



**JAMPRO**  
TRADE & INVESTMENT JAMAICA



**WORKSHOP:  
TRANSPORTING YOUR PRODUCTS  
TO OVERSEAS MARKETS  
“WHAT EXPORTERS NEED TO  
KNOW”**

**Aug. 24, 2017  
Kingston, Jamaica**

**PRESENTER:**  
**BEVERLY JOHNSON**  
**MANAGING DIRECTOR**



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JAMAICA, United Kingdom & Canada

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# ENSURING YOUR PRODUCT MEETS THE IMPORTING COUNTRY'S RULES OF ENTRY

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Importing into the USA – “A guide for commercial importers”  
<https://www.cpsc.gov//PageFiles/113831/iius.pdf>

Importing into the UK “Starting to Import, UK”  
<https://www.gov.uk/starting-to-import/overview>

“Step by Step Guide to Importing Commercial Goods into  
Canada”  
<http://www.cbsa-asfc.gc.ca/import/guide-eng.html>

ORDER IN HAND

SALE AGREED

WHAT'S NEXT?

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- SUITABLE PACKAGING AND LABELLING TO WITHSTAND THE TRANSPORT MODE OF CHOICE
- COMPLIANCE WITH ALL RELATED AGENCIES (See next Slide)
- CHOOSING A SUITABLE CARRIER
  - BOOK AND RESERVE SPACE (FCL, LCL CONSOLIDATION &/OR AIR FREIGHT)
- EXPORT DOCUMENTATION PROCESSING
- CUSTOMS AND PORT FORMALITIES
- DISPATCH OF EXPORT DOCUMENTATION TO THE BUYER

# Working with the various agencies of government

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## JAMAICA

- ❑ JAMPRO - Exporter Registration
- ❑ Trade Board - Licensing Authority
- ❑ Jamaica Customs - Export Entry/EUR1 Certificate
- ❑ Ministry of Agriculture - Physo-sanitary Certification
- ❑ Ministry of Health - Veterinary Certificate (eg: importing Honey)
- ❑ Bureau of Standard - DG Certification

## UK/USA/CANADA

- ❑ Border Agency
- ❑ Revenue Collection, prohibited & restricted goods)
- ❑ The Food Standards Agency /(Food health inspection)
- ❑ Dept. of Environ. Food & Rural Affairs (Veterinary)
- ❑ The Animal Health and Veterinary Laboratories Agency (AHVLA) - Honey
- ❑ TRACES (Trade Control and Expert System) used to generate CVED (import of Honey)

# CUSTOMS AND BORDER PROTECTION

Ports of Exports, Ports of Transshipment, Ports of Imports are all manned by Customs who are mandated with special roles by the Government of the Country.

Jamaica Customs Agency (JCA) has three specific mandates: The equitable collection of revenue, protection of Jamaica's borders against illicit imports and exports and the facilitation of trade. JCA carries out these functions by:

- ☐ Assessing and collecting customs duties, fees, and penalties due on imports;
- ☐ Interdicting and seizing contraband, including narcotics and illegal drugs;
- ☐ Processing passengers, baggage, cargo and mail;
- ☐ Detecting and apprehending persons engaged in fraudulent practices designed to circumvent Customs related laws;



# Transportation mode

AIR COURIER, AIR CARGO, OCEAN FREIGHT  
NVOCC - CARGO CONSOLIDATOR (LCL)

**FedEx**



**JLB**   
*International Limited*

Multimodal Transportation





# MULTIMODAL TRANSPORTATION



Multimodal transport (also known as combined transport) is the transportation of goods under a single contract, but performed with at least two different means of transport; the carrier is liable (in a legal sense) for the entire carriage, even though it is performed by several different modes of transport (by rail, road, ocean and/or air)



# INLAND TRANSPORT SECURITY

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## FIGHTING THE NARCO TRADE

### DO'S

1. SUPERVISE LOADING/INVENTORY AT FACTORY
2. LABOUR MUST BE ROTATED AT ALL TIME
3. VEHICLE MUST BE TRACKED FROM DISPATCH TO PORT OR LOADING POINT
4. IF HIRED VEHICLE – INSURANCE, DRIVERS LICENCE AND UTILITY BILL OF THE DRIVER
5. HAVE RECEIVAL POINT OR PORT CONFIRM CARGO INTEGRITY AT THE POINT OF ARRIVAL

