

WORKSHOP

# EXPORT COMPLIANCE: Recordkeeping & Internal Audits



MAGGIE MONDAY



# COMPLIANCE CHECKLIST

## Step 1: Assess applicable import and export requirements

- Importer registration/licenses (*e.g.*, Mexico Official Register of Importers, EU Economic Operators' Registration and Identification)
- Import restrictions (*e.g.*, agricultural products, medicine, chemicals, weapons, *etc.*)
- Tariff classification, customs value, country of origin, other local regulations (*e.g.*, forced labor, IP rights)
- Tariff rates, including special duties or internal taxes
- Health, safety, environmental and technical requirements
- Packaging, labelling, and certification requirements
- Export controls (*i.e.* Trade Controls Bureau's Export Control List)



*When in doubt, consult an expert*

# COMPLIANCE CHECKLIST

## Step 2: Prepare documents for customs clearance at the border

- Confirm that your goods do not need an **export declaration** according to Canada Border Services Agency (CBSA) guidelines
- **Entry summary** (e.g., US CBP Form 7501, EU Single Administrative Document, Mexican Pedimento de Importación)
- Additional documents:
  - Commercial invoice
  - Transport documents: packing list and bill of lading/airway bill
  - Certificate of origin and/or other certificates and permits
  - Export control documents
  - Documentation related to tariff classification
  - Documentation related to supply chain custody



*When in doubt, consult an expert*

# TYPICAL RECORDKEEPING REQUIREMENTS

- Produce, maintain, and retrieve upon request of authority, **any records relating to the transaction**
  - In Canada, non-resident importers have the same obligations as resident importers, owners, or consignees
- Typical record retention period = **five years** from date of entry
  - Varies based on jurisdiction, type of record, and type of transaction
- Methods of **storing records**
  - Records must be stored in their **original format** unless customs authority approves an alternate recordkeeping format (*e.g.*, electronic storage of images of paper records)
  - For example, you must make advance written request for CBP permission to use alternate format, and receive written permission



# RECORDKEEPING BEST PRACTICES



- Recordkeeping is the **responsibility of the company**, not the Customs Broker or other outside party
  - Maintain your records consistent with the relevant authority's recordkeeping requirements
- Develop and have in place a **written recordkeeping policy**
  - Review recordkeeping periodically to ensure appropriate records are available and accessible – **organize** with purpose!
- If you receive a request for records from a customs authority, **always respond** in a timely manner
  - Consider putting a “freeze” on records subject to ongoing administrative processes (*e.g.*, CBP prior disclosure)

# INTERNAL AUDITING

## What is an internal trade compliance audit?

An internal trade compliance audit is a review of a company's level of compliance with applicable trade control regulations.

### Benefits:

- Identifies areas of risk
- Allows for mitigation before facing government scrutiny
- Helps to improve internal trade compliance policies and procedures
- Enhances procedural efficiency and internal controls
- Ensures that the company maintains compliance with import and export regulations
- Catching and resolving issues early and internally can often reduce legal spend and penalties from the government
- Resolving issues internally protects company value

## When should you conduct an internal trade compliance audit?

- On a regular schedule, or when any major changes to the Company occur (e.g., an acquisition)



# QUESTIONS?

**CLK**  
**CASSIDY LEVY KENT**



**MAGGIE MONDAY**

[mmonday@cassidylevy.com](mailto:mmonday@cassidylevy.com)

+1 202 567 2335