60</td>
</tr>
<tr>
<td>Fuel surcharge</td>
<td>$5,25</td>
<td>€4,40</td>
<td>€4,40</td>
</tr>
<tr>
<td>Security surcharge</td>
<td>$4,55</td>
<td>€3,80</td>
<td>€3,80</td>
</tr>
<tr>
<td>Insurance $0,35 per $100 value</td>
<td>$1056,25</td>
<td>€882,05</td>
<td>€900,00</td>
</tr>
<tr>
<td>Customs clearance</td>
<td></td>
<td>€20,00</td>
<td>€62,50</td>
</tr>
<tr>
<td>Dispatch costs</td>
<td></td>
<td>€27,50</td>
<td>€27,50</td>
</tr>
<tr>
<td>Storage costs</td>
<td></td>
<td>€28,00</td>
<td>€28,00</td>
</tr>
<tr>
<td>Facilities customs depot</td>
<td></td>
<td>€13,40</td>
<td>€29,50</td>
</tr>
<tr>
<td>Delivery to Consignee</td>
<td></td>
<td>€41,00</td>
<td>€66,00</td>
</tr>
<tr>
<td>Total freight costs:</td>
<td>$1336,40</td>
<td>€1335,30</td>
<td></td>
</tr>
<tr>
<td>Import duties 0%</td>
<td></td>
<td>€0,00</td>
<td>€0,00</td>
</tr>
<tr>
<td>Total</td>
<td>$1336,40</td>
<td>€1335,30</td>
<td></td>
</tr>
</tbody>
</table>

* buying rate
** selling rate including USD 60 for agent

Flight details:
Departure : LAX 15.50 PM
Arrival : AMS 12.20 PM

4.6 shipment procedures

I would book this shipment with an IATA agent who will:

- arrange a neutral pickup in Paso Robles and provide all the documentation;
- book the shipment with KLM as a “secure val’’ shipment on a direct flight to Amsterdam Schiphol;
- consign the Master Airway bill to our office at Schiphol (see enclosure VII).

When becoming the flight details I will inform our customer. He will get a copy of the House Airwaybill (HAWBL) (see enclosure VIII).
The Master Airwaybill (see enclosure VII) with the invoices attached will accompany the goods to Schiphol. Our office will make sure that the goods will be transferred from KLM to our depot within 24 hours after checking of the goods, to reduce any storage costs. The goods will be customs cleared and delivered to the final customer with one of our own vehicles in neutral packaging.

² LAX is los Angeles airport code
³ AMS is Amsterdam airport code
4.7 Documents required

- **Airway bill** is a freight note which is required when transporting goods by air. This freight note is non negotiable. It serves as a:
  - Contract of carriage;
  - Receipt of goods for shipment;
  - Freight bill;
  - Certificate of Insurance;
  - Customs Declaration.

- **Commercial invoice** in 5 – fold
- **Packing list**
- **Shippers Export Declaration**; when the value of the goods exceeds $2500 a SED is required. This can be issued by the agent or the supplier.

4.8 Important notification

Before shipment:
Each box has to be provided with a freight – identification label mentioning:
- AWBL number, prefix – and serial number;
- Destination (IATA letter code is AMS);
- The number of items;
- Name and full postage address of shipper and consignee;
- Marks and numbers appearing on the AWB.

Measurements to reduce theft:
- fold the packing list so that only the delivery dress is shown;
- put as goods description on the Airway bill a general description such as "electronic components";
- Because KLM only accepts loose cargo with this service I would advise to let the supplier pack the boxes in neutral boxes or wrap them with black tape. This is only for the transport from Paso Robles to Los Angeles Airport.

4.9 Liability

Our liability in case of shipping goods by air is 16,67 Special Drawing Right (SDR) per collo.

4.10 Payment

I will first check the solvency of the customer via Graydon, which is a company that provides solvency reports. If this is ok, I will make an agreement with the customer to pay all the costs within 15 days after invoice date.
5 Mongolia

5.1 Subject of the dissertation

This potential customer is domiciled in Ulan Bator, Mongolia and has ordered some goods from a manufacturer in the Netherlands. He asks for advice and assistance in order to understand the nuances of the way he has bought the goods and the implications of arranging shipment to Mongolia.

Details of the shipment:

<table>
<thead>
<tr>
<th>Product</th>
<th>Hot Rolled Sheets Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>2 x 10 tonne rolls</td>
</tr>
<tr>
<td>Terms of sale</td>
<td>Ex works</td>
</tr>
<tr>
<td>Measurement per roll</td>
<td>Diameter 2.10 metres x 1.10 metres wide</td>
</tr>
<tr>
<td>Value of the goods</td>
<td>€10.000</td>
</tr>
</tbody>
</table>

Supplier:
Corus Strip Products
IJmuiden
The Netherlands

5.2 choice of transport

There are two ways I would offer to the customer in which the coils can be transported to Mongolia. This way he can choose for himself which option he prefers.

