

# The ATA Carnet

## Your Key to Unlocking Customs

by Cynthia Duncan

*United States Council for International Business*

Have you ever had your goods delayed at customs? Faced long procedures that waste your time and money? Look no further—the ATA Carnet unlocks customs for temporary exports.

### WHAT IS AN ATA CARNET?

Created by international convention more than 40 years ago to promote world trade, the ATA Carnet is a global customs document that facilitates the duty-free, tax-free, and hassle-free temporary entry of goods into foreign countries.

If the goods are “tools of the trade,” commercial samples, or items for an exhibition, then they may travel on carnet and will be exempt from the payment of duty and taxes at the time of entry. More than 75 countries and territories throughout Asia, Australia, Europe, and North America accept the ATA Carnet. The countries of South America, Central America, and the Caribbean are not carnet convention signatories. Carnets may be accepted in these and other countries; however, the United States Council for International Business will not guarantee such acceptance as a temporary importation.

### WHAT ARE OTHER BENEFITS OF THE ATA CARNET?

Not only do you avoid paying duty and VAT (15 to 25 percent of the total value of goods in the European Union, 27 percent in China), but an ATA Carnet

also enables you to avoid the following:

- Complicated customs procedures: one document for all customs transactions (export and import licenses must still be obtained, where necessary);
- Paying duty deposits;
- Posting temporary import bonds;
- Customs registration when departing the United States;
- Surprises: customs arrangements are made in advance at a predetermined cost (in U.S. dollars).

In addition, the ATA Carnet system enables you to reuse the carnet for unlimited exits from and entries into the United States and foreign countries for up to one year.

### WHAT MERCHANDISE IS COVERED BY AN ATA CARNET?

ATA Carnets cover virtually all goods, including commercial samples, professional equipment, and goods for trade shows and exhibitions. Carnets cover ordinary goods such as computers, repair tools; photographic, video, and sound equipment; industrial equipment, vehicles, apparel, and jewelry. The ATA Carnet can also cover extraordinary items such as human skulls, Olympic horses, prototype cars, America’s Cup-class yachts, and instruments for philharmonic orchestras. Carnets do



not cover consumable goods (food and agricultural products), disposable and hazardous items, or postal traffic.

### IS A SECURITY DEPOSIT REQUIRED?

Yes, as the ATA Carnet guaranteeing association, the United States Council for International Business requires a security deposit, usually equal to 40 percent of the total value of the goods. This deposit covers any customs claim that might result from a misused carnet. The security deposit may be in the form of a certified check or surety bond. Upon carnet cancellation, cash deposits are returned in full and surety bonds are terminated.

### HOW MUCH DOES AN ATA CARNET COST?

The cost of the carnet is determined by the value of the goods, but a shipment equal to \$50,000 will typically cost \$450 (surety bond premium included). Ancillary and expedited services are also available for an additional fee. The carnet may be used for up to 12 months.

### HOW CAN I APPLY FOR AN ATA CARNET AND HOW LONG DOES IT TAKE?

The quickest way to apply is on-line at [www.merchandisepassport.org](http://www.merchandisepassport.org), where carnets can be processed and sent to the customer in as little as 24 hours. Free carnet application software is also available.

The United States Council for International Business is a non-profit organization that promotes an open system of world trade, finance, and investment. The council has managed the ATA Carnet system in the United States since its appointment by the U.S. Department of the Treasury and the U.S. Customs Service in 1968.

### IF A COUNTRY DOES NOT ACCEPT CARNETS, WHAT ARE MY ALTERNATIVES?

For countries that do not accept carnets, companies can apply for a temporary import bond (TIB), a document that can be purchased from a customs broker at the time of entry. TIB deposits and payments are usually made in cash in the currency of the importing country. TIBs must also be posted each time a product is imported. Fees for posting TIBs vary across countries and depend on the type of product being imported. Companies should expect that it might take several months before the cash deposits are refunded. Companies should contact a customs broker in the importing country to post TIBs.

A partial list of countries that do not accept carnets can be found at [www.merchandisepassport.org](http://www.merchandisepassport.org). ■

#### MORE INFORMATION

U.S. Council for  
International Business  
Tel: (800) 5-DUTY-FREE  
(800-538-8937)  
E-mail: [atacarnet@uscib.org](mailto:atacarnet@uscib.org)  
Web site:  
[www.merchandisepassport.org](http://www.merchandisepassport.org)

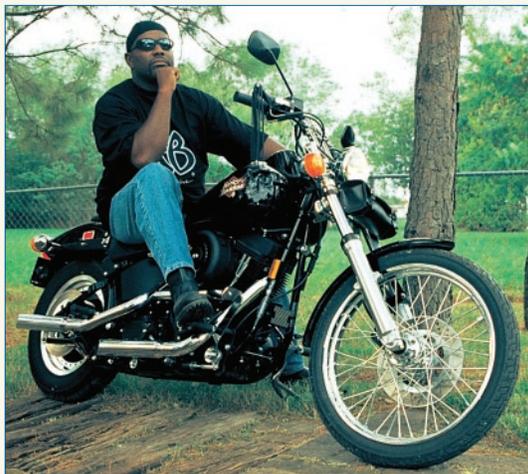
### WORLD'S LARGEST ROLLING BIRTHDAY PARTY

Harley-Davidson celebrated its 100th anniversary with the Open Road Tour, and the ATA Carnet made it affordable. The tour covered 10 cities from July 2002 to July 2003, beginning in Atlanta, with shows in Baltimore, Los Angeles, Toronto, Dallas, Sydney, Tokyo, Barcelona, and Hamburg and then ending back at the company's headquarters in Milwaukee, Wis. Forty container loads and 10,000 items traveled in "the world's largest rolling birthday party," which was quite a logistical challenge.

As staff from Harley-Davidson and freight forwarder Eagle Global Logistics prepared for the international leg of the tour, they considered how to carry out the intricate job of temporarily importing thousands of items into multiple countries.

They found an answer in the ATA Carnet. The use of carnets would not only eliminate duties and taxes but also reduce the delays and costs of physically crossing international borders. Everything including classic bikes, artifacts, motorcycle parts, and the equipment needed to mount the global party would be going to several venues. Total values might reach \$16,000,000 or more. The cost of depositing duties and taxes would have been enormous. The ATA Carnet allowed Harley-Davidson staff to

confidently step back from this aspect of the event and concentrate on other tour and show business.



"The importance of this event to Harley-Davidson goes without saying," noted Allen Clam, director of global logistics purchasing, planning, and control of Harley-Davidson. "The 'crew' that we have assembled

is absolutely essential to always doing whatever is required to get the job done right the first time. We have come to depend upon [this] organization for needed carnet and customs support."

One of the carnet service providers of the Council for International Business, the Corporation for International Business (CIB), helped design a viable carnet program for the tour. The carnet and customs expertise became indispensable to the project. CIB worked with the Web-based inventory system of Harley-Davidson to convert the inventory in a carnet general list format. This provided multiple location access to the thousands of general list items and transmission of the vital electronic data to U.S. and foreign customs agencies. As a result, a typical three-day border crossing into Canada took three hours.