



Global Watch®

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MAY/JUNE 2006, VOLUME 8, ISSUE 3

United States in Violation of WTO rules

The European Commission issued a notice on May 3, 2006, announcing that additional customs duties will be reintroduced as of May 16, 2006, as a result of a World Trade Organization (WTO) confirmation that the American Jobs Creation Act (Jobs Act) of 2004 provides federal tax subsidies to U.S. exporters in violation of WTO rules.

The Jobs Act was intended by U.S. lawmakers to replace the Extraterritorial Income Act and its predecessor, the Foreign Sales Corporation program, which were ruled by the WTO to be illegal export subsidies. When a WTO Appellate Body confirmed in February 2006 that the Jobs Act still left the United States in violation of WTO rules, the European Commission announced that it reserved the right to reimpose sanctions.

ITC Offers FREE Tool

The U.S. International Trade Commission (ITC) has issued a press release announcing that the agency has launched a new tool on its Internet web site that will allow users to sign up to receive automatic e-mail notifications when new content is released, including news releases, Federal Register notices, publications, updates to the U.S. Harmonized Tariff Schedule, and other general information about the agency.

The release noted that ITC website users should look for the "Subscribe to Free E-mail Updates!" icon, which are located on appropriate pages throughout the ITC web site.

The ITC's new subscription service can be accessed online at:
<http://www.usitc.gov/calendar/index.htm>

The Boeing Company and Goodrich / L-3 Communications Settle with the Government

See their State Department Consent Agreements at www.pmdtc.state.gov/consent_agreements.htm.

NEW Deadline for Registering For Classes

See article on page 12

Society for International Affairs Elects Joyce Remington as New President

See page 5

Major ITAR Overhaul Completed

The International Traffic in Arms Regulations (ITAR) (22 CFR 120 – 130) has undergone a major overhaul to fix typos and cross-referencing errors and to adjust several key points in the ITAR.

Two sections of the ITAR most notably had revisions that significantly change the rules. They are Section 127.12(c) which replaced the words "as soon as possible" with the word "immediately" and section 127.1(d) that added the words "knowingly or" in front of "willfully".

The Directorate of Defense Trade Controls' (DDTC) staff, with input from a committee of Society for International Affairs' volunteers, who spent months

combing the ITAR, cross-referencing and checking all portions of the regulations, recently complete the overhaul. Robert G. Joseph, Under Secretary for Arms Control and International Security, Department of State published the Federal Register notice (FR / Vol. 71, No. 77 / Friday, April 21, 2006 / Rules and Regulations, page 20534) that DDTC has formally amended the ITAR to reflect these changes. This demonstrates that industry and government can work together in pursuit of better arms control. For more information, visit DDTC online at:

http://www.pmdtc.org/itar_amendment_parts.htm

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Notes from the Executive Director

As a Matter of Interest

by *Dr. Donald N. Burton*



There are several key points to mention this issue. Or I should say there is so much happening that I have been forced to give up my full space.

I am pleased to announce the addition of two new members to our management team here at the IIEI. Dr. Frank Toney has been appointed Dean of Education and Bob Geiges is Vice President of International Marketing. Frank's years of experience developing university curriculum will help us expand our educational programs. Bob has the challenging assignment of helping organizations worldwide to become partners with us, offering our coursewear and programs or becoming partners in our certification programs for their workers.

After a careful inspection, we discovered all of the top 50 aerospace and defense companies have enrolled employees in courses lead-

ing to one or more of the industry certifications we offer. This shows our phenomenal growth over the past few years. Classes are in such demand that we have been forced to seek more faculty members to fill the rapidly expanding number of courses we offer. This growth has also caused us to move the last registration date for classes to one week prior to the class start date. In most instances, this won't impact students because the classes are already filling up two to three weeks before the class start dates.

Attending the recent SIA Advanced Defense Trade Licensing Conference in Denver, I was very happy to have the chance to meet so many of our students. I was surprised at how many of those in attendance were wearing their Certified U.S. Export Compliance Officer® pins. Checking the atten-

Director - Continued on page 12

Defense Trade Controls Licensing Reorganizes

Effective immediately, Office of Defense Trade Controls Licensing divisions have been realigned.

The principal change is that technical assistance and manufacturing license agreements will now be assigned to divisions on the basis of U.S. Munitions List (USML) categories. There is no longer a licensing division dedicated solely to agreements.

In order to efficiently assign agreements to appropriate divisions, applicants should cite the applicable Munitions List Category/Categories on the

first page of the transmittal letter.

USML categories are no longer split between divisions, with the exception of Category III. Please see the details of these changes at <http://www.pmdt.state.gov/team.htm> Points of contact for OEF/OIF licenses are also designated on each of the divisions, which will replace the current single point of contact for such cases. For more information visit: www.pmdt.state.gov/licensing_office_realignment_notice.htm

European
Union

Guidance on Completing the EUR 1 Certificate of Origin

The applicant should have completed a Formal Undertaking and read a copy of the HM Customs and Excise Notices 827, 828 and 829 before submitting documents for certification. These Rules are available from HM Customs and Excise <http://www.hmrc.gov.uk> or by telephoning the National Advice Service Helpline 0845 010 9000 between 8.00 a.m. and 8.00 p.m. Monday to Friday. (GMT).