Method of shipment:
Transport these 2 rolls per 20 ft open top container. Although it is possible to load them into the container with a forklift truck at the collection address the customer noticed me that he only could unload them by crane.

**Option 1**: To ship it per 20 ft open top container, carrier owned, from the port of Rotterdam overseas to China, to the port of Xingang. Than transport it to the Chinese border via Erlian per rail to Ulan Bator. This is multimodal Transport because more than 1 transport modality is used.

**Option 2**: To transport it per 20 ft open top container, shippers owned, per rail via Rotterdam to Malaszewice, Poland where the container will go on with an express train to Ulan Bator. (see enclosure IX)
5.3 Costed options

Table 5.1 Costed option 1 via Maersk Sealand

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges in USD</th>
<th>Charges in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucking costs IJmuiden =&gt; Rotterdam</td>
<td>€240,00</td>
<td></td>
</tr>
<tr>
<td>Export document</td>
<td>€25,00</td>
<td></td>
</tr>
<tr>
<td>THC Rotterdam</td>
<td>€137,50</td>
<td></td>
</tr>
<tr>
<td>Issuing B/L</td>
<td>€21,00</td>
<td></td>
</tr>
<tr>
<td>Freight Rotterdam – Free on Rail Ulan Bator</td>
<td>$3266,25</td>
<td>€2727,56</td>
</tr>
<tr>
<td>Bunker Adjustment Factor (BAF)</td>
<td>$84,00</td>
<td>€70,15</td>
</tr>
<tr>
<td>Insurance</td>
<td>€250,00</td>
<td></td>
</tr>
<tr>
<td>Profit (excl. FAC of USD 83,75) / Selling rate</td>
<td>€425,00</td>
<td>€3895,00</td>
</tr>
</tbody>
</table>

This rate is including:
- Loading container in IJmuiden, 2 hours free of loading

Table 5.2 Costed option 2 via Global Intermodal

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>From free on truck IJmuiden to FOR Ulan Bator</td>
<td>€3765,00</td>
</tr>
<tr>
<td>Export document</td>
<td>€25,00</td>
</tr>
<tr>
<td>Insurance</td>
<td>€65,00</td>
</tr>
<tr>
<td>Profit</td>
<td>€500,00</td>
</tr>
<tr>
<td>Selling rate</td>
<td>€4355,00</td>
</tr>
</tbody>
</table>

This rate is including:
- Purchase of 20 ft open top container.
- Loading container in IJmuiden, 2 hours free of loading;
- Rail transportation FOR/FOR;
- Issue CIM and SMGS freight note;
- 3 times a week position report.

Local delivery + customs clearance charges in Ulan Bator have to be paid directly to the agent overthere (total USD 180,00).

---

4 Forwarders Agency Commission
As you can see option 1 is cheaper but the advantages of railtransport are:

- shorter transittime because the China Route suffers from poor organization and overload and has just one single track creating long delays;
- In case of damage/loss it is easier to determine where this happened;
- No fumigation certificates are required;
- The container can be tracked and traced each day via internet;
- Less handling so less chance of damage;
- Better information is available because the shippingline on this side can’t give many information on multi-modal traffic to Mongolia.

When transporting one single container the transit time can be subject to delay at border crossings or HUB stations because of awaiting co-loading with another container on the Russian platform. The doors have to be placed against each other to prevent theft. In this case there is only one HUB station and there are many containers that go to Mongolia so the chance of delay is very small.

5.4 Delivery terms

Ex works: The buyer must bear all the costs and risks that are connected when picking up the goods at the premises of seller.

5.5 Documents required:

1. Multimodal Bill of Lading (see enclosure XV)
2. Phytosanitary Certificate;
3. CIM freight note: issued in Dutch/German. This document is required for international rail transport. (see enclosure XI);
4. SMGS freight note: Russian Railway document (see enclosure XI);
5. Commercial invoice; **
6. Packing list;**

Option 1 needs document number 1,2,5,6,7,8-16
Option 2 needs document number 3,4,5,6,7,8-16

For customs clearance Ulan Bator (+ **)
8. Import License;
9. Import Contract;
10. Cargo Manifest;
11. Certificate of origin: to be issued by Chamber of commerce;
12. Transportation Invoice;
13. Merchandise Customs Declaration: to be filled out by the importer;
14. Declaration of Merchandise value;
15. Proof of Insurance;
5.6 Insurance

I will advise the customer to insure the goods from door-to-door. Also because the customs in Mongolia usually require a prove of insurance for the clearance. For our charges see 5.3 “costed options”. These rates are based on All Risks insurance covering Strikes and Civil Commotions.

