

SPC&B Update

September 11, 2014 - In This Issue:

First Sale Update

Canada Publishes Sample Shipment and Invoicing Requirements



CBP Decides Not to Issue Revised First Sale ICP

As mentioned in our *Update* of July 14, 2014, Customs & Border Protection (CBP) had circulated a draft modification to the Informed Compliance Publication (ICP) on *Bona Fide Sales & Sales for Exportation to the United States*, which suggested that parties to first sale transactions could be required to maintain and provide access to an exhaustive array of financial records, which go beyond the information typically required today.

In the face of a number of commenters' objections to the proposed revisions, CBP has indicated that the agency is no longer going to pursue any written changes. Nevertheless, CBP does not intend to issue an official statement on this matter, so as to allow Import Specialists and auditors to request more documents when evaluating importers' first sale programs.

For further information on documentation requirements for first sale, please contact Gail T. Cumins at gcumins@spcblaw.com or Alli Baron at abaron@spcblaw.com, or call us at 212-425-0055.

Canada Publishes Guidance on Importing Apparel Samples and Invoicing Imported Textiles

In a memorandum on *Information Requirements for Textiles and Textile Products*, the Canada Border Services Agency (CBSA) explains the specific information that importers should provide at time of entry in order to classify textile and textile products entering Canada. The importer must provide a detailed description of the textile product, in the event that the CBSA decides to conduct a classification review. For example, yarns and sewing threads should be identified according to type, processing and number of plies, linear density and actual use, among other requirements. Fabrics should be identified by construction, composition, state of processing, actual use and if of artificial or synthetic filament yarn, whether or not such yarn was obtained from high tenacity yarn, etc.

In a separate notice, the CBSA outlines the requirements for certain apparel samples to qualify for duty-free entry under Canadian tariff provision 9936.00.00. The apparel samples need to be properly reported at the time of entry and importers must certify (such certification to be by an

authorized company officer) that the samples are entered into Canada solely for design work, which must be done in Canada. Such samples should not be traded or sold in Canada. For purposes of this provision, the term "apparel" does not include footwear, headwear, handwear, belts, ties, scarves, hosiery or other accessories. Any doubt as to the eligibility of samples for entry under the duty free provision will result in Canada customs assessing the normal duty rates in effect for such articles.

For further information on importing textile and apparel products into Canada, please contact Gail Cumins at gcumins@spcblaw.com, Alli Baron at abaron@spcblaw.com, or Donna Shira at dshira@spcblaw.com, or call us at 212-425-0055.

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