The Certificate should be completed in typescript whenever possible. In exceptional circumstances where certificates are completed by hand, they will only be accepted by the certification staff if they are clearly written using BLOCK letters.

EUR1 Certificates should always be provided with the exporter's invoice plus other relevant back-up information as required. The documents submitted must not contain erasures or superimposed corrections. Alterations may only be made by crossing out entries as necessary. Any such alterations must be initialled by the person making them.

Submission of Documents

When documents are submitted to the Chamber for Certification, the minimum requirements are (a letter of credit or customer may request certification of additional copies)

1. Original EUR1 Certificate
2. Copy Invoice (with original signature)

The appropriate boxes on the Certificate should be completed as follows:

Page 1

Box 1: Consignor

This box must indicate the name and address of the UK exporter.

Box 2:

Insert the name of the country of destination

Box 3: Consignee

You are recommended to insert the name of the consignee however this is not mandatory.

Box 4: Country, group of countries or territory in which the products are considered as originating

N.B. for exports to Iceland, Norway, and Liechtenstein, you should normally insert "EEA" (European Economic Area) instead of "EC" (European Community) in this box. One possible exception to this, is if the rate of duty in Norway or Iceland for EC goods is lower than the EEA rate.

This would happen where an EC preferential rate was already in existence when the EEA came into force, and will usually only apply to chapters 1 – 24 products. Check with your customer prior to export. In such cases Box 4 should be left as it is.

Box 5: Country of destination

Put in the name of the individual country of destination.

Box 6: Transport details

Leave this blank

Box 7: Remarks

Put in one of the following endorsements, where necessary. Otherwise leave it blank.

"Duplicate"

Insert this if you are applying for a duplicate movement certificate EUR1 for example because the original has been lost. You must explain the reason (see paragraph 3.10 of Notice 827)

"Issued retrospectively"

Insert these words if the goods have left the country before application for a movement certificate EUR1 is made. Also, add on page 4 under paragraph 1 of the application, "and that no movement certificate EUR1 for these goods has previously been issued" (see paragraph 3.11. of Notice 827).

"Replacement of movement certificate EUR1 issued in....."

Put this if paragraph 6.1 of Notice 827 applies and insert the country concerned.

Box: 8

Put item numbers and identifying marks and numbers in the space on the

EUR 1 - Continued on page 9

American Conference Institute

Upcoming 2006 International Trade & Defense Related Event

**National Forum on International Traffic in Arms Regulations
Compliance; June 20 & 21, 2006; Workshops, June 19 & 22
Watergate Hotel, Washington, DC**



All the latest on: jurisdiction & classification determinations, technical data & defense services transfers, re-exports & re-transfers, brokering, merger & acquisition due diligence and a wide-range of other timely

HOT topics like "What to do when the Grand Jury comes knocking?" and analysis of the latest Settlements with Goodrich/L-3 and Boeing

For complete details and registration go to www.americanconference.com



**U.S. Bureau of Industry and Security
Update**

**Freight Forwarder
Guidance**

CHANGES IN PENALTIES

Criminal (Maximums):

Export Administration Regulations (EAR)

Individual - 10 years imprisonment - \$25,000 per violation

Corporation - \$500,000 per violation

**NEW - Enhanced International Emergency Economic Powers Act (IEEPA)
20 Years Imprisonment**

Civil (Maximums):

EAR - \$11,000 per violation - \$120,000 per national security violation and may include denial of export privileges

NEW - Enhanced IEEPA - \$50,000 per violation

Source: Patriot Act Reauthorization, March 9th, 2006

**Condition on Permanent Employees
access to Controlled Technology/Technical Data**

The following condition has been the subject of several Advisory Opinion requests. For that reason, BIS is providing the agency interpretation of this condition.

The Condition:

Only permanent employees of (name of the consignee) are authorized access to this controlled technology/technical data.

The interpretation: Data can only be released to persons that are in a long term employment arrangement with the consignee. This condition is intended to exclude release of the technology licensed for export to employees of the ultimate consignee/end user who are contract employees, temporary employees, consultants, and others who are not subject to all of the conditions/benefits of permanent, fulltime employment.

In addition, unless otherwise specified, this condition limits release of the controlled technology/technical data to permanent employees of the ultimate consignee/end user who are citizens or permanent residents of the country in which the ultimate onsignee/end user is located. Exports

of technical data are treated somewhat differently from exports of commodities under the EAR, in that the release of technical data subject to the EAR to a foreign national in the United States or abroad is deemed to be an export or reexport, respectively, to the home country of the foreign national (EAR §734.2(b)(2) and (b)(5)).

On certain licenses, the condition has been explicitly expanded to authorize release within the country where the ultimate consignee/end user is located to employees who are citizens of specified other countries. An example of this expansion is, "Employees must be citizens of (host country of consignee), citizens of European Union countries or citizens of the United States. In no case other than as explicitly authorized by the above noted expansion of the condition does this condition authorize release of controlled technology/technical data to permanent employees who are not citizens or permanent residents of the country in which the ultimate consignee/end user is located.

