Shipping to Brazil
Main thing to remember in regards to accuracy of South American Documentation is...

99% = 0%
Importers & Exporters must Register with the Foreign Trade Secretariat (SECEX)

- All Brazilian importers and exporters must be registered with the Foreign Trade Secretariat (SECEX) of the Ministry of Industry, Commerce and Tourism (MICT). The inscription number in the General Taxpayer Register of the Revenue Ministry (CGC), of the consignee must appear on the commercial invoice or other documentation for clearance. This is referred to as the CNPJ number (short for Cadastro Nacional de Pessoas Juridicas).

All Brazilian Importers must have a Brazilian Broker

- They will be a critical partner in ensuring smooth clearance and delivery. Scarbrough International is affiliated with several networks of partners, allowing us to have a global reach with local contacts in Brazil that can deal with issues immediately.
Invoice and Packing List

Original Commercial Invoices

- INCOTERMS must be stated on the commercial invoice. DAP is allowed, but discouraged.
- DDP is strictly prohibited in Brazil due to tax reasons.
- A list of INCOTERMS and their definitions can be found on our website at http://www.scarbrough-intl.com/incoterms/.

Original Packing Lists

Requirements of Documents

- 3 colored copies of each
- Signed in blue ink
- Docs must show
  - Freight
  - Insurance
  - Other charges (when applicable) as separate line items

*All required Regardless of INCOterms
# INCOTERMS 2010 RULES
## RESPONSIBILITY CHART

<table>
<thead>
<tr>
<th>Any Transport Mode</th>
<th>Sea/Inland Waterway Transport</th>
<th>Any Transport Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXW</td>
<td>FCA</td>
</tr>
<tr>
<td>Charges/Fees</td>
<td>Ex Works</td>
<td>Free Carrier</td>
</tr>
<tr>
<td>Packaging</td>
<td>Buyer or Seller</td>
<td>Seller</td>
</tr>
<tr>
<td>Loading Charges</td>
<td>Buyer</td>
<td>Seller*</td>
</tr>
<tr>
<td>Delivery to Port/Place</td>
<td>Buyer</td>
<td>Seller</td>
</tr>
<tr>
<td>Export Duty &amp; Taxes</td>
<td>Buyer</td>
<td>Seller</td>
</tr>
<tr>
<td>Origin Terminal Charges</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
<tr>
<td>Loading On Carriage</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
<tr>
<td>Carriage Charges</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
<tr>
<td>Insurance</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Destination Terminal Charges</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
<tr>
<td>Delivery to Destination</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
<tr>
<td>Import Duty and Taxes</td>
<td>Buyer</td>
<td>Buyer</td>
</tr>
</tbody>
</table>

*Seller is responsible for loading charges, if the terms state FCA at seller’s facility.

**Negotiable between buyer and seller.
Bill of Lading Requirements

NCM Number

Brazil requires that the NCM number (Nomenclatura Comum do MERCOSUL) be stated on the bill of lading.

This number is a local classification system in Brazil, and is consistent with the Harmonized Tariff System classifications.

It is only mandatory that the first 4 digits of the NCM number be listed.
Scarborough International is adept at assisting in the completion of various other documentation such as certificates of origin and insurance certificates. As long as we know the particular requirements of the customer, we can customize our documentation packet and process to meet those needs.

- Original MBL (may be issued at destination)
- Original HBL
- Commercial Invoice signed in Blue Ink
- Packing List signed in Blue Ink
- Other documentation may be requested
Original, rated bills of lading are required for Brazil.
- “As Agreed” or “Prepaid” will not be accepted
- The rate must be shown.

As such, Scarbrough always utilizes our trusted partner in Brazil in order to protect your interests and keep your costs confidential, passing along only the necessary documentation required for clearance to the actual consignee.
• There are two types of clearance in most South American countries ..
  • Cargo Clearance (SISCARGA)
  • Customs Clearance
The Importance of Details

Specific Details between MBL, HBL and Commercial Docs must match exactly.

<table>
<thead>
<tr>
<th>This includes, but it not limited to:</th>
<th>Scarbrough takes ACCURACY serious.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piece count</td>
<td>We have an <strong>accuracy checklist specific to Brazil</strong> that is used for each file. Once the MBL is received from the carrier, the MBL, HBL, and commercial documents are checked against each other and this checklist immediately by another team member.</td>
</tr>
<tr>
<td>Commodity description</td>
<td><strong>Ideally this is done with 24 hours of sailing.</strong></td>
</tr>
<tr>
<td>Port of loading</td>
<td>Once this internal check is completed, the documentation is then sent to our reliable partner in Brazil, to once again check over all the documentation for any discrepancies.</td>
</tr>
<tr>
<td>Port of discharge</td>
<td>Having a representative in Brazil that deals with their Customs procedures as part of daily routine is a big advantage. After this second safeguard, the documents are then emailed to the final consignee for their approval before the originals are sent by courier to destination.</td>
</tr>
<tr>
<td>Weight</td>
<td></td>
</tr>
<tr>
<td>Container</td>
<td></td>
</tr>
<tr>
<td>Seal number</td>
<td></td>
</tr>
</tbody>
</table>
Yet, more Documentation Rules

All documentation needs to be presented timely

- Originals must be in-hand at destination absolutely no later than 5 days before cargo discharges at first port of call in Brazil. However, Scarbrough International internal policy is to have originals to destination within 5 to 7 business days after cargo has departed the United States.

Correct documentation is VITAL!

- There is a very limited window of opportunity to correct documentation, so ensuring accuracy from the beginning is crucial. Once cargo gets stuck in Brazilian customs, it can be a lengthy, expensive process to get it released.

Penalties for late documentation presentation are up to USD$5000 per HBL.

Correction letters issued for discrepancy are subject to penalties up to USD$50 per occurrence.
Main Ocean Ports

Sao Paulo / Santos

- Paranagua
- Vitoria
- Rio Grande
- Itajai
- Belem

Rio De Janeiro

- Fortaleza
- Manaus

Map showing global connections.
Main Airports

- Sao Paulo / Guarulhos International Airport (GRU)
  *Passenger

- Sao Paulo / Viracopos International Airport (VCP)
  *Cargo Only

- Rio de Janeiro (RIO)

- Porto Alegre (POA)
99% = 0%