



# ATA CARNET

The ATA Carnet is an international Customs document allowing specific goods to be transported in and out of foreign countries without having to pay applicable duties and taxes.

## BENEFITS

- Eliminates taxes and duties on merchandise
- Simplifies Customs procedures by acting as a certificate of registration
- Allows unlimited exit and entrance into the United States and foreign partner countries within one year
- Standard processing time is 48 hours but expedited service is available for additional charge
- More than 95 participating countries around the world
- Can be used for all modes of transportation: ocean, air, truck and hand-carried items.

The initials "ATA" are an acronym of the words "Temporary Admission."

Carnets are also known as the "Merchandise Passport."

## TYPES OF merchandise

### INDUSTRY/BUSINESS ITEMS

Commercial samples  
Professional equipment  
Trade show and exhibition displays

### ORDINARY GOODS

Computers  
Vehicles

### EXTRAORDINARY ITEMS

Rare gems and jewels  
Philharmonic orchestra  
Olympic horses

*The Carnet does not cover consumable goods, disposable items and postal traffic. The Carnet does not relieve an exporter of the obligation to comply with U.S. export controls. Other export licenses may be required for reasons of national security, foreign policy and short supply.*

# APPLICATION PROCESS

## 1 THE GENERAL LIST

The General List is an itemized list of all goods covered by the Carnet. Careful completion of this form is essential to ensure entry and exit from foreign countries. Each item must be accurately described and accompanied by the stated value. Include serial/model numbers whenever available. If the General List exceeds one page, additional fees will apply.

## 2 COMPLETING THE CARNET APPLICATION

The application defines who the Carnet holder is and includes general shipping information. It will help determine how many counterfoil/voucher and transit sheets will be needed.

## 3 CALCULATING THE PROCESSING FEE

The total shipment value determines the basic fee. Other fees may be incurred for expedited service or additional documents.

## 4 SECURITY REQUIREMENTS

Before Carnet issuance, each applicant must provide the U.S. Council for International Business (USCIB) with security at 40 percent of the total value of the items on the General List form. Road vehicles covered by a Carnet require 100 percent security for corporations or 150 percent if the holder is an individual. Although cash or a refundable claim deposit (RCD) may be posted, it may be necessary to hold the security deposit until the claim is resolved. The simplest way to provide security is to obtain a surety bond, which Avalon can process with the Carnet application.

### MOST CLAIMS OCCUR WHEN:



- **Goods are not re-exported in a timely manner.**
- **Sale of Goods** – Should goods be sold, complete a permanent entry on the goods, pay duties and taxes and document the Carnet number. Customs will document the transaction on the re-exportation voucher and corresponding counterfoil.
- **Disposal of Goods** – If the items are disposed of to avoid the costs of shipping back to the United States, the Carnet holder is responsible for the payment of duties and taxes.
- **Loss or Theft of Goods** – Goods lost or stolen are also subject to duties and taxes. Cargo Insurance may provide reimbursement in the event of an insured loss. For more information on Cargo Insurance, e-mail [carnets@avalonrisk.com](mailto:carnets@avalonrisk.com).
- **Carnet counterfoils are not properly validated by Customs** – If a Customs validation is not obtained when re-exporting from a foreign country, be sure to obtain validation upon re-importation into the United States, which provides proof the goods left a foreign country since they arrived in the United States. Should the Carnet not have a foreign validation or a U.S. validation upon re-importation, other documents showing entry into the United States or a Certificate of Disposition may provide proof and avoid a foreign Customs claim.

***If you become aware of a possible situation where a Carnet was used improperly or the Carnet holder may be responsible for paying duties and taxes, take action before the Carnet expires. Avalon can help keep your exposure to a minimum.***

***For more information, or to apply for an ATA Carnet, email [carnets@avalonrisk.com](mailto:carnets@avalonrisk.com) or call (650) 652-4100.***