Source: [www.bis.doc.gov/
PoliciesAndRegulations/
AdvisoryOpinions.htm](http://www.bis.doc.gov/PoliciesAndRegulations/AdvisoryOpinions.htm)

The Export Administration Regulations (EAR) place legal responsibility on all persons who have information, authority or functions relevant to carrying out export transactions subject to the EAR. Forwarding agents may have compliance responsibilities under the EAR even when their actions are dependent upon information or instructions given by those who use their services. However, hiring a forwarding or other agent (hereafter "agent") to perform various tasks does not necessarily relieve a party of its compliance responsibilities.

On July 10, 2000, the Bureau of Industry and Security published amendments to the EAR affecting relevant sections to the EAR, including: Section 748.5, regarding parties to a transaction, Part 758 on export clearance, and relevant definitions in Part 772.

Primary responsibility for compliance with the EAR falls on the **"principal parties in interest"** (PPI) in a transaction. Generally, the PPIs in an export transaction are the U.S. seller and the foreign buyer.

In a **"routed export transaction,"** in which the foreign PPI authorizes a U.S. agent to facilitate the export of items from the United States, the U.S. PPI may obtain from the foreign PPI a writing in which the foreign PPI expressly assumes responsibility for determining licensing requirements and obtaining authorization for the export. In this case, the U.S. agent

Forwarder - Continued on page 10

DDTC Update

Directorate of Defense Trade Controls

Penalties and Violations

- Administrative/Civil: \$500,000 per violation.
- Criminal/Willful: Up to \$1,000,000 per violation for corporations and up to \$1,000,000 per violation and up to 10 years in jail per violation for individuals.

Source: ITAR Part 127.3, Sections 38 and 39 of the Arms Export Control Act

Examples of Some Important Lists

The following lists are relevant to your export, re-export and import transactions.

Denied Persons List <http://www.bis.doc.gov/dpl/Default.shtm>

A list of individuals and entities that have been denied export privileges. Any dealings with a party on this list that would violate the terms of its denial order is prohibited.

Unverified List http://www.bis.doc.gov/Enforcement/UnverifiedList/unverified_parties.html

A list of parties where BIS has been unable to verify the end use in prior transactions. The presence of a party on this list in a transaction is a "Red Flag" that should be resolved before proceeding with the transaction.

Entity List <http://www.bis.doc.gov/Entities/Default.htm>

A list of parties whose presence in a transaction can trigger a license requirement under the Export Administration Regulations (EAR). The list specifies the license requirements that apply to each listed party. These license requirements are in addition to any license requirements imposed on the transaction by EAR other provisions.

You can't do business with an entity on these lists and others.

Specially Designated Nationals List

<http://www.treas.gov/offices/enforcement/ofac/sdn/>

A list compiled by the Treasury Department, Office of Foreign Assets Control (OFAC). OFAC's regulations may prohibit a transaction if a party on this list is involved. In addition, the EAR require a license for exports or reexports to any party in any entry on this list that contains any of the suffixes "SDGT", "SDT", or "FTO".

Debarred List <http://pmdtc.org/debar059.htm>

A list compiled by the State Department of parties who are barred by §127.7 of the International Traffic in Arms Regulations (ITAR) (22 CFR §127.7) from participating directly or indirectly in the export of defense articles, including technical data or in the furnishing of defense services for which a license or approval is required by the ITAR.

Nonproliferation Sanctions
<http://www.state.gov/t/isn/c15231.htm>

Several lists compiled by the State Department of parties that have been sanctioned under various statutes. The Federal Register notice imposing sanctions on a party states the sanctions that apply to that party. Some of these sanctioned parties are subject to BIS's license application denial policy described in §744.19 of the EAR (15 CFR §744.19).

SIA Elects New President

The Society for International Affairs (SIA), a 501(C)(3) non-profit organization whose mission is to provide a forum for the exchange of information related to export and import licensing, elected Joyce Remington of BAE Systems as its new President, replacing outgoing President Greg Creeser of the Goodrich Corporation. It will be Ms. Remington's task to lead the 37 year old organization firmly into the 21st century.

Ms. Remington, whose career in trade compliance began in 1981, is the Director, Export/Import Licensing, for BAE Systems Inc.'s Washington Office. In this position she is responsible for coordinating the export/import licensing requirements for the company's lines of business. In addition, she is the primary point of contact with the various governmental agencies involved in the review of BAE System's licenses. The position also involves training all personnel within the company involved in international trade on the requirements of the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). This training takes into account BAE System's unique regulatory compliance requirements as a transnational corporation with ultimate ownership by a U.K. parent company: i.e. BAE's requirement to function under a DoD Special Security Agreement (SSA).

SIA President - Continued on page 11

In Compliance....

Are the Expert Presenters Experts?

By IIEI Staff

The International Import-Export Institute receives many letters each year from people and organizations within the U.S. trade compliance community questioning information they received from a featured government or industry speaker at one of several different organizations' trade compliance conferences, workshops, seminars and other such events .

These letters generally fall into four categories.

