



Understanding ATA Carnets

We've Got
the Goods!

Welcome to Your ATA Carnet eBook

This eBook includes a comprehensive series of ATA Carnet reference materials, aimed at supporting importers, exporters, and global logistics professionals in acquiring a foundational understanding of key ATA Carnet concepts. Our objective is to provide ATA Carnet preparers with the necessary knowledge and technical vocabulary to effectively communicate the complexities of these products to their clients in a clear and concise manner. This document will provide an in-depth examination of the definition and importance of ATA Carnets. The accompanying sidebar enables users to readily access specific topics related to ATA Carnets or proceed through the content at their own discretion.

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What is an ATA Carnet?

An ATA Carnet is an international customs document that provides duty and tax-free customs clearance for temporary exports to foreign countries. ATA Carnets, often referred to as “passports for goods”, simplify the entry by eliminating the need to post some form of financial guarantee, e.g., a temporary import bond or bank guarantee. ATA Carnets are recognized in over 100 destinations for virtually all types of goods, whether hand-carried or cargo-shipped.



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Understanding Temporary Importation

Temporary importation is a process that allows goods to enter a country for a limited period without paying full duties and taxes. This process ends when the goods are either re-exported or a consumption entry is made. Importers can execute temporary importation in several ways:

1. Refundable Deposit:

- Description: The importer pays the full duties and taxes upfront as a refundable deposit.
- Challenges: This method can be expensive, and the refund timeline varies significantly between countries.

2. Temporary Import Bond (TIB):

- Description: A TIB is a bond provided by an insurance company that acts as a guarantee to customs authorities. It ensures that duties and taxes will be paid if the goods are not re-exported as agreed.
- Challenges: Obtaining a TIB can be difficult and may require collateral from the shipper. The bond typically covers twice the amount of duties that would be owed if the goods were imported permanently.

3. Other Security Measures

- Some countries may offer additional security measures or procedures for temporary imports, such as duty drawbacks or specific customs procedures like inward or outward processing.

KEY FEATURES OF TEMPORARY IMPORTATION

Purpose:

Temporary importation is used for various purposes, including exhibitions, repairs, testing, and processing.

Duration:

The duration of temporary importation varies but is typically limited to a specific period, such as six months to one year, with possible extensions.

Condtions:

Goods must not be sold, consumed, or transformed unless specified otherwise. They must be identifiable and re-exported within the agreed timeframe.

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Differences Between Temporary Import Bonds & ATA Carnets

When shipping goods for temporary importation and re-exportation, businesses must select a form of security to meet customs requirements. Most often the cargo owner faces the choice between using an ATA Carnet with a carnet bond or a Temporary Import Bond (TIB). Each option has its advantages, but the ATA Carnet generally offers more streamlined benefits for international trade.



Comparison Summary:

Feature	ATA Carnet	Temporary Import Bond (TIB)
Costs and Taxes	Exempts duties and VAT when re-exported	Requires payment of duties and taxes, refundable upon export
Customs Procedures	Simplified with a single document	More complex, requiring additional paperwork and guarantees
Flexibility	Valid for one year with unlimited entries/exits	Typically requires a new bond for each import
Guarantees	No additional guarantees needed	Requires a cash deposit or bond
Applicability	Accepted in over 100 countries	Can be used in countries where ATA Carnets are not accepted

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Benefits of an ATA Carnet?

1

- **Temporary Import/Export:** This permits the import and export of products for a limited period of time without incurring taxes or tariffs, as long as the commodities are re-exported within a predetermined period.
- **Eligible Goods:** Covers commercial samples, professional equipment, and goods for exhibitions or trade shows. Excludes consumable or disposable items.

2

- **Length of time:** A standard ATA Carnet is valid for 12 full months from the date of issue. The expiration date is listed on the green cover and typically foreign countries allow ATA Carnet entries to stay in their economy for any length of time up until this date. It is important for the Holder of the ATA Carnet to pay special attention to the entry notes by the customs official in box 2 on the white importation counterfoil. This will let the Holder know if there are any stipulations on the length of entry for a specific count.
- **Multiple Trips:** Can be used for multiple entries and exits across participating countries during its validity period.

3

- **Simplified Customs Procedures:** Reduces paperwork and processing time, facilitating easier customs clearance.
- **Cost Savings:** Exempts goods from duties and taxes, eliminating the need for temporary import bonds in many cases.
- **Flexibility:** Covers a wide range of items and allows for unlimited entries/departures within its validity.