### DON'T'S

1. NEVER LEAVE YOUR ORDER UNMANNED
2. NEVER USE THE SAME LABOURERS FOR EVERY SHIPMENT
3. NO VEHICLE/DRIVER REPORTING SYSTEM
4. NEVER LEAVE YOUR VEHICLE OVERNIGHT WITH THE DRIVER
5. DO YOU HAVE ENOUGH INFORMATION ON THE VEHICLE OWNERSHIP AND DETAILS OF THE DRIVER?

# What's the difference

A **Pro forma Invoice** (or estimated invoice) is the document commonly used as preliminary invoices with a quotation, which shows negotiation between reached between the seller and the buyer. Its an estimated invoice sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the kind and quantity of goods, their value, and other important information such as weight and transportation charges, terms of sales and terms of delivery. Pro forma invoices.

It is not a confirmation of a **Sales Agreement**

# The Commercial Invoice

- A Commercial Invoice is a document used in foreign trade.
- It is used as a customs declaration provided by Supplier/Shipper
- It's used for exporting goods across international borders
- Information on all the parties involved in the shipping transaction
- Detailed description of goods being transported, quantity & Value
- The country of manufacture
- The Harmonized System codes for each item being shipped
- Must also include a statement certifying that the invoice is true, and a signature.
- A commercial invoice is used to calculate tariffs, based on the CIF value for customs purposes of duty and taxes payable

# Consider The Most Suitable Incoterms

- **TERMS OF DELIVERY** – A standardized set of terms intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries for the movement of goods and where the responsibility change hands from the seller to the buyer
- **INCOTERMS**  
EXWORKS or FOB or C&F or CIF or DDU

# Terms of delivery

## HOW THEY AFFECT THE DUTIES & TAXES CHARGED

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COMMON TERMS OF DELIVERY USED IN THE IMPORTATION OF GOODS ARE

EX WORKS/EX FACTORY: UK CUSTOMS WILL ADD INLAND FREIGHT, YOUR FREIGHT ( BY OCEAN OR AIR) AND CALCULATE AN INSURANCE AMOUNT TO THE VALUE SHOWN ON YOUR COMMERCIAL INVOICE, TO ESTABLISH THE TRANSACTION VALUE OF YOUR SHIPMENT

FOB (FREIGHT ON BOARD): UK CUSTOMS WILL ADD YOUR FREIGHT ( BY OCEAN OR AIR) AND CALCULATE AN INSURANCE AMOUNT TO THE VALUE SHOWN ON YOUR COMMERCIAL INVOICE, TO ESTABLISH THE TRANSACTION VALUE OF YOUR SHIPMENT

C&F (COST & FREIGHT ONLY): UK CUSTOMS WILL CALCULATE YOUR INSURANCE AMOUNT (WHETHER YOU TOOK INSURANCE OR NOT – CHARGEABLE AT NO HIGHER THAN 1.5% OF THE COMMERCIAL INVOICE VALUE) ADD THE CALCULATED AMOUNT TO YOUR COMMERCIAL INVOICE, TO ESTABLISH THE TRANSACTION VALUE OF YOUR SHIPMENT

CIF (COST, INSURANCE & FREIGHT): CUSTOMS ACCEPTS THIS VALUE AS THE TRANSACTION VALUE AND ASSESS YOUR DUTIES AND TAXES PAYABLE FOR YOUR SHIPMENT

# DOCUMENTATION REQUIREMENT FOR IMPORTED/EXPORTED GOODS

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## FROM THE SHIPPING LINE/AIRLINES

- CARGO MANIFEST
- BILL OF LADING/AIRWAYBILL
- TRANSHIPMENT PORTS CAN REQUEST IMPORTERS DOCS FOR INSPECTION AT THEIR PORTS, PRIOR TO ARRIVAL OF THE CONSIGNMENT AT PORT OF DESTINATION

