VIRGINIA SMALL BUSINESS DEVELOPMENT CENTER
BASIC IMPORT GUIDE

This guide is designed to help new and potential importers understand the main issues surrounding the importation of goods into the United States. It is not meant to be exhaustive, but rather serve as a foundational document to be used before a company begins its import program.

WHY IMPORT?

There are many valid reasons for importing, among them:

- New product or service not available domestically
- Alternative source supplements existing supplier or diversifies suppliers
- Broaden your product offering
- Lower costs to remain competitive
- Enhance competitiveness and expand business

WHAT ARE SOME COMMON RISKS ASSOCIATED WITH IMPORTING?

While working with any supplier carries risks and uncertainties, certain issues are more acute when importing products from international companies, such as:

- *Performance risk*: Is the exporter able to provide the specified products with the appropriate quality, quantity, and packaging in the promised timeframe?
- *Product risk*: Does the product meet the standards required by the importing company?
- *Delivery risk*: Will the product arrive according to the agreed-upon schedule and price?
- *Damage in transit*: What if my product is damaged or rendered unfit for use during shipment?
- *Foreign exchange risk*: What happens if exchange rates shift before a transaction is completed?

There are tools and resources, both public and private, to mitigate these risks specifically for international commercial transactions.

WHAT IMPORT REGULATIONS SHOULD I BE AWARE OF?

Imports are subject to a number of regulations and non-compliance can prevent a shipment from clearing customs, so American companies must be well aware of relevant regulations before undertaking an import program.

U.S. Custom and Border Protection (CBP) is the lead agency regulating imports into the United States. To learn about the process of importing foreign goods into the United States, you can watch an introductory video from CBP.

CBP has a wide array of resources designed to aid American importers, including assistance with:

- General trade issues: www.cbp.gov/trade
- Locating a port of entry: www.cbp.gov/contact/ports
- Product-specific guidance from the Centers of Excellence and Expertise: www.cbp.gov/trade/centers-excellence-and-expertise-information/cee-directory
- Customs brokers: www.cbp.gov/contact/find-broker-by-port

Funded in part through a cooperative agreement with the U.S. Small Business Administration.

If you need specific assistance, contact the CBP help desk at help.cbp.gov or (877) 227-5511.

The United States International Trade Commission (USITC) manages the Harmonized Tariff System, a structure by which all goods in trade are categorized for the purposes of duty, quota, and statistical purposes. Before importing a good into the United States, be sure to know the appropriate HS code(s) and what tariffs, if any, apply; you can search for HS Code information at hts.usitc.gov/search.

Depending on the product you plan to import, you may be subject to additional regulations, certifications, standards, or licensures administered by agencies beyond CBP. For instance, the Alcohol and Tobacco Tax and Trade Bureau (TTB) manages the importation of alcohol, medicine must be approved by the Food and Drug Administration, and food imports must comply with U.S. Department of Agriculture regulations. You may also need to comply with state-level import regulations.

Failure to comply with applicable regulations may result in delays, penalties, storage costs, or denial of entry altogether. The importer of record may be responsible for return shipping or disposal costs.

HOW DO I START MY IMPORT PROGRAM?

There is no one-size-fits-all model for establishing an import program, but the following guidelines provide required steps to begin bringing foreign goods in the United States.

- Obtain a complete and accurate description of the product and its origin from the exporter.
- Determine the correct HS code for your product – see USITC information above.
- Solicit a written quotation from a licensed customs broker to understand all costs, documentation, insurance, bonding, and time requirements to import.
- Accurately evaluate the capability of your supplier to properly fill your order.
- Sign a written agreement with your supplier to safeguard your position.
- If possible, place a sample order to test your supplier's performance and domestic demand.

This guide was adapted in part from the work of Martin Brill, International Trade Manager at the Kutztown Small Business Development Center in Pennsylvania.