



**TOWER INTERNATIONAL, INC.**  
**SUPPLIER CUSTOMS REQUIREMENTS**

Tower International, Inc. ("Tower") is committed to complying with the U.S. Customs Modernization Act and all other import-related laws and regulations enforced by U.S. Customs & Border Protection ("CBP"). To that end, Tower requires its international suppliers to adhere to the requirements outlined below.

**Commercial Invoices & Packing Lists**

**Commercial Invoices:** All suppliers shipping goods that will be imported into the United States must provide a commercial invoice. The invoice and all attachments must be in English, or accompanied by an accurate English translation containing adequate information. All such invoices must contain the following information in accordance with CBP Regulations:<sup>1</sup>

General Information

- Invoice Number and Date;
- Tower Purchase Order Number;
- Customer Program Name/Number;
- Tower Program Manager;
- Complete name and address of Shipper/Seller;
- Complete name and address of Ship To/Consignee and Tax ID number;
- Complete name and address of Sold To/Bill To (if different than Ship To/Consignee); and
- Incoterms 2010: *e.g.*, "FCA - Free Carrier (Supplier's Dock)."

Product Descriptions

- Tower Part Number;
- Country of Origin ("COO") of the merchandise;
- Harmonized Tariff Schedule of the United States ("HTSUS") Classification; and
- Detailed description of the merchandise organized by part number, including the name by which each item is known, the grade or quality, and the marks, numbers, and symbols under which it is sold by the seller or manufacturer ("Auto Parts" or "Sample Parts" is not an adequate description for Customs purposes).

Product & Transaction Value

- Quantity of each part number (in weights and measures);
- Unit Price for each part number;<sup>2</sup>
- Extended Price for each part number;

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<sup>1</sup> Please refer to 19 CFR §141.86 – Contents of invoices and general requirements.

<sup>2</sup> If the parts are sold or agreed to be sold, then please provide the purchase price for each item/part number in the currency of the sale.

- Currency type;
- Total Invoice Value; and
- Value of all goods or services furnished for the production of the merchandise not included in the invoice price (*e.g.*, assists such as dies, molds, tools, engineering work, etc.).

**Packing Lists:** The packing list must adequately identify the merchandise contained in each individual package. Like the requirements of commercial invoices, Tower requires strict supplier compliance with these rules to comply with CBP import regulations. Information that should appear on the packing list includes:

- Part number and description of goods found in each package;
- Type of package(s): *e.g.*, crates, boxes, cartons, pallets, etc.;
- Total number of packages;
- Dimensions of package(s): *e.g.*, Length x Width x Height;
- Net Weight (in kilograms or pounds); and
- Gross Weight (in kilograms or pounds).

### **Transaction Value & Sample Parts**

**Transaction Value:** The Transaction Value reported on the commercial invoice should be the price paid (or payable) by Tower to the supplier for the imported merchandise, excluding international transportation, insurance, and other charges incident to the international shipment of the goods.

**Sample Parts:** Suppliers must follow the Commercial Invoice and Packing List Requirements presented above for all sample parts shipped to Tower for evaluation. Even though there is no sale to Tower for the sample parts, suppliers must still provide a commercial invoice stating fair market prices for these sample parts as if they were being sold to Tower or other unrelated customers. Suppliers should also make the following statement in the body of the Commercial Invoice whenever a shipment involves non-sale sample parts:

**“Samples – No Commercial Value. Not for Sale or Re-sale.”**  
**“Value for Customs Purposes Only.”**

### **Country of Origin Requirements**

**Origination:** Suppliers must declare the accurate COO for all imported merchandise on the commercial invoice. Failure to provide accurate information could affect the admissibility of the merchandise, eligibility for special trade programs (*e.g.*, NAFTA, KORUS, etc.), and the applicable import duty rates. Generally the COO is the country where the merchandise is wholly grown, obtained, produced, or manufactured.

If merchandise contain materials from more than one country (or is manufactured in more than one country), however, then CBP determines the COO using the substantial transformation test. Substantial transformation occurs when an article emerges from a manufacturing process with a name, character, or use which differs from those of the original materials. Under these circumstances, the COO is usually the last country where the merchandise was substantially transformed.

**Marking:** Suppliers must mark every article of foreign origin (or its container) imported into the United States with the COO. Markings must be made in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit. Containers of articles that are exempt from these marking requirements shall be marked with the COO of the article unless the container is also exempt from marking.<sup>3</sup>

All markings must be in English and performed in a manner that indicates the COO to the article's ultimate purchaser in the United States. CBP defines the "ultimate purchaser" as the person who will last purchase or receive the article in the form in which it was imported. If the imported article will be used in manufacture and the processing results in the substantial transformation into a new and different article, the manufacturer would be considered the ultimate purchaser.