## FROM THE IMPORTER/SUPPLIER (IN JAMAICA)

- RELEASE OF BILL OF LADING FROM SHIPPING LINES' DESTINATION AGENT
- PACKING LIST
- COMMERCIAL INVOICE (with HS Tariff Code)
- CERTIFICATE OF ORIGINS
- IMPORT PERMITS (WHERE APPLICABLE)

# Goods classification

## Harmonized system code

The Harmonized Commodity Description and Coding System, also known as the Harmonized System (HS) of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products.

It comprises about 5,000 commodity groups; each identified by a six digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification

Classifying your product using the correct commodity code is very important as the code; describes the goods and sets the rate of duty and taxes applicable.

Incorrect classification means incorrect duty and taxes charged'





Supplier 1



Supplier 2



Supplier 3



Supplier 4



# NVOCC CONSOLIDATION PROCESS

**JLB INTERNATIONAL LTD**  
Consolidation Point



One FCL-  
Container  
for each  
destination



PORT OPERATION  
ORIGIN



KINGSTON



TRANSHIPMENT  
DESTINATION



MIAMI



DECONSOLIDATED



BY ROAD/RAIL TO  
BUYER/CONSIGNEE



BY SHIP TO  
BUYER/CONSIGNEE



BY SHIP TO  
BUYER/CONSIGNEE



BY SHIP TO  
BUYER/CONSIGNEE



Procurement  
Logistics for several destinations.  
Target: 1 Stop for all destinations:



INBOUND

PROCESSING

OUTBOUND

# FULL CONTAINER LOADS

FULL CONTAINERS – 20', 40' HIGH CUBE, 45'

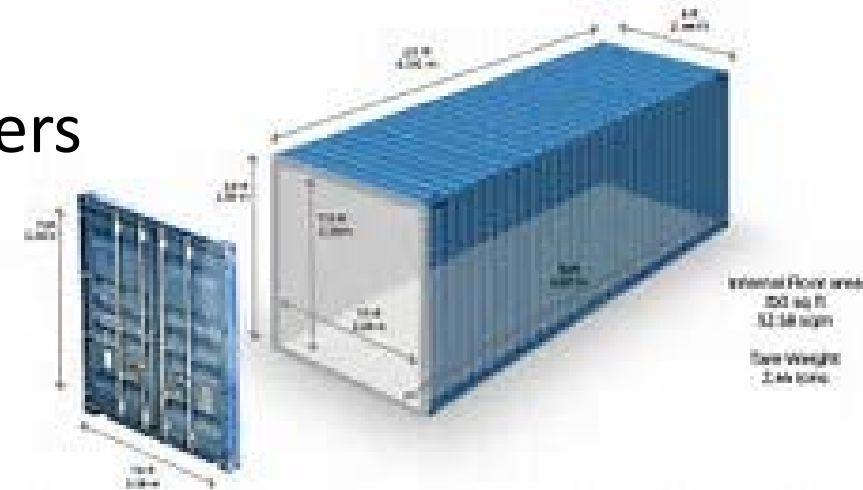
WEIGHT LIMITATION: 21,000KGS (DUE TO FOREIGN ROAD LIMITATIONS)

## Cubic Container Capacity

## Typical Cubic Capacities of Standard Shipping Containers

## Cubic Capacity

10ft	20ft	40ft
16.5Cbm	33Cbm	67Cbm
(582 Cft)	(1,164Cft)	(2,376Cft)



# Container Dimensions

## 10' Container

Payload 30,000 lbs.  
Tare weight 3,500 lbs.  
Cubic Capacity: 582 cu.ft.

### Exterior Dimensions

L: 10'  
W: 8'  
H: 8' 6"

### Interior Dimensions:

L: 9' 5"  
W: 7' 8" - 1/8"  
H: 7' 9" - 5/8"



## 20' Container

Payload 48,600 lbs.  
Tare weight 5,015 lbs.  
Cubic Capacity: 1,164 cu.ft.

