

## APPAREL - CUSTOMS IMPORT REQUIREMENTS

## Table of Contents

Preclassification.....	pg 3
Documents Required for Customs Clearance.....	pg 4
Commercial Invoice Requirements.....	pg 5-6
• Animal Products.....	pg 6
• Wool, Cashmere and Other Fine Animal Hair Products.....	pg 6
• Hangers.....	pg 6
• Water Resistant Products.....	pg 7
• Visibly Coated with Polyurethane or Rubber.....	pg 7
• Dual Construction.....	pg 7
Additional Description for Knit Garments.....	pg 8
Additional Description for Woven Garments.	
• Upper Body Garments.....	pg 9
• Suit-Type Jackets, Coats, Anoraks.....	pg 9
• Dresses, Pajama, Nightshirts, Sleepwear.....	pg 9
• Men's Suits, Suit-Type Jackets/Blazers & Trousers.....	pg 9
Other Government Agencies.....	
• Fish & Wildlife (FWS)/CITES.....	pg 10
• California Prohibitions.....	pg 11
• Express Courier Requirements For Shipping FWS Product.....	
○ Via FedEx.....	pg 12
○ Via UPS.....	pg 13
• Food & Drug Administration.....	pg 14
• Environmental Protection Agency.....	pg 14
• Animal & Plant Health Inspection Service (APHIS).....	pg 14
Proof of Production.....	pg 15-17
Incoterms.....	pg 18

**WHAT IS PRE-CLASSIFICATION?**

The Nordstrom Customs Compliance Department reviews all styles prior to importation into the United States or Canada. The tariff classification number (HTS NUMBER) for each style is determined by Customs Compliance and is based on technical information provided for each style, review of samples, and any changes noted at Post Buy Meetings. The HTS Number is indicated on the spec pack / style file and is also found on the purchase order.

**AGENT/SUPPLIER RESPONSIBILITIES IN REGARDS TO THE PRE-CLASSIFICATION PROGRAM:**

- 1) Review the HTS Number received on the production spec packs from the Nordstrom Technical Designers within two weeks of receipt.
- 2) Advise the appropriate Nordstrom Production Planner and Customs Compliance Specialist if the HTS Number is missing from the production spec pack. A revised spec pack with pre-classification will be sent to the supplier/agent.
- 3) Advise the appropriate Nordstrom Production Planner and Customs Compliance Specialist if you believe the HTS Number listed on the production spec pack is not accurate and provide explanation why it is not accurate.
- 4) For all knit top garments, advise the Customs Compliance Department if there is a discrepancy between the stitch count shown on the spec pack, and the test report when production sample is sent to the lab.

**DOCUMENTS REQUIRED FOR CUSTOMS CLEARANCE**

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Only the documents listed below should be turned over to Nordstrom's forwarder at origin.

Questions about documentation should be referred to the Nordstrom Customs Compliance department prior to shipping. Email questions to: <mailto:npgcuscompmbx@nordstrom.com>

**The following documents are required for ALL shipments:**

- Commercial Invoice (Please refer to invoice description requirements as outlined in the Invoice Descriptions section)
- Bill of Lading (Ocean Bill of Lading, Waybill, Cargo Receipt, or air waybill)
- Packing List (*DC CARTON BREAKDOWN - SUMMARY VERSION ONLY*. For instructions on printing summary version please contact your EDI Service Provider or [npgcompliance@nordstrom.com](mailto:npgcompliance@nordstrom.com) )

**The following additional documents are required as applicable:**

- Original CITES permit
- Original Country/Certificate of Origin for Trade Preference Programs(ex. NAFTA, ATPDEA, QIZ)
- Fabric Details Sheet

**STANDARD COMMERCIAL INVOICE REQUIREMENTS-Required for commercial invoices in which Nordstrom Inc or Nordstrom Canada Retail Inc is importer of record.**

