



GlobalWatch®

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IIEI Celebrates National Accreditation

The **International Import-Export Institute (IIEI)** is celebrating the achievement of national accreditation for its professional certification courses and its unique online **Bachelor of Science in International Trade Management** degree.

Seeking accreditation is a voluntary action. It demonstrates that time, money and energy has been spent to insure that curriculum and business practices align and meet with standard policies outlined by the accrediting organization.

IIEI selected the Distance Education Training Council because their focus and standards relate to distance education, which is IIEI's primary delivery model.

(Full story on page 6)

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10 of the Most Common Mistakes Made by U.S. Importers

(...And How to Avoid Them!)

by Robert J. Pisani and Marianne Rowden

As more and more U.S. businesses become integral players in the global economy, they are discovering that the importation of merchandise is a critical aspect of their day-to-day operations. Many such businesses are import "savvy" and some seek to take advantage of duty-free or duty preference trade programs such as the North American Free Trade Agreement (NAFTA), but when Customs compliance problems arise, the unprepared importer can be faced with unexpected, costly and unfortunate results.

The consequences of U.S. import non-compliance can be severe in terms of both fines paid to the Customs Service as well as lost business revenue. In some cases, non-compliant importers can end up paying sizeable penalties to the U.S. Government. Some of the other tools that U.S. Customs uses to address non-compliant imported articles include detention or even seizure of the goods.

Under the Customs laws, importers are required to exercise "reasonable care" when classifying, valuing and entering imported merchandise into the United States. These laws and regulations can be quite complex. Compliance conscious importers recognize that it pays to be proactive in this regard.

To overcome common mistakes and misconceptions, importers need to understand that they are ultimately responsible for all the information submitted to Customs concerning imported merchandise. One importer has articulated its compliance responsibilities with a list of "commandments."¹

- It is my responsibility, as the Importer, to pay the duty.
- It is my responsibility that the goods are marked with country of origin.
- It is my responsibility that the custom entry is accurate.
- It is my responsibility that commercial invoice and packing lists are accurate, clear and written in English.
- It is my responsibility that what is in the container conforms to the documentation.
- It is my responsibility to make sure that all necessary documentation is provided to Customs.
- It is my responsibility to maintain accurate records of imports and make them available to Customs.
- It is my responsibility to provide Customs with any and all information that they may require.

(see Mistakes...continued on page 3)

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Notes from the Executive Director....

The Professional World of International Trade

by Dr. Donald Burton

It is well documented that trade between nations is increasing at an annual rate of nearly seven percent. What is less known is the influence that this growth will have on the infrastructure of the international trade industry in the years to come. Combine these growth challenges with the global threat of terrorism to those engaged in international trade and the risks and uncertainty facing nations and their exporting companies becomes of increasing concern.

As the world moves closer to the seamless global marketplace of the future, it has been estimated that there will be a change in the amount of goods that cross borders from the current 20% globally to nearly 80% by the year 2025. As more goods move across borders to be consumed, the impact on the infrastructure of the international trade industry cannot be overstated. A seamless global supply chain, with its dependence on technology and connectivity, becomes a high priority as the volume of goods increase. The recent "24 hour manifest rule" mandated by U.S. Customs Service is only the beginning of the efforts to monitor the flow of goods and services. Without investment in technology, and the training to support it, the sheer increase in volume of shipments makes the manual tracking of manifests an impossible task.

This demand on organizations everywhere means that new, heightened international trade related skills must be developed. Whereas in the past, the processing of international shipments has been thought of as primarily a clerical role. Companies are now beginning to realize that the role and importance of this task has changed forever. With the increased risks, organizations must view trade management as a profession, requiring people to have special knowledge and skills.

Along with this recognition comes responsibility. Individuals serve to keep the organization in compliance with the ever-increasing and changing onslaught of government regulations. Failure to comply with these changes can cause businesses and their management great harm. Sanctions currently range from fines, penalties, loss of export privileges, special audit procedures for all shipments- which cause delays in shipments and lost revenue, to business closure and jail time for key management personnel. Fines that were historically a few thousand dollars per offense now are a quarter million dollars per offense.

Industry is reacting to governmental changes. New titles are emerging such as V.P. International Trade Compliance and Corporate International Trade Managers. Realizing that these new positions not only protect the assets of the firm but can also present strategic opportunities, these individuals are part of the high-level team that formulates the strategic direction of the firm.

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 IIEI's global readership. For advertising rates call
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Free Trade Area of the Americas

In December of 1994, the leaders of the Western Hemisphere looked into the future and determined that the economic integration of its 34 democracies would be essential if full participation in the growing global marketplace was to be achieved. With a combined population of nearly 800 million people and cross-border trade reaching over \$609 billion, the goal of the Free Trade Area of the Americas (FTAA) was born.