1. They believe the speaker was wrong in their views of the regulations and are concerned about how to proceed.
2. They are in the process of submitting an export license, agreement or other document and want to know how to use the speaker's PowerPoint® slides as references to their application or for education and training within their organization.
3. They want to know what value or use there is in going to an event to learn the regulations from government employees or seasoned industry practitioners if all of the comments are "off the record and not for attribution."
4. The speaker refused to address difficult questions from the audience or members of the host organization filtered out tough questions.

These are difficult issues based on a long history of non-attribution. Members of several of these providers have indicated that non-attribution was the "only way to get government officials to come and speak at our meetings." Other organizations followed that lead and as a result, nothing a government official says at some of these events can be quoted or attributed, or more importantly, used to defend or support any export trade or compliance effort or position.

However, speaker's words are given expert status by those in attendance and believed, especially by people new to the industry. Unfortunately, the inaccuracy of information provided can spell disaster if relied upon and the message is in error. Such bad advice could result in a violation of the regulations. What should the novice do?

How many mistakes are too many? Some industry experts claim that at every event one or more speakers say something incorrect. Errors are human. Should the novice be the one to suffer if

they believe and take action based on misinformation? In the question and answer periods these are sometimes caught, sometimes not. Further, sometimes the mistakes are addressed when caught, sometimes not.

Should government or industry experts speaking at these public events be accountable to find out the answers people ask at conferences that are directly related to sensitive or timely topics these experts covered?

How accountable are the touted government or industry experts who disseminate information at these conferences? Should their comments be permitted to be "off the record?" Should errors be allowed without timely corrective action to insure all attendees get accurate information? How should this be done?

The editors of GlobalWatch® would like to get readers' opinion on these issues. Direct your response in email form to opinion@expandglobal.com Please put "Compliance Experts" in the subject line. Your comments will be covered in future issues of GlobalWatch®.

There is No Such
Thing as Partial
Compliance



Approved Provider Complaints

The Certification Board of Governors (CBG) takes complaints about an Approved Provider (AP) or Approved Continuing Education Provider (ACEP) very seriously. The CBG's independent endorsement indicates an AP or ACEP is a credible and reputable organization that presents accurate and complete education or training to the global trade compliance community. The CBG expects every AP and ACEP to maintain the highest standards of ethics and business practices to best support practitioners in our demanding and dynamic international marketplace.

The CBG is in the process of evaluating complaints about one of the CBG's ACEPs. The CBG assures our professional industry and government counterparts around the world that we take such complaints most seriously and will thoroughly assess every one submitted. A list of current APs is available on the CBG

website at <http://www.industrycertification.org/providers.htm>. A list of current ACEPs is available at http://www.industrycertification.org/CEU_providers.htm. Also note, designation as an AP or ACEP is not necessarily permanent and is assessed on an ongoing basis.

If you have a concern or complaint about any CBG AP or ACEP, please send an email with specific details to certification@industrycertification.org. The CBG guarantees its Compliance & Enforcement Committee will look into and verify such allegations, concerns and potential or actual violations of the letter or spirit of ethical conduct. Also note, the CBG is reevaluating and refining AP and ACEP criteria. Look for additional details in the next issue of GlobalWatch®.

What does "Ethical" mean to You and Your Company?

Every company needs a Code of Ethics or similar document for its employees. Below is an excellent starting point when it comes to doing business with the U.S. Government or any other business for that matter.

Obey the Law

We will conduct our business in accordance with all applicable laws and regulations. The laws and regulations related to contracting with the United States government are far reaching and complex, thus placing burdens on Lockheed Martin that are in addition to those faced by companies without extensive government contracts. Compliance with the law does not comprise our entire ethical responsibility. Rather, it is a minimum, absolutely essential condition for performance of our duties.

Excerpted from the Lockheed Martin Code of Ethics.

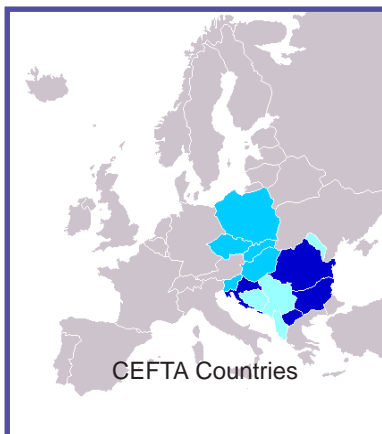
Source: http://ethics.iit.edu/codes/coe/Setting_Standard_Martin.html

Central European Free Trade Agreement

The **Central European Free Trade Agreement (CEFTA)** is a trade agreement between [Romania](#), [Bulgaria](#), [Croatia](#) and the [Republic of Macedonia](#). Former members are [Poland](#), the [Czech Republic](#), [Slovakia](#), [Hungary](#) and [Slovenia](#).

CEFTA was established by Poland, Hungary and [Czechoslovakia](#) on [21 December 1992](#) in [Kraków](#), Poland. Slovenia joined CEFTA in [1996](#), Romania in [1997](#), Bulgaria in [1998](#), Croatia in [2002](#) and the Republic of Macedonia in [2006](#).