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- **Components:** Consists of a cover, vouchers, and counterfoils. Additional sheets can be added if needed.
- **Administration:** Jointly administered by the World Customs Organization (WCO) and the International Chamber of Commerce (ICC).

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- **VAT Exemption:** Considered a 0% VAT-rated event in many countries, as goods are not intended for sale or consumption in the importing country.
- **Guarantee of Re-exportation:** Acts as a guarantee that goods will be re-exported, avoiding VAT charges.

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Types of Goods Allowed with an ATA Carnet

An ATA Carnet covers a wide range of goods for temporary import and export, primarily categorized into three main types:

1. Commercial Samples:

Any and all items which are temporarily imported for the purpose of demonstration or for the solicitation of orders. Examples include jewelry, fashion garments, pipes and fittings, or goods to be exhibited at a foreign trade show or conference.

2. Professional Equipment:

This category includes “tools of the trade” and include equipment or goods needed to work while in a foreign country such as equipment for the press or for television; scientific, mining, engineering, electrical, surgical, entertainment and sporting equipment, such as race cars and boats; and exhibition booths used to display merchandise at trade shows.

3. Exhibitions, Fairs, & Similar Cultural Events:

Trade, industrial, agricultural or crafts exhibitions, as well as fairs, world events, exhibitions for a charitable purpose or to promote learning, crafts, scientific or cultural activity, or religious knowledge or worship. The ATA Carnet covers temporary exports only; it cannot be used for goods that will be consumed in another country such as handouts or pamphlets, food items, plants or other perishables. Personal cars intended to be driven on public roads cannot go on an ATA Carnet.

Specialized goods that can be transported under the ATA Carnet:

- Machinery and Tools: Construction equipment, agricultural machinery, diagnostic devices
- Electronic Devices: Laptops, routers, audio-visual gear
- Art and Antiques: Paintings, sculptures, historical artifacts for exhibitions
- Sports Equipment: Gear for events, including racing motorcycles and training equipment
- IT Equipment: For tech demonstrations or setups
- Livestock: For breeding, racing, or events



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Optional Products & Services

ATA Carnet Bonds:

An ATA Carnet Bond is designed to offer a simple way to provide a security deposit to the USCIB (The United States Council for International Business) that doesn't tie up funds for an extended period of time. This type of bond is a written agreement that guarantees payment of import duties, taxes, and any other potential penalties if an ATA Carnet holder fails to meet the obligations of the carnet. An ATA Carnet Bond in conjunction with the carnet also assures compliance with all laws and regulations concerning the entry of merchandise to a foreign country.

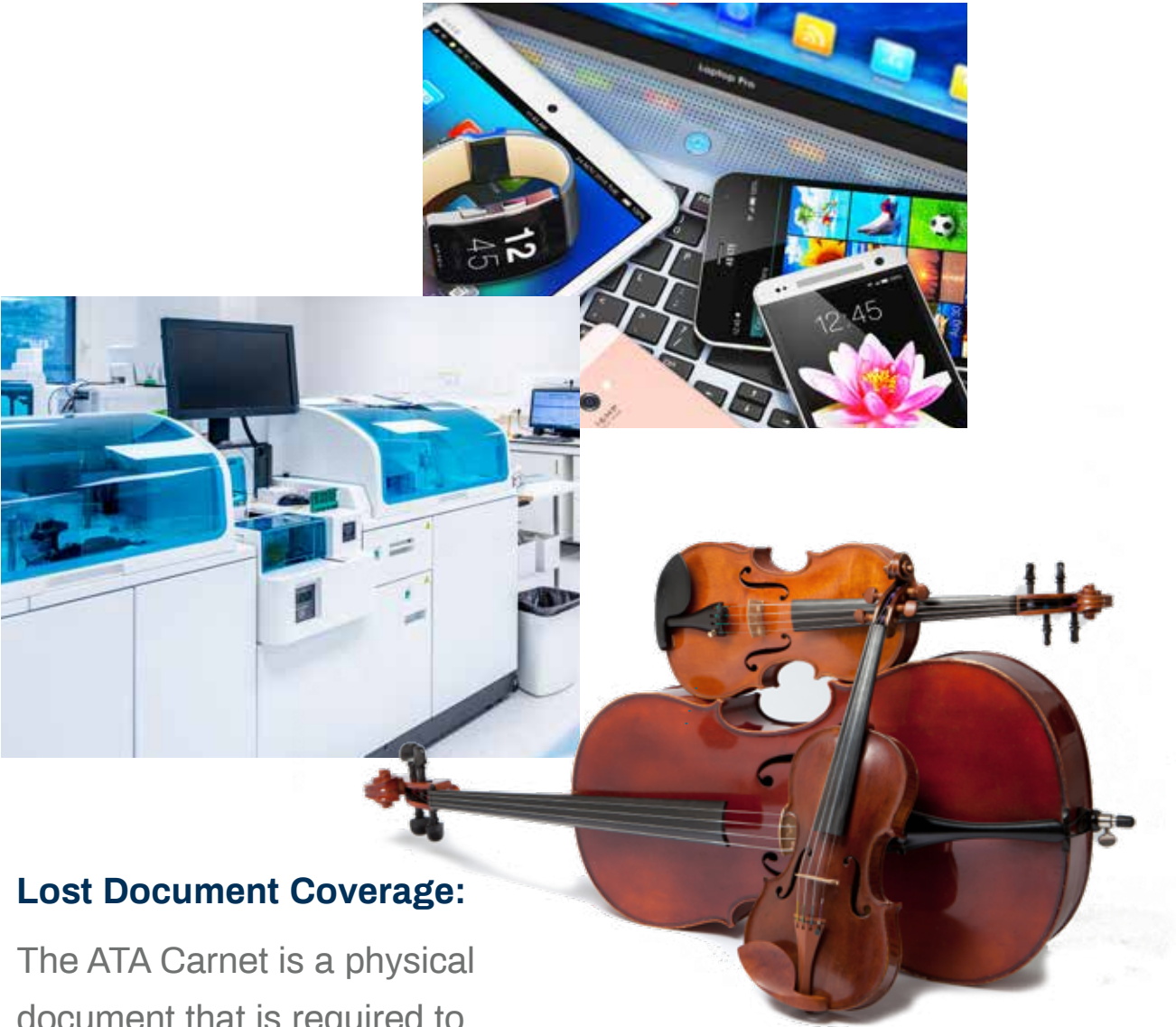
ATA Carnet Cargo Insurance:

ATA Carnet Cargo Insurance provides a mechanism to recover both the cost of the goods and the payment of duties and taxes in the instance of theft on a carnet. Features of the ATA Carnet Cargo Insurance policy include*:

- ✓ “All Risk” coverage for new and used goods
- ✓ Coverage for transit to and from foreign ATA Carnet member countries
- ✓ Coverage continues while the merchandise is in these countries
- ✓ Provides duty reimbursement in the event goods are lost or stolen
- ✓ Covers goods checked as luggage or hand-carried on a commercial airline

*Subject always to policy terms and conditions

It is always recommended that ATA Carnet Cargo Insurance be procured along with the Carnet document as a best practice.



Lost Document Coverage:

The ATA Carnet is a physical document that is required to be presented to Customs along with the goods; it can be pretty easy to misplace documents in today's increasingly electronic world. The problem with a misplaced ATA Carnet is that you or your customer will be literally stuck and unable to clear Customs. Since the ATA Carnet must be present to enter or exit the foreign country, as well as re-enter the United States, a Duplicate ATA Carnet must be obtained.

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What About ATA Carnet Claims?

An ATA Carnet claim occurs when a carnet holder fails to fulfil the obligations of the carnet, and a foreign customs office submits notice to the National Guaranteeing Association. Typically, this notice is in regard to there being no record of the goods under said ATA Carnet of leaving the country on, or before the expiration date. When the expiration date hits, all goods must be out of the Carnet country and on their way back to the United States.

In the event that an ATA Carnet claim is made, the responsible party, or the Holder, is subject to any duties, taxes or penalties that may be issued by foreign customs. Unless the Holder can provide substantial evidence that the goods or merchandise did indeed leave in a timely manner, they could be subject to costly consequences.

Be aware that every ATA Carnet country handles ATA Carnet claims differently. It is important to do your due diligence before ever traveling to a foreign country so you know the potential risks and violations you could be subject to for not adhering to their rules.

Typically, ATA Carnet claims are made under the following conditions:

- Goods are not re-exported from an ATA Carnet country within 1 year.
- Carnet documents are not properly validated by customs inspectors when coming into or leaving the United States or another Carnet country.
- Improper descriptions of the goods or merchandise listed on the General List of the ATA Carnet document.