### Exterior Dimensions

L: 20'  
W: 8'  
H: 8' 6"

### Interior Dimensions:

L: 19' 5"  
W: 7' 8" - 1/8"  
H: 7' 9" - 5/8"



## 40' Container

Payload 80,350 lbs.  
Tare weight 8,377 lbs.  
Cubic Capacity: 2,376 cu.ft.

### Exterior Dimensions

L: 40'  
W: 8'  
H: 8' 6"

### Interior Dimensions:

L: 39' - 3/8"  
W: 7' 8" - 1/8"  
H: 7' 9" - 5/8"



# Freight Calculation

Freight is calculated on the Weight or Measurement whichever is greater

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## FULL CONTAINER LOAD (FCL/FCL)

- **OCEAN FREIGHT** – FOR THE FULL CONTAINER
- BUNKER
- INLAND HAULAGE (OPTIONAL)
- ORIGIN TERMINAL CHARGES
- DESTINATION TERMINAL CHARGES
- SEALS
- B/L FEE
- DANGEROUS GOODS LABELS (OPTIONAL)

## CONSOLIDATION (LCL/LCL)

**OCEAN FREIGHT** .....BASED ON WEIGHT & MEASUREMENT OF THE SHIPMENT

(EG; L x W x H) in inches or Centimeters (Cms)

Calculation: for inches

$L \times W \times H / 1728 / 35.315 = \text{Cbm}$

Calculation in Cms

$L \times W \times H / 1,000,000 = \text{Cbm}$

# Freight payment terms

## FREIGHT PREPAID

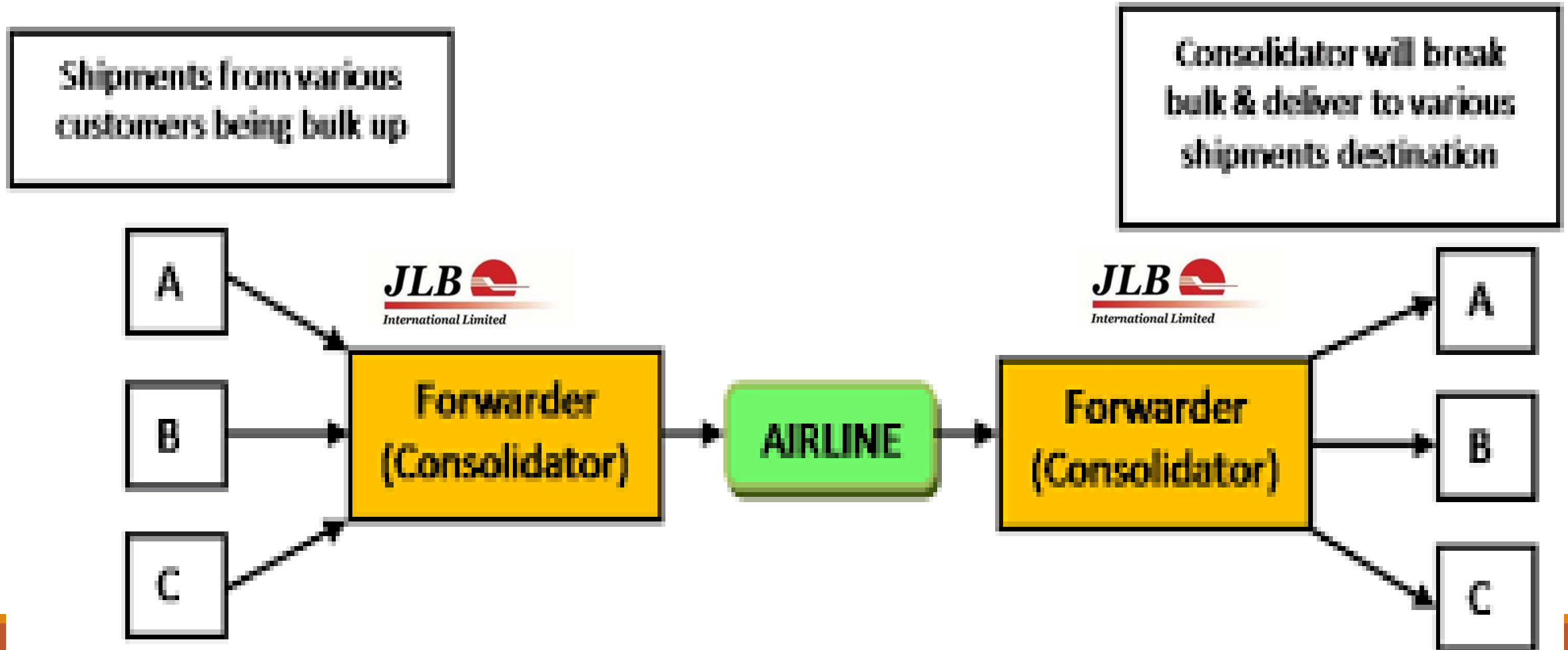
- Shipper responsible for Ocean or Airfreight
- Shipper responsible for Origin Charges
- Freight Prepaid does not mean “Freight Paid”
- Late Payment of Freight Charges may attract a late fee for Administration by the Carrier
- Freight Prepaid suggest that the Terms of Delivery is either a “C” or “D”  
(Eg: C&F, CPT, CIF, DDU, DDP)