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- Must be written in English
- Invoice Date
- Name of Purchaser (Nordstrom)
- Name and address of Seller
- Name and address of actual factory. If the invoicing party is the factory, this must be clearly stated on the invoice, for example "Factory is the invoicing party"
- Country of Origin
  - For OPA/PPE production state the origin conferring factory
- Name of Buying Agent or Selling Agent
- Purchase Order Number(s), Department Number(s), Letter of Credit number (if applicable)
- Nordstrom Style Number (VPN) from Purchase Order.
- Description of the style as detailed below under Additional Invoice Requirements
- Unit of Measure (yards, meters, dozens, etc.)
- Quantity shipped
  - By purchase order
  - By color if the first cost is different
  - By fabrication if the first cost or duty classification is different
- Net, and Gross weight of the shipment
  - Net Weight = Garment plus packaging (pins, issues, hangtags)
  - Gross Weight = Net Weight + Export Packaging
- Shipping Marks and carton count (per Corporate Logistics Routing Guide)
- Purchase price in the currency of the purchase with currency type specified. This must be shown either as the FOB/Ex Factory price on the purchase order from the pay to party.
- INCO Terms of Sale (EXW, FOB, FCA, etc)
- All discounts, and reasons for the discounts
- All charges (packing, declaration fees, etc.) including fabric if owned by Nordstrom, or other items supplied by Nordstrom free of charge
- Port of Entry to which merchandise is destined

#### **ADDITIONAL INVOICE REQUIREMENTS FOR APPAREL**

**ALWAYS INCLUDE:**

- Gender (men/boy/women/girl/infant - 24 months and under)
- Identify if knit, woven, or other (please specify if other)
- Commercial description (i.e. dress, skirt, pant, overcoat, suit-type jacket, etc.)
- Size (i.e. small, medium, 10, 12) – must be in U.S. sizes. If infant garments, specify if for sizes newborn to 24 months
- Fiber content of garment outer shell (by percentage weight breakdown. Total = 100%)
- Any lining and trim components
- If button closure, indicate if “left over right” or “right over left”

**PLEASE INCLUDE ADDITIONAL INFORMATION AS DETAILED BELOW:****REQUIREMENT FOR FISH AND WILDLIFE(ANIMAL) PRODUCTS**

On the commercial invoice for any item made of, or containing parts of, any animal product, the following details must be included on the invoice:

- Common and scientific name (genus and species) of animal
- Animal country of origin
- Source of the animal. (i.e. Farm raised, from the wild, etc)
- Total # of pieces of animal on garment (i.e. # of buttons)
- Total value of the product

**WOOL, CASHMERE, AND OTHER FINE ANIMAL HAIR**

Always indicate the common name of the animal the hair or wool was taken from.

Examples: sheep wool, lamb wool, alpaca hair, llama, hair, camel, hair, yak hair, angora, Kashmir (cashmere) etc.

**SETS**

Indicate if all components are of the same fabric, construction, color, and size.

If not, indicate what appears on one component and not the other.

Provide a value breakdown of each component of the set

**NORDSTROM HANGERS**

If the garment is on a Nordstrom designated hanger, indicate:

- Hanger unit cost(s) and total cost
- Hanger style number(s)
- Quantity of hangers, per hanger style, per garment style, per purchase order
- Hanger cost is included in first cost of garment
- Country of origin of hanger
- Hanger is chief weight plastic

- example -

“A hanger value of US\$0.25 for hanger style # 1234 is included in the first cost of NPG style ZZ123456. Hanger made in China; chief value plastic.”

WATER RESISTANT

- State 'Water-Resistant' on the commercial invoice
- State type of coating (PU, PVC, etc.) and where the coating is applied (shell, lining, inner lining)
- Provide test results proving water resistance (AATCC 35-1985)

VISIBLY COATED WITH POLYURETHANE OR RUBBER

- If PU or rubber coated and visible to the naked eye
- State type of coating (PU, PVC, etc.) where garment is coated, and how the coating is applied to the fabric
- State if coating obscures underlying fabric or not.

## EXAMPLE:

"Visibly coated on inner side of fabric shell body, sleeves, & hood with PU membrane heat laminated onto fabric. Does not obscure underlying fabric."