Moderately optimistic forecasts indicated that volume and value would increase ten times by 2010, making this free trade area the most significant economic bloc in the world, larger than the European Union or the Asia-Pacific blocs.

Impressive advances have already been made. FTAA Trade Ministers have moved quickly to establish two fundamental milestones. First that negotiations would be concluded by January, 2005, and that the FTAA would become fully enforced by December, 2005.

For more: <http://www.ftaa-alca.org>

Aspiring to New Heights IEEI to Support ASPIRA's Goals

Since 1961, Aspira has pursued its mission of empowering the Latino community. The Aspira Association is the only national nonprofit organization devoted solely to the education and leadership development of Puerto Rican and other Latino youth. ASPIRA takes its name from the Spanish verb 'aspirar', or "aspire".

ASPIRA's Institute for Professional Development in Hemispheric Commerce (AIPDHC) is establishing itself as a provider of corporate learning in the specialist skills of hemispheric trade, anticipating the tremendous demand for trade professionals to fuel the Free Trade Area of the Americas treaty. Their goal is to foster Puerto Rico's and the Latin American economies through the development of human capital capable of managing the strategic development of international trade and in maintaining international relationships. The Institute will be operated by Aspira de Puerto Rico, Inc.


In a recently signed agreement, IIEI will supply Aspira with several online technical training programs including the Institute's professional certifications in transportation and logistics, certified exporter, international trade marketing specialist, international trade documentation, U.S. Export Compliance Officer training, international business ethics and International trade finance documentation.

Aspira Association, Inc. is based in Washington D.C. and is ranked by Hispanic Business Magazine as the largest Hispanic non-profit organization in the continental U.S. It is recognized as the most technologically advance Latino non-governmental organization in the U.S. as well. "The Institute is part of Aspira's initiative to promote the economic development of the Latino community in the U.S. mainland and Puerto Rico," said John Villamil, Executive Vice President & CIO of the Aspira Association in Washington, D.C.

"ASPIRA of Puerto Rico, Inc. welcomes this opportunity to make the IIEI curriculum available to the Puerto Rican community and to other Caribbean states. This agreement is an important step towards the empowerment of our Commonwealth as a relevant player in the global trade arena," said Hilda Maldonado, Executive Director of Aspira de Puerto Rico.

More information at: www.aspira.org

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store_text_books.htm](http://www.expandglobal.com/Book_Store/store_text_books.htm)

(Mistakes...continued from page 1)

- It is my responsibility to make sure the freight is paid and a freight release is obtained and that the bill of lading is accurate. BECAUSE I AM THE IMPORTER OF RECORD!
- An Importer must understand exactly what is expected of them and conform to it consistently.

[The authors acknowledge the contribution of Jo Douglas of Quozel, Inc. who created this list of commandments. This list originally appeared as part of an article published by the Hauppauge Industrial Association in 1995. The author has granted us permission to include the list in this article.]

**Robert J. Pisani is a partner in the law firm of Katten Muchin Zavis and the Director of the firm's Global Trade Advisory Group, a division of Katten Muchin Zavis. Marianne Roden is an Associate of the firm. Their article, "Common Mistakes" is an excerpt from Mr. Pisani's full article appearing in the current issue of The Journal of Practical Global Business, published by IIEI Press.*

In Compliance....

Best Practices of Compliant Companies

The Bureau of Customs and Border Protection (CBP) has published a document that can be used by U.S. importers to examine the basics of their compliance program as compared to CBP's standards of compliant conduct. The ten best practice suggestions that make up the list are:

1) Have management's commitment. Establish a statement of corporate policy that addresses Customs and Border Protection (CBP) matters. Solicit a statement from the Board of Directors that assigns authority and responsibility to the customs group.

2) State compliance and cost goals. Identify and analyze relevant risk and develop internal goals to manage the risk. Conduct post-entry reviews and compare these against established goals. Resolve control weaknesses in a timely manner.

3) Develop formal policies. Develop, implement and/or modify formal policies and procedures to ensure that management's goals and objectives are met. Verify the accuracy of the Internal Control Manual to ensure processes and procedures achieve prescribed goals and objectives. Modify controls that are ineffective or inefficient and report management. Define accountability and controls in job descriptions

4) Establish training programs. Ensure that employees receive appropriate training and guidance to effectively discharge their responsibilities. Convey pertinent information to the right people at the appropriate time. Disseminate CBP information via company's communication system (i.e. intranet, bulletin board, mail).

5) Conduct internal reviews. Conduct periodic process reviews to assess the performance quality of the internal controls. Use external or

internal audit to periodically review each business unit to confirm that corporate policies are implemented and mandate corrective action when necessary. Adjust testing in response to changing risk.

6) Establish a customs group. Foster open communication channels between all departments that may be involved in the CBP processes. Establish control activities and self-testing processes to verify the accuracy of the company's internal control system since the quality of the information generated affects the ability of management to make decisions.