## FREIGHT COLLECT

- Consignee or Buyer responsible for Ocean or Airfreight at destination
- Consignee responsible for the destination charges
- Freight and all Charges must be paid in full prior to release unless you have a special arrangement with the Carrier
- Freight Collect suggest that the Terms of Delivery is either the “E” or “F” Terms  
(Eg: Ex Work, FAS, FOB)

# Air Cargo consolidation

by Air



# AIR FREIGHT VS SEAFREIGHT

## AIR FREIGHT SHIPMENTS

At the time your shipment departs Jamaica, notify your Customs Clearance Agent of the flight details immediately to minimise any storage or rent, when your goods arrive at the destination Port

Your Supplier in Jamaica is to immediately copy all the required export documents and email them to your Customs Clearance Agent, who will prepare the Customs Entry

Pay Customs Duty & Taxes promptly as storage/rent usually begins 24 hours after the date of your goods arrival.

**OTHER DUTIES: Anti-Dumping Tax**

**Common Agricultural Policy (CAP) Charges**

## SEA FREIGHT SHIPMENTS

For Full Container Loads (FCL) & Less Than Container Load (LCL) Shipments

Pre-Alert and provide your Documentation to your Customs Clearance Agent up to 7 days prior to the arrival of your container.

They will prepare your Customs C88 Entry

Pay the Carrier their Destination THC charges

Submit your Entry to Customs

Advise Duty/Excise & Taxes Payable

Arrange haulage to your Door

Avoid Demurrage and Storage which is charged by the Carrier and the Port after the free time has expired.

Customs & or other Agencies may have an interest in your shipment and pull the Container for full or partial inspection. Proper declaration is therefore advised

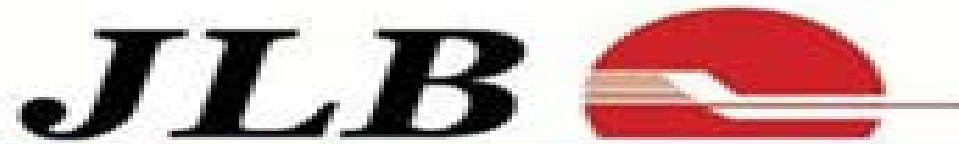


# Imports – keeping the records

What records you need to keep:-

- You must keep records of any international trading activity.
- You should have complete and accurate records of any Customs declarations you have made showing: the correct value of the goods • the origin of the goods • classification of the goods.
- You should also keep supporting documents relating to import or export of goods, such as: • original orders, invoices and delivery notes • credit and debit notes • all import and/or export documents • records of payment or receipts • journals or ledgers • bills of landing, airway bills and certificates of shipment.
- Usually you need to keep these records for four years.
- You should keep any documents that form part of your records for VAT for six years.

Thank  
You



**International Limited**

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