DUAL CONSTRUCTION

For garments with an outer shell of more than one construction or material (textile or non-textile), describe the location and construction of each panel (i.e. chest & sleeve panels 100% knit cotton/back panel 100% leather). If an individual panel (exclusive of trim) is made of different materials, consult with Nordstrom Customs Compliance for appropriate description.

**For all knit and woven upper body garments, woven pajamas, dresses, and pants, please see additional description details.**

**ADDITIONAL DESCRIPTIONS FOR KNIT GARMENTS:**

Knit upper body garments (includes all tank tops, pullovers, shirts, blouses, sweaters, jackets, and coats)

**Always include:**

- Stitch count (per 2 centimeters or per inches in both the vertical and horizontal direction)
- Type of knit (jersey, rib, interlock, etc.)
- Type of sleeves (long, short, sleeveless, etc.)
- Type of bottom (Hemmed, ribbed, elasticized, etc.)
- Type of neckline (crew neck, v-neck, turtle neck, notched, etc)
- Type of neck opening (partial back, partial front, full front, etc.)
- Type of closure of opening: (zip, 3 button, hook, snap, no closure, etc...)
- Length of garment (crop, waist, hip, mid thigh, knee, calf, ankle)
- Fabric weight in grams per square meter (excluding sweater construction)

If sleeveless – indicate shoulder strap width

If sleeveless – indicate if back is cut straight across from side seam to side seam.

**ADDITIONAL DESCRIPTIONS FOR WOVEN GARMENTS:**



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**Woven upper body garments: (includes all shirts, blouses, tops, tanks, jackets, suit type jackets, coats)****Always include:**

- Length of garment (crop, waist, hip, mid-thigh, knee, calf, ankle)
- Location and type of pockets
- Type of neckline (crew neck, v-neck, turtle neck, notched, etc)
- Location of opening and means of closure (Partial opening with half zipper; full frontal opening with six button closure; full zip front with storm flap)
- Description of the bottom of the garment (hemmed, elasticized, drawstring, back vents, side vents, rounded corners at opening, etc)
- Indicate if fabric is yarn dyed two or more colors
- Indicate if fabric is corduroy or blue denim

**Shirts/Blouses/Tanks**

- Type of sleeves (long, short, half, sleeveless, etc)
- Women/Girls  
If sleeveless, indicate width of shoulder coverage in inches.  
If sleeveless, indicate if back is cut straight across from side seam to side seam.
- Men/Boys  
Indicate if 'dress shirt' or if 'sport shirt'

**Suit-Type Jackets, Coats, and Anoraks**

- Indicate the number of vertical panels, excluding sleeves
- Indicate sleeve length and if there is a tightening at the cuff
- Describe the collar/lapel
- Indicate any lining or trim
- Provide fabric weight in grams per square meter
- Indicate if tailored  
As defined by "Customs Information Exchange-CIE 13/88:  
Tailoring – The shaping of a fabric into a garment so as to  
Neatly fit the contours of the body by means of  
cutting, seaming, and finishing

**Dresses, Pajamas, Nightshirts, Sleepwear**

- If sleepwear separate, indicate so on the commercial invoice (sleepwear pants, sleepwear shirt)

**Men's--Suits, Suit-type Jackets/Blazers, and Trousers**

- If in chief weight worsted wool, indicate average fiber diameter of wool yarn in microns (18.5 microns or less)

**Other Government Agencies Requirements for US Imports**

In addition to the Customs and Border Protection Service, there are other agencies with jurisdiction over certain types of merchandise. The cargo could be reviewed, inspected or sampled by each pertinent bureau. Failure to comply with these regulatory agencies can result in penalties. The penalties can range from a warning to full seizure of the importation and possible criminal proceedings against the importer.

### **FISH AND WILDLIFE SERVICE (F&W)**

This agency has jurisdiction over any item that is manufactured from any plant or animal (mammal, fish or reptile), which might be considered an endangered species. Even if you import an item from a species that is not endangered, the item must clear Fish & Wildlife Review prior to CBP clearance.