### **Re-Importing U.S.-Origin Goods**

**HTSUS 9801.00.10:** CBP provides a duty exemption for U.S.-origin products that are re-imported into the United States after export, provided the goods were not advanced in value or improved in condition by any manufacturing process or any other means while they were abroad. If a supplier's products meet these criteria, they must provide the following documentation:

- A Manufacturer's Affidavit stating that the merchandise is U.S. Origin; and
- A Foreign Shipper's Declaration.<sup>4</sup>

**HTSUS 9802.00.40 and 9802.00.50:** CBP also permits reduced duties for certain U.S.-origin products that are re-imported into the United States following repairs or alterations performed abroad. To qualify for this treatment under HTSUS 9802.00.40 or 9802.00.50, suppliers must include the cost or value of the foreign repairs or alterations on their commercial invoices. The following documents are also required:

- A declaration from the person who performed such repairs or alterations; and
- A declaration by the importer, owner, consignee, or agent having knowledge of the pertinent facts.<sup>5</sup>

**HTSUS 9802.00.80:** U.S.-origin goods that are assembled abroad may also be eligible for reduced duties, provided they: (a) were exported in condition ready for assembly without further fabrication; (b) retain form, shape, or other physical characteristics; and (c) have not been advanced in value or improved in condition abroad except through assembly and other operations incidental to the assembly process (*e.g.*, cleaning, lubricating and painting). The following documents are also required:

- A Foreign Assembler's Declaration; and
- An Importer Endorsement.<sup>6</sup>

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<sup>3</sup> Please refer to 19 CFR §134.33 for a list of articles exempt from COO marking requirements.

<sup>4</sup> Please refer to 19 CFR §10.1 for more information.

<sup>5</sup> Please refer to 19 CFR §10.8 for more information.

<sup>6</sup> Please refer to per 19 CFR §10.24 for more information.

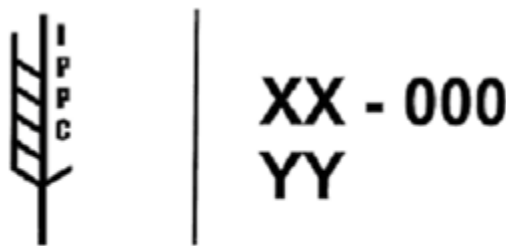
## Free Trade Agreements

**North American Free Trade Agreement (“NAFTA”):** NAFTA provides preferential tariff treatment for goods produced in Canada and Mexico. Suppliers are responsible for determining NAFTA eligibility of their goods based on the NAFTA Rules of Origin and supplying an accurate NAFTA Certificate of Origin to Tower’s Customs Broker. Because NAFTA qualification can be complex, suppliers must ensure that the individuals preparing NAFTA Certificates of Origin receive adequate training on Harmonized Tariff Schedule (“HTS”) classification, NAFTA Rules of Origin, tariff shifts, Regional Value Content calculations, and tracing rules for applicable automobile components. Tower will not claim preferential treatment under NAFTA without a valid NAFTA Certificate of Origin on file with its customs broker at the time of entry.

**U.S.-Korea Free Trade Agreement (“KORUS”):** KORUS provides preferential tariff treatment for goods produced in South Korea. Suppliers are responsible for determining the KORUS eligibility of their goods based on the KORUS Rules of Origin and supplying an accurate KORUS Certificate of Origin to Tower’s Customs Broker. Like NAFTA, KORUS product qualification can be complex. For this reason, suppliers must ensure that the individuals preparing KORUS Certificates of Origin receive adequate training on HTS classification, KORUS Rules of Origin, tariff shifts, and Regional Value Content calculations (including the build-up / build-down method). Tower will not claim preferential treatment under KORUS without a valid KORUS Certificate of Origin on file with its customs broker.

## Wood Packaging Material

Suppliers that use Wood Packaging Material (“WPM”) to ship internationally to Tower (or on behalf of Tower) must ensure that it is marked clearly with the International Plant Protection Convention (“IPPC”) mark. This marking is required under the International Standards for Phytosanitary Measures Guidelines for Regulating Wood Packaging Material in International Trade (“ISPM15”). It indicates that the WPM was either heat treated (HT) to 56° C to the core for 30 minutes, or fumigated using Methyl Bromide (MB). Below is an example of the IPPC mark:



XX represents the ISO country code.  
000 represents the unique number assigned by the national plant protection organization.  
YY represents either HT for heat treatment or MB for methyl bromide fumigation.

WPM is defined as “hardwood and softwood packaging other than that comprised wholly of wood-based products such as plywood, particle board, oriented strand board, veneer, wood wool, etc., which has been created using glue, heat, and pressure or a combination thereof used in supporting, protecting or carrying a commodity (includes dunnage).” Examples of WPM used in international trade that must be treated and marked with the IPPC stamp include pallets, dunnage, skids, pallet collars, containers, crating, boxes, cases, bins, reels, drums, and load boards.