Through CEFTA, participating coun-



CEFTA Countries

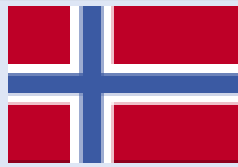
tries hoped to mobilize efforts to integrate [Western European](#) institutions and through this, to join European political, economic, security and legal systems, thereby consolidating [democracy](#) and [free-market](#) economics.

All the participating countries had previously signed association agreements with the [European Union \(EU\)](#), so in fact CEFTA serves as a preparation for full EU membership, and all CEFTA countries have applied to join the EU (Poland, the Czech Republic, Hungary, Slovakia, Slovenia have

joined the EU on [May 1, 2004](#), Bulgaria and Romania are scheduled to do so on [January 1, 2007](#), Croatia does not yet have a date specified but is in the process of accession negotiations). At the EU's recommendation, the future members prepared for membership by establishing free trade areas. A large proportion of CEFTA foreign trade is with EU countries.

In the same period when CEFTA was built the [newly independent states](#) in the [Baltic](#) created a similar [Baltic Free Trade Area \(BAFTA\)](#). It ceased to exist when its members ([Estonia](#), [Lithuania](#) and [Latvia](#)) joined the EU on [May 1, 2004](#).

Source: http://en.wikipedia.org/wiki/Central_European_Free_Trade_Agreement



Country Profile

Norway

Norway, or officially the Kingdom of Norway, is a Nordic country on the western portion of the Scandinavian Peninsula, bordering Sweden, Finland and Russia. Norway's extensive coastline along the North Atlantic Ocean is home to its famous fjords, or steep-sloped inlets.

The Norwegian population is ethnically Nordic / North Germanic, while small minorities in the north are Sami or Finnish. The Norwegian language has two official written forms, Bokmål and Nynorsk. Around 95 percent of the population speak Norwegian as their native tongue, although many speak dialects that differ significantly from the written language.

In recent years, immigration has accounted for more than half the population growth, and 7.9% of the population are immigrants as of January 1st, 2005. The largest immigrant groups are Pakistanis, Swedes, Danes, Iraqis, Vietnamese and Somalis. (Here, immigrants are defined as

persons with two foreign-born parents).

Approximately 86% of Norway's inhabitants are members of the state church, the Evangelic Lutheran Church of Norway. Other Christian denominations total about 4.5 and among other religions, Islam is the largest in Norway with about 1.5%. Other religions comprise less than 1% each.

Though Norway originally claimed neutrality and sovereignty in the early part of the 20th century, they were under Nazi occupation for 5 years during the height of World War II.

The Norwegian economy is a prosperous bastion of social capitalism, featuring a combination of free market activity and government intervention. The government controls key areas, such as the vital petroleum sector. The country is richly endowed with natural resources - petroleum, hydropower, fish, forests, and minerals - and has obtained one of the highest standards of living in the world partly from petroleum production; in 2004, oil and gas accounted for 50% of exports. Only Saudi Arabia and Russia export more oil than Norway, which is not a member of Organization of the Petroleum Exporting Countries (OPEC).

Norway opted to stay out of the European Union (EU) during a referendum in 1972, and again in November 1994. However, Norway, together with Iceland and Liechtenstein, participates in the EU's single market via the Euro-

Norway
at a Glance

GDP: \$257.9 billion (2005 est.)

GDP - real growth: 3.7% (2005 est.)

GDP - per capita: purchasing power parity -\$194.7 billion (2005 est.)

Inflation Rate: 4.6% (2005 est.)

Labor Force: 15.23 million economically active (2005 est.)

Unemployment Rate: 25.2% (2005 est.)

Population: 4,610,820 (July 2006 est.)

Exports: \$111.2 billion f.o.b. (2005 est.)

Exports - Commodities: petroleum and petroleum products, machinery and equipment, metals, chemicals, ships, fish

Exports - Markets: UK 22.3%, Germany 12.9%, Netherlands 9.9%, France 9.6%, US 8.4%, Sweden 6.7% (2004)

Imports: \$58.12 billion f.o.b. (2005 est.)

Import Commodities: machinery and equipment, chemicals, metals, foodstuffs

Import Partners: Sweden 15.7%, Germany 13.6%, Denmark 7.3%, UK 6.5%, China 5%, US 4.9%, Netherlands 4.4%, France 4.3%, Finland 4.1% (2004)

Exchange Rate: Norwegian Kroner per US dollar - 6.4425 (2005),

Internet Users: 3.14 million (2005)

Internet Hosts: 1,342,667 (2005)

Source: CIA World Fact Book



EUR 1 - Continued from page 3

left-hand side of the box. (But see also "Description of goods" below).

Item Numbers

If different types of goods are shown separately on the invoice(s) show each type separately on the movement certificate EUR1 and itemise them (1, 2, 3 etc). Leave no space between different items.

Identifying marks and numbers

Give identifying marks and numbers on the packages here. If the packages are addressed to the consignee, state the address. If they are not marked in any way, put "No marks and numbers". If both originating and non-originating goods are packed together, add "part contents only" at the end. (The insertions should be made in the space on the left-hand side of the box). (But see also "Description of goods" below).