7) Access executives for resources. Raises the importance of the Customs group and provides adequate authority for the group to interact with other departments as needed. Organize the customs group so that it is visible to top level management. Provide an awareness of supply chain structure. Many executives know their sales figures but

do they know their key import statistics and suppliers?

8) Develop compliance requirements for suppliers. Develop contract language on purchase agreements. Develop and implement controls to help ensure that CBP transactions are valid, properly authorized and accurately processed. Request suppliers provide regulatory reporting information when applicable (NAFTA, GSP, etc.). Exercise reasonable care over operations performed by service providers.

9) Establish a record-keeping program. Maintain a record keeping system that forms an audit trail from production control through payment to CBP entry. Provide supporting documentation for CBP transactions in a timely manner.

10) Partner with Customs & Border Protection. Enhance partnership by participating in voluntary CBP programs such as: C-TPAT, CSI, ISA, FAST, ACE, etc.

Best Practices Of Compliant Companies can be accessed on-line at: http://www.cbp.gov/xp/cgov/import/regulatory_audit_program/importer_self_assessment/.

The Language of Trade

The International Information Programs division of the U.S. Department of State maintains an on-line publication titled "The Language of Trade", which includes a glossary of trade terminology, a list of acronyms used in international trade and a chronology of major events in international trade since 1916. The document contains several hundred trade terms in its glossary section. For each entry, the definition of the trade term is followed by a list of hyper-links directing users to similar or related entries elsewhere in the glossary. The publication's acronyms section provides an extensive list of terms that are used in the acronym-heavy vernacular of international trade news and information.

"The Language of Trade" can be accessed on-line at: <http://usinfo.state.gov/products/pubs/trade/homepage.htm>.

U.S. Government Trade-Related On-Line Resources

Many U.S. government and other trade-related web sites offer a wide variety of information to importers, exporters, manufacturers and other interested parties, both within the United States and worldwide. Direct links to several useful sites include:

- **Bureau of Customs and Border Protection** - <http://www.customs.gov> - Utilizes the border protection and inspection functions of INS, Customs and APHIS, bringing together employees that focus exclusively on securing U.S. borders and facilitating the movement of legitimate trade and travelers.
- **Bureau of Industry and Security** (formerly the Bureau of Export Administration) - <http://www.bxa.doc.gov> - export licensing and enforcement, defense trade advocacy and critical infrastructure protection.
- **U.S. Department of Commerce** - <http://www.doc.gov/> - includes information on several different agency regulations, including Census, International Trade Commission and U.S. Bureau of Industry and Security.
- **U.S. Trade Representative** - <http://www.ustr.gov/> - includes information on U.S. trade policy issues.
- **International Trade Commission** - <http://www.usitc.gov/> - includes U.S. and world trade guides and information. Also see <http://dataweb.usitc.gov/>, for direct access to trade data and customized reports.
- **Federal Register** - <http://www.gpoaccess.gov/fr/index.html> - includes access to Federal Register notices, archives and other government documents through the U.S. Government Printing Office.

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Customs Broker Exam Scheduled October 7, 2003

The Bureau of Customs and Border Protection has announced that the next CBP Broker License Examination will be given on Tuesday, Oct. 7, at various locations throughout the United States. Applications for the exam must be submitted on or before Sept. 5, 2003.

According to CBP, an "Application for Customs Broker License Exam" (CF 3124E) and an exam application fee of \$200 must be received by CBP at the port in which the applicant intends to conduct business. A copy of the form can be secured at local CBP ports.

The CBP web site states that the purpose of the examination is to "determine the individual's knowledge of Customs and related laws, regulations and procedures, bookkeeping, accounting, and all other appropriate matters necessary to render valuable service to importers and exporters".

Exam topics typically include: Entry, Classification, Trade Agreements, Valuation, Broker Responsibilities, Fines, Penalties and Forfeitures, Quota, Country of Origin, Protests, Marking, Prohibited and Restricted Merchandise, Drawback, Intellectual Property Rights, and other subjects pertinent to a broker's duties.

For more: http://www.customs.gov/xp/cgov/import/broker_management/.

Improve Your Chances of becoming a Licensed U.S. Customs Broker

Register Today for IIEI's
Customs Exam
Preparation Course.

Online Classes Start
August 7th and 21st.



IIEI Awarded Accreditation for Online Trade Education

The **International Import-Export Institute (IIEI)** has received national accreditation for its professional certification courses and its unique online Bachelor of Science in International Trade Management degree. The announcement, made official on June 9 by the Accrediting Commission of the Distance Education and Training Council (DETC), states that the online programs offered by IIEI met DETC's high educational and ethical standards for distance learning education.