5.7 Stowing of container

It is important that the rolls are secured very well otherwise the rolls can start rolling and/or be damaged. To prevent this, the rolls will be put on wooden kegs (see figure 3) and will be secured with wooden beams which will be placed at the side and at the back of the container. Between the 2 rolls an extra beam will be placed. Extra beams are also placed on the floor to divide the floor pressure in view of small surface pressure (see figure 4).

Example of stowage iron rolls

Figure 3: Wooden kegs

Figure 4: Wooden beams

Figure 5: stowed rolls
5.7.1 fumigation

I checked with Corus and they only use fumigated wood for the stowage of containers which is treated by a licensed quarantine company. (see enclosure XII) A Phytosanitary Certificate will be provided by Corus. (see enclosure XIII) The wood contains a red stamp and code of the fumigating Company. When goods are shipped to China and they consist of a non-timber packaging a "declaration of wood free packaging"must be issued. (see enclosure XIV)

5.8 Packing details

**Fully protected:** HP coil board as bore, wall and outer lap protection Film wrap, radial bands (4-6), circumferential bands. (3 outside, 1 on naked coil)

![Figure 6: Packaging](image)

5.8.1 Labels

The sheets will be provided with a transport label. This label consists of 2 parts:

- a transport section with information about destination etc;
- a product section with information about the product such as coil number, dimensions etc.

![Figure 7: barcode label](image)

5.9 Payment

Because this customer is situated in a foreign country and I am not known with his financial situation I would let him pay all the costs in advance.
5.10 Liability

When transporting by rail the only person who can claim in case of damage/loss is the consignee, directly with the railway company (before unloading). In case of multimodal transport it depends on where the damage/loss occurred. There has to be proved first where it happened and than our liability will be the rate that is applied for that particular transport modality.

**Transit time (without delay)**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per train</td>
<td>normally about 20-25 days</td>
</tr>
<tr>
<td>Per multimodal transport</td>
<td>about 40 days</td>
</tr>
</tbody>
</table>
6 Conclusion

When investigating these three particular subjects I found out that there are always more “roads that lead to Rome” because I stumbled upon other options each time which were more interesting but that I didn’t think about at first. Also the price is not always the most important argument to choose for a particular transport modality. For example the shipment out of the United States. Because of the high value and theft-sensitivity it is more important that the shipment is insured and guarded enough and in time, than that it is shipped in the cheapest way because when the goods get stolen/lost it will cost the customer a lot of money.
## Bibliography

<table>
<thead>
<tr>
<th><strong>Books</strong></th>
<th><strong>Information on</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>IMDG Code 2001</td>
<td>International Maritime Dangerous Goods Code including amendment 30-00, Volume 2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Websites</strong></th>
<th><strong>Information on</strong></th>
</tr>
</thead>
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<tr>
<td><a href="http://www.evd.nl">www.evd.nl</a></td>
<td>Export to countries all over the world</td>
</tr>
<tr>
<td><a href="http://www.intel.com">www.intel.com</a></td>
<td>microprocessors</td>
</tr>
<tr>
<td><a href="http://www.klmcargo.com">www.klmcargo.com</a></td>
<td>Secure Val shipments</td>
</tr>
<tr>
<td><a href="http://www.corus.nl">www.corus.nl</a></td>
<td>Rolled sheets Steel</td>
</tr>
<tr>
<td><a href="http://www.fedex.com">www.fedex.com</a></td>
<td>FedEx services</td>
</tr>
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<td><a href="http://www.ambmong.net">www.ambmong.net</a></td>
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<td><a href="http://www.converge.com">www.converge.com</a></td>
<td>buying rates microprocessors</td>
</tr>
</tbody>
</table>
Appendices

Enclosure I  Schedule documentary Letter of Credit

Phase 1: The Buyer/Importer (Applicant) requests his bank to issue a Documentary Credit in favour of the Seller/Exporter (Beneficiary).

Phase 2: The bank issues a Documentary Credit and sends it to the bank of the Exporter abroad.

Phase 3: The bank abroad receives the Documentary Credit and sends it to the Exporter.

Phase 4: After receipt of the Documentary Credit the Exporter effects shipment of the goods, collects the documents required and presents them to his bank within the time limits set in the Documentary Credit.

Phase 5: The bank abroad sends the documents to the buyer’s bank.

Phase 6: The buyer’s bank (issuing bank) checks whether the documents are in conformity with the terms and conditions of the credit. Are the documents in compliance then the bank will honour its commitment: effect payment to the Exporter’s bank and debit Applicant’s account for the amount involved. The Exporter’s bank credits the account of the Exporter.