Number and kinds of packages for example bales, cartons, drums

For goods in bulk which are not packed insert "in bulk". The quantity shown must be the same as or relatable to the quantity stated on the invoice for the goods. For example, if the invoice merely shows 100 cartons and these are loaded on to 10 pallets, specify "100 cartons" not "10 pallets".

Description of goods

Identify the goods by giving a reasonable full commercial description, for example "photocopiers" or "typewriters" instead of "office machinery". However, if the invoices give full identifying details (which need not necessarily include details of the marks and numbers of the packages) only a general description is necessary. In such cases, you must fill in **Box 10** showing the numbers and dates of the invoices (or dates only, if there are no numbers). If instead of invoices other evidence is given (see paragraph 3.5 of Notice 827), then this way of filling in Box 8 cannot be used.

Mixed Consignments

For consignments of both originating and non-originating goods, describe only the originating goods. You may be unable to avoid showing non-

originating goods on the invoices. If so, mark the invoice (for example, with an asterisk) to show which are non-originating goods. Then put an appropriate statement in **Box 8** immediately below the description of the goods, for example:

Goods marked * on the invoice are non-originating and are not covered by this movement certificate EUR1.

Unused space

Draw a horizontal line under the only or final item in this box, and rule through the unused space with a "Z-shaped" line.

Box 9: Gross weight or other measure

Imperial measure (for example tons, gallons) will be accepted but exporters are recommended whenever possible to give quantities in metric measure.

Box 10: Invoices

Whenever possible, state the number(s), if any, and date(s) of the invoice(s) relating to the goods and produced with the movement certificate EUR1. See also **Box 8** – Description of Goods.

Box 11: Customs endorsement

Leave this blank.

Box 12: Declaration by the exporter

The signature must not be mechanically reproduced or made with a rubber stamp. By signing the form, you declare that the goods qualify as originating products under the provisions of the relevant preference agreements. If this declaration is incorrect, an offence under the Customs and Excise Management Act 1979, section 167 has been committed. Forwarding agents acting simply as forwarding agents are not exporters and must not sign this box unless prior authorisation has been given (see paragraph 3.2 Notice 827).

Page 2

Leave this blank.

Page 3

Provide a complete copy of **Page 1**. It need not however be signed in manuscript (a "Carbon" signature is acceptable).

Page 4 (Application form)

Paragraph 2

You must:

- Use the declaration at (a) or b(i) or b(ii);
- and

- State what the 4-figure tariff classification of the goods is.

You must also declare that:

- The goods are originating products as defined by the rules Notice 828 or 829;
- and:
- You hold the evidence in one of the forms shown in the appropriate Notice.
- Declarations, which must bear an original signature, may be in the forms shown below. The signatory should be the same as in Box 12 on Page 1.

(a) Exporters who have manufactured/produced the exported goods

"The goods shown on the movement certificate EUR1 were manufactured/produced by the exporter and are classified under

(4 figure tariff heading)

They satisfy the appropriate qualifying process in Notice *828/829".

*Delete where appropriate

(b) Exporters who have bought in goods for export in the same state

Goods manufactured/produced in the EC.

"The goods shown on the movement certificate EUR1 were *manufactured/produced in the EC and are classified under

(4 figure tariff heading).

Evidence of their originating status in one of the forms specified in Notice 827 is held by *me/us".

*Delete where appropriate Goods *manufactured/produced in any other country: "The goods were imported from (Name of Country) Under cover of a *movement certificate EUR1/invoice declaration and are being re-exported in the same state". The goods are classified under

(4 figure tariff heading)

*Delete where appropriate.

See Paragraphs 6.1 and 6.4 of Notice 827 for possible applications of this declaration.

Pages 5 and 6

Page 5 is a copy of page 3. It need not be signed. Page 6 is a copy of page 4. These pages form the duplicate application form. You may find it useful to keep it as an office copy.

Forwarder - *Continued from page 4*

acting for the foreign PPI is the “exporter” under the EAR, and is responsible for determining licensing authority and obtaining the appropriate license or other authorization for the export.

An agent representing the foreign PPI in this type of routed export transaction must obtain a power of attorney or other written authorization in order to act on its behalf.

In a routed export transaction, if the U.S. PPI does not obtain from the foreign PPI the writing described above, then the U.S. PPI is the “exporter” and must determine licensing authority and obtain the appropriate license or other authorization.

In a routed export transaction in which the foreign PPI assumes responsibility for determining the appropriate authorization for the export, the EAR require the U.S. PPI to furnish the foreign PPI and its agent, upon request, with the correct Export Control Classification Number (ECCN) or sufficient technical information to determine the ECCN. In addition, the U.S. PPI must provide the foreign PPI and its agent with any information that it knows will affect the determination of license authority.

In a transaction that is not a routed export transaction, if the U.S.

PPI authorizes an agent to prepare and file the export declaration on its behalf, the U.S. PPI is the “exporter” under the EAR and is required to :

(A) provide the agent with the information necessary to complete the Shipper’s Export Declaration (SED);

(B) authorize the agent to complete the SED by power of attorney or other written authorization, or by signing the authorization block on the SED; and

(C) maintain documentation to support the information provided to the agent for completing the SED.