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The Countries that Accept ATA Carnets

See Each Country's Rules and Requirements

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- Albania (AL)
Algeria (DZ)
Andorra (AD)
Antarctica (AQ)
Aruba (AW)
Australia (AU)
Austria (AT)
Bahrain, The Kingdom of (BH)
Balearic Islands
Belgium (BE)
Bosnia & Herzegovina (BA)
Botswana
Bulgaria (BG)

Canada (CA)
Canary Islands
Ceuta
Chile (CL)
China, Republic of (CN)
Corsica (HR)
Croatia (HR)
Cuarcao (CW)
Cyprus (CY)
Czech Republic (CZ)
Côte d'Ivoire (Ivory Coast) (CI)

Denmark (DK)

Estonia (EE)
European Union (EU)
Faroe Islands (FO)
- Finland (FI)
France (FR)
French Guiana (GF)
French Polynesia (Tahiti) (PF)
Germany (DE)
Gibraltar (GI)
Greece (GR)
Guadelupe (GP)
Guam (GU)
Guernsey (GU)

Hong Kong (HK)
Hungary (HU)

Iceland (IS)
India (IN)
Indonesia (ID)
Iran (IR)
Ireland (IE)
Isle of Man, The (IM)
Israel (IL)
Italy (IT)

Japan (JP)
Jersey (JE)

Kazakhstan (KZ)
Korea (KR)

Latvia (LV)
Lebanon (LB)
Lesotho (LS)
Liechtenstein (LI)
- Lithuania (LT)
Luxembourg (LU)

Macao (MO)
Macedonia, Republic of (MK)
Madagascar (MG)
Madeira
Malaysia (MY)
Malta (MT)
Mauritius (MU)
Mayotte (YT)
Melilla
Mexico (MX)
Miquelon (PM)
Moldova (MD)
Monaco (MC)
Mongolia (MN)
Montenegro (ME)
Morocco (MA)

Namibia (NA)
Netherlands (NL)
New Caledonia (NC)
New Zealand (NZ)
Norway (NO)

Pakistan (PK)
Peru (PE)
Philippines (PH)
Poland (PL)
Portugal (PT)
Puerto Rico (PR)
- Qatar (QA)

Reunion (RE)
Romania (RO)

Saint Barthelemy (BL)
Saint Martin (MF)
Saint Pierre (PM)
Saudi Arabia (SA)
Senegal (SN)
Serbia (CS)
Singapore (SG)
Slovak Republic (SK)
Slovenia (SI)
South Africa (ZA)
Spain (ES)
Sri Lanka (LK)
Swaziland (SZ)
Sweden (SE)
Switzerland (CH)

Taiwan (TW)
Tasmania
Thailand (TH)
Tunisia ((TN))
Turkey (TR)

United Arab Emirates (AE)
United Kingdom (UK)

Viet Nam (VN)

Wallis and Futuna (WF)

Glossary of Terms

This glossary covers the main terms related to ATA Carnet usage, issuance, and customs procedures, providing a clear understanding of how the system operates internationally.

ATA Carnet

An international customs document permitting the duty-free and tax-free temporary import and export of goods for up to one year, used in over 80 countries. It simplifies customs procedures by eliminating the need for customs bonds and duties on goods intended for exhibitions, fairs, professional use, or commercial samples.

Carnet Service Provider (SP)

An organization authorized to issue ATA Carnets under the direction of the Guaranteeing Association.

Certificates

The ATA Carnet document is divided into certificates issued in sets: yellow (for leaving or re-entering the U.S.), white (for entering or exiting a foreign country), and blue (for transit through a country).

Counterfoil

The top section of a certificate in the ATA Carnet document, used for customs endorsements.

Voucher

The bottom section of a certificate, also used for customs endorsements and record-keeping.

Duties

Customs duties and other taxes payable if the ATA Carnet conditions are violated or not respected.

EF (Exhibition and Fair)

Goods intended for trade, industrial, agricultural, or craft exhibitions, fairs, or similar shows, including charitable or cultural exhibitions.

PE (Professional Equipment)

Equipment used by professionals such as press, television broadcasting, cinematography, or tools of a trade.

Penalty

Charges levied by customs authorities when the ATA Carnet is not used according to the system’s conditions, in addition to duties.

Premium

A non-refundable fee paid by the Carnet holder to secure a surety bond, part of the security deposit process.

Refundable Claim Deposit

A security deposit (typically \$250) required from government agencies as part of the Carnet issuance process.

Security Deposit

Cash, surety bond, refundable claim deposit, or written agreement deposited to indemnify the issuing association against potential customs claims.

Surety Bond

A form of security deposit where the holder pays a premium to a bonding company authorized by the U.S. Treasury to guarantee compliance with Carnet conditions.

Claim

A notice from foreign customs authorities indicating a violation of the Carnet system.

USCIB (United States Council for International Business)

The National Guaranteeing Association and Issuing Association for ATA Carnets in the United States.

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