Phase 7: The Applicant receives the documents from his bank which gives title to the goods.
Enclosure II  Dangerous Goods Declaration

---

### Dangerous Goods Declaration

<table>
<thead>
<tr>
<th>Shipper/Consignor/Sender of Record</th>
<th>Transport document number</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADAPT chemicals benelux bv</td>
<td>Shipment reference 2NZ43110024</td>
</tr>
<tr>
<td>ashierdijk 13/E</td>
<td></td>
</tr>
<tr>
<td>5705 CB Helmond</td>
<td></td>
</tr>
<tr>
<td>the Netherlands</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consignee</th>
<th>Carrier (to be completed by carrier)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zeca chemicals</td>
<td>FREIGHTCON</td>
</tr>
<tr>
<td>Quito, Ecuador</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vessel Name and voyage</th>
<th>Emergency contact telephone (with international access code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MV Charles Island</td>
<td>0031 - 492 123456</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Place of receipt</th>
<th>Port/place of loading</th>
<th>Place of discharge</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rotterdam</td>
<td>Rotterdam</td>
<td>Guayaquil</td>
<td>Quito</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. and kind of packages</th>
<th>description of goods</th>
<th>Gross mass (kg)</th>
<th>Net Explosive Qty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 drums stc molybdenum</td>
<td>pentachloride</td>
<td>3808 kgs</td>
<td></td>
</tr>
<tr>
<td>IMDG: 8.11c</td>
<td>UN: 2596</td>
<td>PG: III</td>
<td></td>
</tr>
</tbody>
</table>

Container identification number or vehicle registration number:

Seal number(s):

Container/vehicle size & type:

Tare mass (kg):

Total gross including tare (kg):

CONTAINER/VEHICLE PACKING CERTIFICATE
It is declared that the packing of the goods into the container/vehicle identified above has been carried out in accordance with the applicable provisions.

MUST BE COMPLETED AND SIGNED FOR ALL CONTAINER/VEHICLE LOADS (OTHER THAN TANKS) BY THE PERSON RESPONSIBLE FOR PACKING/LOADING.

Name of company packing container:

Name of company of shipper:
ADAPT chemicals

Name/status of declarant:
W. van Rooljen

Place container/vehicle packed:

Date packed:

Place and date:

Signature of declarant:

Name/status of declarant:
W. van Rooljen

Place and date:

Signature of declarant:

---
Enclosure III  Tremcard (in English)

### INSTRUCTIONS IN WRITING - TREMCARD (Road) -

**CARGO**

**MOLYBDENUM PENTACHLORIDE**

**CHARACTERISTICS OF CARGO**

- Corrosive substances

**TYPE OF DANGER**

- Corrosive: contact with liquid causes skin burns and severe damage to the eyes.
- Reaction with moist air produces mist which has a severely irritant effect on eyes, skin and respiratory system.
- Can be flammable.
- Corrosive.
- Different materials and clothing are attacked.
- Can react with various metals under hydrogen development - danger of explosion.
- May react vigorously with water.
- Can decompose in fire and form poisonous gases. The negative health effects of inhaling the fumes or vapors produced in a fire can appear with delay.
- Possible danger for water and sewer.

**PERSONAL PROTECTION EQUIPMENT**

- Eye rinse bottle with pure water.
- Apron or other light protective clothing, plastic or synthetic rubber gloves and boots.
- Warning vest.
- Goggles giving complete protection to the eyes.
- Hand tools.
- Suitable breathing equipment.
- Escape overcoat.

**GENERAL MEASURES TO BE TAKEN BY THE DRIVER**

- Stop motor.
- Keep away any sources of ignition (i.e. no naked lights), no smoking.
- Set up warning signs and warn other users on the road.
- Warn inhabitants.
- Keep upwind.
- Inform police and/or fire brigade - CALL 999 or 112.

**ADDITIONAL AND/OR SPECIAL MEASURES TO BE TAKEN BY THE DRIVER**

- Observe personal protection.
- Contain liquids with soil, sand or other appropriate material - consult expert.
- Prevent the liquid entering sewage, water pipes and basements, vapours create corrosion, toxic and explosion hazard.
- If spillage enters water or canalisation or comes into contact with soil or plants, instruct the fire brigade or police accordingly.
- Do not absorb with saw dust or other flammable materials.
- Seal leaks, if possible without risk.

#### Equipment

- A broom.
- A squeegee.
- A compatible covering lid, resistant to the material conveyed.
- A suitable collecting basin (for small quantities).
- 1 chock block per vehicle.
- Two reflecting orange warning signals.

**FIRE, INFORMATION FOR THE DRIVER IN CASE OF FIRE**

- Only extinguish developing fires.
- Do not attempt to smother ignitions in burning loads.

**FIRST AID**

- Immediately remove contaminated clothing, wash affected skin with soap and water.
- Seek medical attention if anyone has symptoms apparently due to swallowing or to contact with the eyes or of the respiratory system.
- Consult doctor and show this card, even if there are no symptoms related to contact with the product.