If authorized by either the U.S. or foreign PPI, the agent is responsible for:

(A) preparing the SED based on information received from the U.S. PPI;

(B) maintaining documentation to support the information reported on the export declaration; and

(C) upon request, providing the U.S. PPI with a copy of the SED filed by the agent.

Agents are responsible for the representations they make by signing an export declaration. Moreover, no person may proceed with any transaction knowing that a violation has occurred, is about to occur or

is intended to occur in connection with it. It is the agent’s responsibility to understand its obligations.

Agents, especially those acting as the “exporter,” should understand the “Know Your Customer” Guidance and Red Flags found in Supplement No. 1 to Part 732 of the EAR. Agents and exporters should decide whether there are Red Flags, inquire about them, and ensure that suspicious circumstances are not ignored.

Both the agent and the PPI which has hired it are responsible for the correctness of each entry made on a SED. Good faith reliance on information obtained from the PPI can help protect an agent, but the careless use of pre-printed “No License Required” forms or unsupported entries can get an agent into trouble.

An agent should avoid making commodity classifications for which it lacks technical expertise, and should obtain support documentation for ECCNs and other material.

Jobs Anyone?

Did you know that IIEI puts job postings on its web site free of charge to employers and free to job seekers? Visit our main page (www.iiei.edu) and then click on *Library Store and More*, then click *IIEI JobNet*. Enjoy!

Employers may send their postings in Word Doc format only to jobnet@expandglobal.com. Please be sure to tell us the location of the job and then inform us when the position has been filled.

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Compliance of UK Third Party Declarants

UK JOINT CUSTOMS CONSULTATIVE COMMITTEE INFORMATION PAPER (05) 35

Findings of a comprehensive national review of 18,000 export declarations by Her Majesty's Revenue and Customs (HMRC) of 1600 traders into the accuracy of export declarations revealed that **85% of entries were found to be completed by agents or third parties.**

The findings of this study and one other review indicate significant non-compliance with requirements for the completion of export declarations. Some of the more serious shortcomings are

- 19% of declared values were incorrect
- 20% of commodity codes were incorrect
- 14% of declarations did not agree with the actual weight/packages actually exported

- 20% of all exports from the UK are declared as being for private (PR) or unregistered (UNREG) traders.

Obligation

Exporters and their agents are reminded that under the provisions of Article 199 of Regulation 2454/93EEC the declarant or his representative are responsible for

- the accuracy of the information given in the declaration
- the authenticity of documents attached, and
- compliance with all the obligations relating to the entry of the goods in question under the procedure concerned.

Switzerland's Contribution to the Enlarged EU

The enlargement of the European Union (EU) represents a major step towards securing peace, stability and prosperity in Europe, from which Switzerland will also benefit. To support this process, the Switzerland's Federal Council and parliament have decided to make a contribution to the reduction of the economic and social disparities in the enlarged EU. The Swiss contribution towards the ten new member states amounts to a total of CHF 1 billion over a period of five years. It forms part of Switzerland's European policy and is decisive for the

success of the bilateral path. The contribution will take the form of projects which Switzerland will select and carry out autonomously and in close cooperation with the recipient states. The financing will not have an impact on the federal budget, in other words taxpayers will not be expected to shoulder any additional costs. Through this contribution, Switzerland is continuing the cooperation with Eastern Europe that it has been making since the end of the Cold War. The legal basis is provided by the Federal Law on

Swiss - Continued on page 12

SIA President - Continued from page 5

A graduate of the University of South Carolina, Ms. Remington also obtained certification as a paralegal from the University of Maryland, University College. She also participated in both George Mason University's and the University of Phoenix MBA programs.

Ms. Remington has served on the Board of Directors for the SIA since 1998 where she has been actively involved in supporting SIA's mission of educating the exporting community. In addition, she has participated on international trade roundtables sponsored by the Council on Foreign Relations (CFR) and the Center for Strategic and International Studies (CSIS) and in association committees e.g. the Aerospace Industries Association (AIA), International Council, Electronic Industries Alliance (EIA), International Trade Committee, American League for Exports & Security Assistance (ALESA), National Defense Industrial Association (NDIA) and Women In Defense (WID).

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What should I consider before importing something?

The information presented here is from the U.S. resource perspective, but generally, the process is the same in all countries.

Requirements for importing specific commodities depend on a wide variety of things. Some information, such as whether an item is subject to quota restrictions, eligible for reduced rates of duty, or restricted from entry because they originate in an embargoed country, can be determined only if you know the item's Harmonized Tariff Schedule (HTS) classification number. Determining an item's HTS number can be extremely complicated. Please see our information under [Duty Rates](http://www.cbp.gov/xp/cgov/import/duty_rates/determining.xml) (http://www.cbp.gov/xp/cgov/import/duty_rates/determining.xml) in the Import section of this web site.

Other requirements depend on other agencies' safety, energy efficiency, health, etc. standards. Many of the items governed by these various rules cannot be imported without a permit from the related agency. See the chapter on Special Requirements in our publication "[Importing Into the U.S.](http://www.customs.gov/xp/cgov/toolbox/publications/trade/)" (<http://www.customs.gov/xp/cgov/toolbox/publications/trade/>) for more information.