#### **-Types of Animals Subject to Fish & Wildlife Review**

Common items subject to U.S. Fish & Wildlife Service review:

- Buttons of shell or horn.
- Handbags of alligator/caiman/crocodile, camel, snake, eel.
- Belts of alligator/caiman/crocodile, lizard.
- Fur Coats or Coats with fur trim of beaver, mink, fox, ermine.
- Shoes of snake, camel, eel, stingray.
- Garments with buffalo horn.

#### **-Types of Animals Not Subject to Fish & Wildlife Review**

Domesticated animals are not subject to review by the U.S. Fish and Wildlife Service:

- Certain mammals listed as domesticated- Alpaca, camel, cat, cattle, dog, European rabbit, ferret, goat, horse, llama, pig, sheep, water buffalo
- Certain birds listed as domesticated- chickens, peafowl, turkey, barnyard mallards.

### **-CITES (The Convention on International Trade in Endangered Species)**

If the item is from an endangered species but is still allowed to be shipped under the Convention on International Trade in Endangered Species (CITES) a original CITES Certificate is required to submit an entry for clearance. A CITES certificate is issued by the country of production acknowledging that they are aware of the species of the entered product and are allowing exportation and includes. It is required that for any shipment that needs to be shipped with a CITES certificate, the certificate must be obtained prior to export.

#### **-Conventional Broker Requirements (Expeditors Intl)**

- Tender original validated CITES Certificate to freight forwarder with commercial documents
- Keep a copy of the validated CITES Certificate for your records

#### **-Express Courier Requirements (FedEx)**

- Tender original validated CITES Certificate to FedEx and instruct FedEx to attach the validated CITES Certificate to the outside of the package
- Keep a copy of the validated CITES for your records

### **-California Prohibitions**

The state of California has additional restrictions on certain animal products that would otherwise be allowed to be imported and sold in the rest of the United States. A list of animal products

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unable to be sold in California is listed in the below excerpt from California's penal code, however two of the most popular animal products included in this list are python and alligator/crocodile.

"It is unlawful to import into this state for commercial purposes, to possess with intent to sell, or to sell within the state, the dead body, or any part or product thereof, of any alligator, crocodile, polar bear, leopard, ocelot, tiger, cheetah, jaguar, sable antelope, wolf (Canis lupus), zebra, whale, cobra, python, sea turtle, colobus monkey, kangaroo, vicuna, sea otter, free-roaming feral horse, dolphin or porpoise (Delphinidae), Spanish lynx, elephant, or any creature protected under federal law.

To recap:

- Sell the items in Californian stores.
- Advertise the items in catalogs or mailers sent to California
- Transfer the items from any store to a store or customer in California.

### **Express Courier Requirements For Shipping Fish & Wildlife Product -Via FedEx**

- Pre alert advising FedEx Airway Bill# must be emailed to:

- 1) [bufcpaprealert@ftn.fedex.com](mailto:bufcpaprealert@ftn.fedex.com)
- 2) [chris\\_willey@ftn.fedex.com](mailto:chris_willey@ftn.fedex.com)

- The correct FedEx Account# must be used (please contact your planner, logistics or Customs Compliance for account number information).
- In the Commodity Description section of the airway bill, the description must start with "FWS" plus the garment description in English. For example, "FWS cotton knit shirt".
- The Company must be listed as, "Nordstrom FWS"

**FedEx International Air Waybill**  
For all international shipments

**1 From** Please print address back

Date: MM/DD/YY Sender's FedEx Account Number

Sender's Name

Company

Address

ZIP Postal Code

**2 Your Internal Billing Reference** OPTIONAL  
FedEx reference will appear on invoice.

**3 To**

Recipient's Name Phone

Company: Nordstrom FWS

Address

City State Province

Country ZIP Postal Code

Recipient's Tax I.D. number for Customs purposes

**4 Shipment Information**

Total Packages: 1  
Commodity Description: FWS  
Total Weight: 1.00 kg

Commodity Description	Nomenclature Code	Country of Manufacture	Value for Customs
FWS			

**5 Express Package Service**

FedEx Intl. Priority  FedEx Intl. First

FedEx Intl. Economy

**6 Packaging**

FedEx Envelope/Letter  FedEx Pak  Other Pkg.