**Telephone:**
**Enclosure IV  CMR note**

<table>
<thead>
<tr>
<th>Exemplaire pour</th>
<th>expéditeur</th>
<th>LETTRE DE VOYAGE - DOCUMENT DE TRANSPORT</th>
<th>CMR</th>
<th>Code transporteur</th>
<th>Code Réception</th>
<th>Exemplaire</th>
<th>Code Réception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anname</td>
<td>Arrivée</td>
<td>Adresse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add apt Chemicals Benelux BV</td>
<td>Achterdijk 13/E</td>
<td>5705 CB Helmond</td>
<td>NL</td>
<td>794644</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DEPOT HBC**
NIEUWE SLUISWEG 202-206,
HARBOUR NR 5037
3197 KV ROTTERDAM - BOTLEK

**HELMOND / NL**
Lieu et date de la signature du document ci-dessous (lieu, date) / Lieu et date du titre

**TREMOCARD / COMMERCIAL INVOICE**

<table>
<thead>
<tr>
<th>17 Drums Stc Molybdenum Pentachloride</th>
<th>2508, Molybdenum Pentachloride, 8, 3, ADR</th>
</tr>
</thead>
</table>

**TRANSPORT IN ACCORDANCE WITH THE PROVISIONS OF THE ADR AS FROM JANUARY 1.**

**DELIVERY REF.**
FRG0000280990 / GUIJAYQUIL / MV CHARLES ISLAND

**Signature and Initials of the Shipper / Handtekening en kantteken van de verzending**

**Signature and Initials of the Consignor / Handtekening en kantteken van de vervoerder**

**Signature and Initials of the Consignee / Handtekening en kantteken van de ontvanger**

**Signature and Initials of the Carrier / Handtekening en kantteken van de vervoerder**

**Signature and Initials of the Receiver / Handtekening en kantteken van de ontvanger**

**Signature and Initials of the Shipper / Handtekening en kantteken van de verzending**

**Signature and Initials of the Consignor / Handtekening en kantteken van de vervoerder**

**Signature and Initials of the Consignee / Handtekening en kantteken van de ontvanger**

**Signature and Initials of the Carrier / Handtekening en kantteken van de vervoerder**

**Signature and Initials of the Receiver / Handtekening en kantteken van de ontvanger**
Enclosure V  Request for information form / inspection

SGS NETHERLANDS
P.O.BOX 200

SPLUIJENBURG
TC Account Manager :

Sector: Trade Assurance Services

Dear Exporter,

The Authorities in the country of importation require that the goods you are supplying be inspected by SGS prior to shipment. Depending upon the import requirements the inspection may cover verification of quality, quantity, export market price, value for customs purposes, customs classification and import eligibility.

So that we may arrange inspection, please complete the attached form and return it to us, preferably by e-mail or by fax, together with:

- proforma invoice,
- detailed packing list, weight/measurement details,
- letter of credit (if applicable),

and in cases where complete details of the transaction may be needed the following documents should also be supplied. (The SGS office will advise you if this additional information is required.)

- sales contract or offer and confirmation,
- detailed product information/specification,
- manufacturer's test report,
- export price list,
- others as per import requirements.

Sellers are requested to give SGS 3 working days notice of the date on which they require inspection unless the import regulations stipulate a different period.

The SGS Trade Assurance Services (SGS TAS) administrative office in each country is available to provide exporters with further information about preshipment inspection procedures and supply copies of the following publications upon request (Alternatively, you may wish to visit our website at www.sgs.com to acquire copies of these publications):

Guidelines for Exporters:

- provides a general overview of SGS preshipment inspection procedures

Data Sheet for Exporters:

- provides the specific import requirements for each country individually

Independent Review Procedures:

- explains how exporters may refer disputes about preshipment inspection to an independent review in accordance with the WTO Agreement on Preshipment Inspection, Article 4.

SGS Address List:

- provides the addresses of all SGS TAS administrative offices worldwide

---

1 As per the WTO Agreement on Preshipment Inspection (art. 2.9 to 2.13), SGS will treat all information received as business confidential. In case of need, please use additional blank paper and refer your answer to the relevant box number.

