



Partners In Trade Compliance

Global Trade Compliance Consulting Services

Contract Language

Global Trade Compliance

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Types of Contracts: Master Service, Vendor, Supplier and Reseller Agreements

Legend: **Company X** = the company drafting the contracts
 V/S = Vendor / Supplier
 MSA = Master Service Agreement

No.	Global Trade Compliance Areas to Address in Contract Language	Supporting Details
1	Anti-boycott language check	All contracts should check for anti-boycott language, and promptly advise your legal dept. if such a request is made. https://www.bis.doc.gov/index.php/enforcement/oac
2	Audit - Identify needs and compliance	The ability to audit as needed to confirm compliance requirements are being met.
3	US CCATS (commodity classification automated tracking system)	All contracts should outline CCATS documentation should be shared & provided when a party has a current US CCATS document. The CCATS can cover finish products, components, materials, software and / or technology and confirm it's classification and trade control requirements.
4	Classifications - HTS (harmonized tariff schedule) and US ECCN (export control number classification) classifications be provided.	Company X will provide on shipping documents, V/S will provide by Company X part number to Company X
5	Country of Origin (COO) - client has the right to request a list of items manufactured or assembled with current COO/s.	V/S will support requests and provide to Company X. See documentation Country of Origin (COO) No. 8.

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6	Country of Origin (COO) - identification and change notification by either party	V/S will provide to Company X, with updates to current COO/s on items manufactured, produced, distributed or developed, at the time of the change, to ensure Company X has the ability to update their records in a timely manor.
7	Country of Origin (COO) - certificate when necessary	All contracts should outline certificate of country of manufacture or assembly when requested.
8	Country of Origin (COO) - Labeling of goods and outer most packing	All parties shall comply with COO marking and documenting requirements. Labeling includes part number, COO of goods and any homologation approvals received on goods (i.e. FCC ID). Both the item itself and it's outer most packing material (i.e. box) will be marked with part number and COO.
9	Deemed export	All contracts should outline necessary deemed export screening when controlled technology, items (to include testing equipment and materials) are being used.
10	Documentation requirements	To ensure all goods can move without unnecessary delays, contracts need to identify documentation and data requirements for all international shipments.
11	EUU (end user undertaking) and/or EUC (end user certificate)	EUU and EUC documents to be provided by customer as requested by Company X to full due diligence and any required license or permit requirements when noted.
12	Export control responsibility	General high-level view of responsibility to export and reexport control. Identification of who will act as Exporter of Record. Country requirements vary to enable a company or party to act as Exporter of Record. You need to understand the liability and requirements in acting in this capacity.
13	FCPA	All contracts will outline
14	FTA (Free Trade Agreements) certificate for qualifying goods when requested	All contracts should outline support of requests and data requirements required to support FTAs.
15	Homologation	V/S agrees to provide Company X with any homologation approvals they have received (i.e. FCC ID) and will advise Company X of any changes or new approvals received.
16	Incoterm DDP	Clear identification of when the incoterms of DDP can be performed by a company. Your company may not always capable of DDP incoterms due to country registration requirements. To perform DDP you must be registered to act as Importer of Record. Registration requirements differ by country.
17	Incoterms	Identification of what incoterms will be used on various shipments (i.e. ordered goods, vs. returned goods vs. drop ship goods). See supporting document of "Incoterm Responsibility Language"
18	License and required government approvals to move goods internationally	Identification of responsibilities prior to shipping.
19	Part Numbers - alignment	V/S will provide their part number against Company X's part number for clarity in a spreadsheet or text delimited form.

20	Proliferation Activities	Written acknowledgement of prohibited proliferation activities, with acknowledgement by all parties they are not engaged in such activities or financial support.
21	R&R (to include testing and certification process) -	Identification of who is responsible for getting goods to Company X for repair (costs, docs, license etc.). This needs to be clearly documented.
22	Record retention of a minimum of 5 years by all parties.	All parties agree to maintain and make available as required by government audit, all records which are associated with a order or shipment.
23	Restricted Party List Screening (RPL) or Denied Party List (DPL) Screening	All parties are responsible to perform current RPL screening.
24	Restricted Party List Screening (RPL) or Denied Party List (DPL) Screening	All parties agree to comply with regulatory requirements, and will not directly or inadvertently act against legal requirements. Example if a list dictates they are prohibited from doing business with and have had their export privileges revoked by a government, all parties cannot engage in activities which come into direct or indirect conflict with the current prohibitions.
25	Routed transactions	EXW for routed transactions and responsibilities
26	Taxes (duty, VAT, gov't fees, etc.)	Define ownership / responsibilities for payment .
27	Title Transfer	Identification of when title transfer takes place.
28	Ultimate end users and use	Ultimate end use and end user is to be disclosed to Company X at the time of ordering to ensure proper compliance screening is performed for end destination.
29	US BIS Guidance - Export Control Statement	<p>Communicate Management Policy of Commitment to Export Compliance</p> <p>Another way your company can demonstrate strong management commitment to compliance with export control regulations is by having your Chairman, Chief Executive Officer, or President personally establish and communicate your company's export control policy frequently and broadly. A written, formal statement of policy should be disseminated, at least annually, to all employees and should be included in the EMCP Manual. The message should communicate that export compliance requires a proactive, company-wide commitment that includes all levels of the company and that each employee plays a role in securing the integrity of the system. Employees should understand "the big picture" and also realize their own personal role and responsibility in guaranteeing export compliance. If not, they risk being the weak link that can bring the whole program down.</p> <p>Additionally, the statement should be communicated to contractors, during the contract process, who are acting on the company's behalf. This would include consultants, interns, freight forwarders, distributors, sales representatives, joint venture partners, and any other contractor. It should be a condition of doing business with the company.</p>

30	US Destination Statement for international shipments and re-exports	Ensure compliance with US Export and re-export regulations (covering de minimis content) regardless of where goods are shipped internationally from. Statement: These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited. The re-export of any U.S. Commodity is subject to U.S. Regulatory Controls. US 15 CFR Part 730-774
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