Another thing to consider is marking of country of origin. Everything imported for use in the U.S. must be marked with the country of origin, but some things are very hard, or impossible, to mark, such as diamonds, flowers, or water. See our publication "[Marking of Country of Origin](http://www.cbp.gov/xp/cgov/toolbox/publications/trade/)" ([http://www.cbp.gov/](http://www.cbp.gov/xp/cgov/toolbox/publications/trade/)

[xp/cgov/toolbox/publications/trade/](http://www.cbp.gov/xp/cgov/toolbox/publications/trade/)) for more information about marking.

Finally, the distribution of many trademarked and copyrighted items in this country is restricted by contractual agreements that give exclusive rights to specific companies or individuals to distribute the product in this country. If you attempt to import a product covered by such an agreement, it could be seized at the border. For more information please see our information on [Intellectual Property Rights](http://www.cbp.gov/xp/cgov/import/commercial_enforcement/ipr/). (http://www.cbp.gov/xp/cgov/import/commercial_enforcement/ipr/)

This has been an attempt to give some thumbnail guidelines. However, each country has different rules, circumstances change every day, and it is advisable to call your local port authority in your country for specific guidance in importing your particular commodity. We also advise you to review our series of [Informed Compliance Publications](http://www.customs.gov/xp/cgov/toolbox/legal/informed_compliance_pubs/). (http://www.customs.gov/xp/cgov/toolbox/legal/informed_compliance_pubs/) They provide very detailed guidance on importing a variety of items.

Director - *Continued from page 2*

dance list once I returned to the office, I found that nearly 20% of those in attendance at the conference were IIEI alumni. All those I spoke to said their education with the IIEI and their certification is helping them in the careers and daily performance in their jobs. Wonderful news!

Hope you enjoy this issue of GlobalWatch®.

New Deadline for Class Registrations

Because of the tremendous increase in course registrations, the IIEI is no longer able to enroll students at the last minute for a class. To insure that all administrative tasks associated with enrolling a student are accurately completed, IIEI Administration has set a deadline of one week prior to the class start date as the last day to enroll in a course. Students will need to complete their course registrations by Thursday at 5 pm for classes starting the next Thursday. Note that a person is not fully enrolled in a class until all necessary paperwork is received by IIEI Administration.

This deadline won't impact most students who already enroll early to insure that they have a place in the start date they have chosen. Most classes tend to fill far in advance of the last day to enroll. Failure to complete the registration by the deadline will result in the student being offered a later class start date.

Swiss - Continued from page 11

Eastern Europe (FL EE), which is subject to an optional referendum. On 24 March 2006, the Swiss Parliament passed this Federal Law by 127 votes to 53 (and 14 abstentions) in the National Council and by 37 votes to 1 (and 6 abstentions) in the Council of States. Several political parties and organizations have announced their intention to seek a referendum against the Federal Law.

Source: www.europa.admin.ch/europapoli/beitrag/e/index.htm



Your Bachelor Degree

Most schools may be out for the summer shortly, but not the International Import-Export Institute (IEI). Not surprisingly many students who take classes for certification, then become degree seeking students because they found out that their certification courses are part of the Bachelor of Science in International Trade Management degree program. For this and many other reasons we have seen a dramatic increase in degree program applicants.

Once a student decides to apply, they are happy to learn that their prior college credits can be used—even if it is old, in most cases. The result is a faster and more focused program that emphasizes a practical approach to international trade and compliance issues.

Once students are admitted, a schedule and graduation goal is tentatively mapped out. Depending on the program scheduling and prior credit earned, accomplished students can expect to graduate in as little as a year or two. Motivated students will find the program rigorous without being overwhelming, and all the advantages of online learning still apply.

Anyone interested in completing their bachelor degree should contact an Enrollment Advisor or the Office of the Registrar for further information. This summer may be the perfect opportunity to advance your skills and education in a growing field and the IEI can help.

Certification Help

We are pleased to announce Victor Sanchez will be helping students to meet their certification goals. Victor supports the Director of Certification Programs, Caulyne Barron, to coordinate certification exams with students.

In this new role, Victor sets up proctoring locations, test dates and coordinates student’s efforts to maintain their certification. Contact Victor at vsanchez@expandglobal.com

Ever wanted to be a teacher?

IEI is currently seeking applicants for instructor positions. IEI instructors can be located anywhere in the world that they have an internet connection. Instructors must have a masters degree or higher and must be subject matter experts in the subjects that they teach. Compliance instructions should have their CUSECO® certification. If you meet these requirements and are interested in teaching, please contact Caulyne Barron at:

cbarron@expandglobal.com.

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Call an Enrollment Advisor

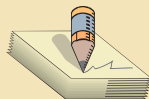
(800) 474-8013
7 am to 4 pm Pacific Time

IEI Certifications

Congratulations to the following on successful completion and recent award of the respective certifications.

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- Dan Hall - TX
- Marie Siler - WA
- Tara Woody - MI



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Congratulations!



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