2 A proforma invoice is needed in all cases to arrange for inspection. A packing list must be made available at the latest at the inspection site before commencement of the inspection.
<table>
<thead>
<tr>
<th>1 EXPORTER / SELLER</th>
<th>4 COUNTRY OF IMPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone No.:</td>
<td>Ecuador</td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
<tr>
<td>Fax No.:</td>
<td></td>
</tr>
<tr>
<td>Contact Person:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2 IMPORTER</th>
<th>6 INSPECTION LOCATION NAME AND ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone No.:</td>
<td></td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
<tr>
<td>Fax No.:</td>
<td></td>
</tr>
<tr>
<td>Contact Person:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3 NAME AND ADDRESS OF SUPPLIER (IF APPLICABLE)</th>
<th>7 GOODS DESCRIPTION, QUANTITY AND CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone No.:</td>
<td>Invoice value:</td>
</tr>
<tr>
<td>E-mail:</td>
<td>☐ New  ☐ Second-hand / Used Used Rating: ______</td>
</tr>
<tr>
<td>Fax No.:</td>
<td>☐ Complete  ☐ Complete Knock Down (CKD)</td>
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<tr>
<td>Contact Person:</td>
<td>☐ Semi Knock down (SKD)</td>
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<table>
<thead>
<tr>
<th>11 TYPE OF DELIVERY</th>
<th>8 DATE GOODS AVAILABLE / INSPECTION REQUESTED</th>
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</thead>
<tbody>
<tr>
<td>☐ Total  ☐ Partial  ☐ Final</td>
<td>11/1/200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 TERMS OF DELIVERY / INCOTERMS</th>
<th>9 PACKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ EXW  ☐ FOB  ☐ CFR  ☐ CIF</td>
<td>☐ FCL: Qty:____ x 20′ FCL Qty:____ x 40′ FCL</td>
</tr>
<tr>
<td>☐ Other (specify)</td>
<td>☐ LCL ☐ Bulk ☐ General Cargo / Conventional</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13 NUMBER / DATE OF CONTRACT/PROFORMA/ORDER</th>
<th>10 SHIPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of delivery:</td>
<td>☐ Sea ☐ Air ☐ Road ☐ Rail</td>
</tr>
<tr>
<td>☐ Other (specify)</td>
<td>☐ Other (specify)</td>
</tr>
</tbody>
</table>

Please complete in addition page 2 of the RFI which is required for performance of price verification mandated by the Authorities in the country of importation.

If you have within the last 6 months registered with SGS a general statement on price verification for the above mentioned importer, which is still valid, please indicate here the corresponding SGS reference number: __________

In such cases there is no need to complete page 2.
14 **COMMERCIAL LEVEL OF IMPORTER**

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>End User</th>
<th>Sole Agent/Exclusive Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesaler</td>
<td>Retailer</td>
<td>Other</td>
</tr>
</tbody>
</table>

Enter X where applicable

15 (a) Are the invoiced prices net of a rebate or discount? (e.g. cash, quantity, promotional discount, etc.)

- **Yes** ☐
- **No** ☐

(b) Does the price invoiced include a commission? (e.g. selling, buying, confirming commission, etc.)

- **Yes** ☐
- **No** ☐

16 (a) Are the buyer and seller RELATED in the sense of the note below (*) - If "NO", go to box 17.

- **Yes** ☐
- **No** ☐

(b) Did the relationship INFLUENCE the price of the goods? (e.g. related discount)

- **Yes** ☐
- **No** ☐

17 (a) Are there any RESTRICTIONS as to the disposition or use of the goods by the buyer?

- **Yes** ☐
- **No** ☐

(b) Is the sale or price subject to some CONDITION or CONSIDERATION for which a value cannot be determined with respect to the goods?

Specify the nature of the restrictions, conditions or considerations as appropriate:

If the value of conditions/considerations can be determined, indicate here the amount:  

18 (a) Are any ROYALTIES and LICENCE FEES related to the imported goods payable either directly or indirectly by the buyer as a condition of the sale?

- **Yes** ☐
- **No** ☐

(b) Is the sale subject to an arrangement under which part of the proceeds of any subsequent RESALE, DISPOSAL or USE accrues directly or indirectly to the seller?

- **Yes** ☐
- **No** ☐

19 Are goods and services supplied directly or indirectly by the buyer free of charge or at a reduced cost for use in connection with the production and sale for export of the goods?

- **Yes** ☐
- **No** ☐

- materials, components, parts and similar items incorporated in the goods;
- tools, dies, moulds and similar items used in the production of the goods;
- materials consumed in the production of the goods;
- engineering, development, artwork, design work, plans and sketches undertaken elsewhere than in the country of importation and necessary for the production of the goods;

and, if possible indicate the corresponding values:

Please register my (our) above declaration as a general statement valid during the next 6 months for all transactions between the said seller and importer. I (we) will quote the reference number provided for this purpose by SGS on future RFI forms to satisfy such enquiries during this period.

- **Yes** ☐
- **No** ☐

(*) **NOTES TO BOX 16**

Persons shall be deemed to be related only if:

- They are officers or directors of one another's business;
- They are legally recognized partners in business;
- They are employer and employee;
- Any person directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares of both of them;
- One of them directly or indirectly controls the other;
- Both of them are directly or indirectly controlled by a third person;
- Together they directly or indirectly control a third person; or
- They are members of the same family.