"We are very excited about our new status as an accredited institution," said Dr. Donald Burton, IIEI's president and founder. "We know that this is important to many of our individual students and corporate clients, and it is important to us. Our online programs in international trade are tightly focused on the practical, day-to-day operations of moving goods and services across borders. We already know the impact our programs have on the international trade industry, now a third party validates that as well."

Accreditation offers a reliable indicator of quality and an assurance of high standards in regard to content, delivery, and institutional policies. Accreditation also opens the door for some benefits and opportunities offered by federal law. For example, only accredited education institutions are eligible to participate in the Montgomery G.I. Bill and the DANTES (Defense Activity on

Non-Traditional Education Support) tuition assistance program for U.S. military services.

"IIEI's online Bachelor of Science in International Trade Management degree is now a viable option for degree candidates from community colleges or other institutions of higher learning", stated Richard Oxford, IIEI's chief operating officer. "The ideal candidate will have already completed the general education degree requirements and will be able to hone their international trade skills with IIEI's online program." Accreditation allows students to qualify for tuition reimbursement under certain state, industry, corporate or union-sponsored tuition assistance plans.

Already a member of the Career College Association, the International Import-Export Institute is licensed through the Arizona State Board for Postsecondary Education as a degree granting institution. Established in 1995, IIEI provides online education in international trade and partners with academic institutions,

corporations and governmental agencies worldwide to provide practical training delivered anytime, anywhere the Internet exists. IIEI has provided training to the employees of some of America's largest companies including Honeywell International, Lockheed-Martin, Home Depot, Arco Aerospace and Northrop Grumman. For more information on the International Import-Export Institute and its programs in international trade, go to:

<http://www.expandglobal.com>.

The DETC Accrediting Commission was established in 1955 and is recognized by the U.S. Department of Education and the Council for Higher Education Accreditation for postsecondary programs. Today, more than 3 million Americans are enrolled in DETC-accredited institutions. Presently, there are 79 institutions accredited by the Accrediting Commission. For more information on DETC, go to <http://www.detc.org>.



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Names in the News

IIEI Welcomes New Corporate Members

IIEI is pleased to welcome its newest corporate members to the Institute's roster of global companies. Initiating new membership is the **International Merchandise Group, Inc. (IMG)**, offering home-



based business opportunities in the wholesale and surplus domestic merchandising and import/export industry. IMG provides hands-on training in support of their

global growth initiatives. More information is available at their website: www.imgrouponline.com.

IIEI also welcomes **The Global Connection**, based in Scottsdale, Arizona, and **BP West Coast Products' Integrated Supply and Trading** division in La Palma, California.

In addition to our newest members, IIEI is proud to recognize renewing corporate members; **Northrop Grumman, Partida Brokerage** and **Abbott Laboratories**.

MEMBERSHIP RENEWAL ONLINE

You can now register or renew your IIEI Membership online.

Simply visit our website at: <http://www.expandglobal.com>

Certification Board Names President

F. A. 'Ted' Nicholson has been appointed President of IIEI's sister organization, the Certification Board of Governors (CBG), the non-profit organization dedicated to serving the international trade community by maintaining the professional and ethical standards of performance.

The CBG establishes and monitors the standards by which industry certification is awarded to individuals by IIEI. Ted will manage the difficult task of

monitoring the ever changing needs and requirements within the industry and enforcing established standards. The CBG also works to insure that individuals serving within the industry are recognized for their contributions.

Ted draws upon his vast experience with such large corporations as Sperry, Dial, and Boeing. Hailing from the Philadelphia area, Ted holds a BA



from Princeton University and a MBA from the Wharton School of Business.

Contact Ted at:

tnicholson@expandglobal.com.

Trade Certifications Awarded

IIEI is pleased to announce the following certifications as we offer our sincere congratulations on each individuals' hard work and respective reward.

Achieving the distinction of **Certified Exporter[®]**

Liu Xiaokang, China
Jiantai Wu, China
Meng Xu, China

Shu Zang, China
Yan Xing, China
Li Deng, China

Certified International Trade Logistics Specialist[®]

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Obiageli Akundinobi, Nigeria
Osita Chukwuma, Nigeria
Ganiyu Odusanya, Nigeria
Samson Olorunlke, Nigeria
Roseline Oputa, Nigeria
Olufemi Taiwo, Nigeria

Festus Akinagbe, Nigeria
Joseph Bello, Nigeria
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Shola Oladele, Nigeria
Chukwuemeka Oputa, Nigeria
Adetunji Showole, Nigeria

Certified International Trade Documentation Specialist[®]

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Classes Starting Soon

Documentation for US Export Compliance (IEI 310A)	July 24
Understanding EAR (IEI 307)	July 31
Export/Import Environment (IEI 201)	August 14
Understanding ITAR (IEI 306)	September 11
Documentation for the Global Market (IEI 225)	October 2

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