<table>
<thead>
<tr>
<th>Company:</th>
<th>Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position / Title:</td>
<td></td>
</tr>
<tr>
<td>Place and date:</td>
<td></td>
</tr>
<tr>
<td>Signature:</td>
<td></td>
</tr>
</tbody>
</table>
Enclosure VI  Example Inspection Certificate

```
Certificate No. 1102/ 671138

INSPECTION CERTIFICATE
Shippers: Indian Textile Manufacturers Ltd., Bombay
Buyers: Dutch Textile Import Company B.V., Rotterdam
Purchase Order No.: 1000 dated 12.08.2001
L/C No.: IN1505KC
Product description: T-shirts
Article No.: T-1501
Quantity: 10,000 pieces
Partial shipment No.: 2
Shipping mark: INDIANTEX
Packing: each in a polybag of 20 pieces per box

In pursuance of instructions received on 01 August 2001 from Dutch Textile Import Company B.V., Rotterdam, requesting us to carry out the instructions summarized as under:

We performed a Final Random Inspection as per MIL-STD 105 E on 200 samples taken at random, which were processed with specifications received, the respective quality requirements and the approved type sample.

The actual findings of our inspection were communicated by e-mail to our principals on 14.08.2001, who confirmed us on 15-382601, the above mentioned parcel was accepted. Consequently they instructed us to issue this Inspection Certificate.

Detailed inspection procedures and results are as follows:

<table>
<thead>
<tr>
<th>Acceptable Quality Level</th>
<th>Maximum</th>
<th>Category of defects</th>
<th>Found</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>6</td>
<td>Critical defects</td>
<td>0</td>
<td>pass</td>
</tr>
<tr>
<td>2.5</td>
<td>10</td>
<td>Major defects</td>
<td>3</td>
<td>pass</td>
</tr>
<tr>
<td>4.0</td>
<td>14</td>
<td>Minor defects</td>
<td>6</td>
<td>pass</td>
</tr>
</tbody>
</table>

The issuance of this Certificate does not exempt the Buyers or sellers from exercising all their rights and discharging all their obligations under the Contract of Sale. Disputations to the contrary are not binding on us.

The General Terms and Conditions and Inspection Conditions, last version, deposited at the Registry of the District Court in Amsterdam and in Rotterdam and at the Chamber of Commerce in Amsterdam and Rotterdam shall apply. Upon request a copy will be sent to you.

Only valid with sp-watermark.
```

Anita van Kooten
Enclosure VII  Master Air Waybill

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Rate</th>
<th>Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Electronic Components</td>
<td>222.25</td>
<td></td>
<td>222.25</td>
</tr>
<tr>
<td></td>
<td>Booked as routed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Freight prepaid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These commodities, technology or software were exported from the US in accordance with the export administration regulations. Diversion contrary to US law prohibited.

Signature of Shipper or his Agent

Duke Pham Adcom Worldwide

Signature of Issuing Carrier or its Agent

Anita van Kooten
### Enclosure VIII example House Air Waybill

**Reference:**

- House Air Waybill (Air Consignment note)
- Issued by: Adcom Worldwide
- Issued to: 419 Hindry Avenue
- Inglewood

**Copies 1, 2 and 3 of this House Air Waybill are originals and have the same validity.

**Issuing Forwarder:** Adcom Worldwide
- 419 Hindry Avenue
- Inglewood

**Consignor:**

- Adcom Computer Products BV
- Rivium 1e Straat SC
- 2999 LE Capelle a/d IJssel
- The Netherlands

**Forwarder:**

- WIA Code: 0113011/0012
- Account no: 0113011/0012

**Airport of Departure (AIR of ship Canter) and requested Routing:**

- Los Angeles AMS
- KL

**Airport of Destination:**

- Amsterdam
- KL602/14

**Declared/Value for Carriage:**

- USD CE X
- NVD

**Declared Value for Customs:**

- NCV

**Goods:**

- Description: Enclosure VIII example House Air Waybill
- Quantity: 1
- Value: XX

**Insurance:**

- Not insured

**Handling Information:**

- Four boxes marked: Address

<table>
<thead>
<tr>
<th>No. of PRC</th>
<th>Gross</th>
<th>Net</th>
<th>Rate/Class</th>
<th>Chargeable</th>
<th>Rate</th>
<th>Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>35.08</td>
<td>35.0</td>
<td>9.05</td>
<td></td>
<td></td>
<td></td>
<td>316.75</td>
</tr>
</tbody>
</table>

**NATURE AND QUANTITY OF GOODS**

- Electronic Components
- Booked as routed
- Freight collect

**Warehousing Area:**

- 40X25X30 CM X4
- Volume: 0.12 M3

**Valuation Charge:**

- FSC 5.26 SDC 4.55 XCA 417.40 INR 1055.82

**Principal Certifies:**

- The principal certifies that the particulars on the face hereof are correct and that no part of the consignment contains dangerous goods.

**Signature of Principal or its Agent:**

- Adcom Worldwide as Agent for the Carrier

**Dutk Phas Adcom Worldwide**

- 14/04/2004 Los Angeles

**For Forwarder Use Only at Destination:**

- Charged at Destination

**Total Collect Charge:**

- 10114387/00
Enclosure IX  Procedures when shipping by rail

Route of the train
From the Rail Service Centre in Rotterdam via Oldenzaal (NL) – Frankfurt am Oder (Germany) – Malaszewice (Poland) – Brest (Chech Republic) – Ulan Bator

The forwarder will first issue a CIM freight note. This is for the European part of the trip, In this case from Rotterdam to Malaszewice, Poland. This freight note will be issued in Dutch / German language. Also before departure the export documents will be stamped by the customs in Rotterdam which is in this case the port of departure. In Malaszewice, Poland the agent of the forwarder has to issue a new document; the SMGS freight note which covers the transport from Brest, Chech Republik to Ulan Bator, Mongolia. This document will be issued in Russian. The agent will get all the instructions to issue this document in advance from the forwarder in the Netherlands in order to prevent any delays. When the train arrives in Malaszewice, Poland the customs over there will check all the information on the CIM freight note with the details on the SMGS note. If everything is ok the CIM will be kept behind as prove of arrival and the SMGS note will be stamped by the customs. The commercial invoice will be attached behind the SMGS note. The wagons will than go via a shunt station in Brest, Chech Republik with an express train via Zakoytje and Zylinka, Russia to Smolensk where the customs will check the papers. Than the train will cross the border via Nauskhi and will go all the way to Ulan Bator. At arrival in Ulan Bator the papers will be checked again by the customs and the consignee will be informed by the railway company. The consignee can arrange the clearance via an agent, for example Maersk Sealand. After clearance, what takes approximately 1 -2 days, the rolls can be delivered by a local haulier to the consignee.
Enclosure X  CIM railway consignment note
Enclosure XI  Example SMGS Russian railway note
Enclosure XII Rules by fumigation

As from 1 October 2002 new requirements apply to wood packing departing the European Union, United States, Canada, China or Japan which concerns new Plant Health requirements adopted by the Service of China Entry & Exit Inspection and Quarantine Bureau.

In summary all wooden packing associated with exports to China must:

- be free of bark
- have undergone heat treatment, fumigation or other defesting treatment
- carry a treatment mark on wooden packing, such as a red stamp or label clearly indicating the method and place of fumigation and also the code of the company who have fumigated the wood.
- be accompanied by a Phytosanitary Certificate issued by the official quarantine authority
- When goods are shipped to China and they consist of a non-timber packing a "declaration of wood free packaging" must be issued by the shipper.

These certificates have to be in China before the goods arrive because they have to be checked by Chinese customs. If the documents are not in accordance with the Chinese regulations, the container will be sent back to the country of origin. The costs are for account of the shipper.
Enclosure XIII  Example Phytosanitary certificate

Name of shipper

3. 

Cargo and address of consignee:

4. 

Place of loading Organisation(s) of

5. 

Place of origin

THE NETHERLANDS

6. 

Place of reception Organisation(s) of

7. 

Shipped from:

8. 

Consignment number, description, and count of products shipped.

9. Goods description: intents CV-12#rare set

10. 

Packing material:

11. 

This is to certify that the plants or plant products described above

have been treated according to appropriate procedures, and

are considered to be free from quarantine pests, and practically free from other injurious pests, and that they

are considered to conform with the current phytosanitary regulations of the importing country.

Additional declaration

12. 

Disinfection and/or decontamination

13. 

Heat Treatment

14. 

Dried and temperature

15. 

Conditions

16. 

Place of receipt

17. 

Signature

H.G.M. Schellenberg

Date: 18/01/2004

Note: None and signature of authority.
Enclosure XIV  Declaration of wood free packaging

"Name of the company"

TO WHOM IT MAY CONCERN

Concerns shipment of:  "Goods description"

Shipping Mark: ...........................

Xingang, China

ORIGINAL

1 -

To the Service of China Entry & Exit Inspection and Quarantine

It is declared that all packing materials in this shipment  "................."

of  Rolled sheets steel  2 colli /20,000 kg

Commodity Quantity/Weight

Shipped on Waybill ................. are made of .......

Master AWB

__X___ NO WOOD

And / Or

__X___ PROCESSED WOOD  (_X_ Plywood, _X_ Presswood, _X_ Oriented Strandboard)

Check which of the above apply.

_____________________________ _____________________________
Name of Export Company  Original Signature (blue ink) of Authorized
Representative

"Date & signature"
This B/L is used when shipping via more than 1 transport modality. In this case overseas and then by rail. This document covers the whole transport and is issued by the shipping company.