FedEx TBog Box  FedEx SBox

**7 Special Handling**

HOLD at FedEx Location  SATURDAY Delivery

**8a Payment** Bill transportation charges to:

Sender  Recipient  Third Party  Credit Card  Cash/Check/Checkmate

FedEx Acct. No. 9999-9999-9

**8b Payment** Bill duties and taxes to:

Sender  Recipient  Third Party

FedEx Acct. No. 9999-9999-9

**9 Required Signature**

Use of this Air Waybill constitutes your agreement to the Conditions of Contract on the back of this Air Waybill...

For Completion Instructions, see back of fifth page.

Tracking Number: 8187 8035 4156 Form I.D. No.: 0402

**-Via UPS Courier**

Pre alert advising UPS Airway Bill# must be emailed to [UPSUSAIKNORDSTROM@ups.com](mailto:UPSUSAIKNORDSTROM@ups.com)

The correct UPS Account# must be used (please contact your planner, logistics or Customs Compliance for account number information).

In the Commodity Description section of the airway bill, the description must start with “FWS” plus the garment description and consignee must be “Nordstrom FWS”

**To ensure timely processing by the U.S. Fish & Wildlife Service:**

**Consignee company name: Nordstrom FWS**

**Commodity Description start with: FWS**

**CITES Document number to be listed on the AWB**

If you have any concerns regarding the admissibility of the product you are selling to Nordstrom Product Group, please contact the Customs Compliance Department for assistance. A link to the Fish and Wildlife website (including CITES) can be found on the Web Links section of this manual.

**FOOD AND DRUG ADMINISTRATION (FDA)**

The FDA monitors any importation related to, either directly or indirectly, commodities having any relation to human well-being. This includes, but is not limited to: drugs, foods, beverages, medical devices (i.e. sunglasses), utensils, food containers and cookware including cups, bowls, glasses and plates. The FDA adheres to a very strict interpretation of these requirements under the

Federal Food, Drug and Cosmetic Act

## ENVIRONMENTAL PROTECTION AGENCY (EPA)

TSCA – Toxic Substance Control Act. The EPA requires a document to be submitted stating that certain items do not contain “toxic substances”. A copy of this statement can be found in the “Forms” section of this manual. A link to the EPA website describing what “toxic substances are prohibited from entry can be located on the Web Links section of this manual. If you have an item that is prohibited or restricted, please contact the Nordstrom Customs Compliance Department.

## ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

APHIS is a division of the US Department of Agriculture. APHIS monitors any importation related directly or indirectly to commodities that may impact US plant and animal well-being.

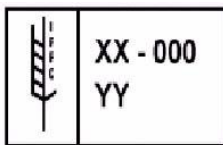
Beginning September 16, 2005, the U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) will require that all wood packaging material (WPM) imported into the U.S. must either be heat treated or fumigated with methyl bromide, and be properly marked as so treated. This measure is in accordance with ISPM 15 (International Standards for Phytosanitary Measures), an internationally established standard for treatment of WPM.

WPM exempt from this regulation include:

- . WPM made entirely of wood pieces less than 6 mm thick in any dimension.
- . Manufactured wood materials such as plywood, particleboard, oriented strand board, whiskey barrels, wood packaging that serves as gift boxes, and crafting associated with antiques, such as art pieces or vintage wines.

To comply, please be sure that each piece of WPM used in your shipment is properly treated and contains a mark on each side certifying such treatment before departing origin.

Example of the WPM 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. Email questions to: <mailto:npgcuscompmbx@nordstrom.com>

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**NORDSTROM'S POLICY ON ILLEGAL TRANSSHIPPING**

As stated in the Nordstrom Partnership Guidelines, partners will comply with applicable US Customs importing laws and, in particular, will establish and maintain programs and documentation to support country of origin production verification, to avoid illegal transshipping.

Should a factory be inspected by a U.S. Verification team or be under investigation by local authorities for transshipping violations, the Nordstrom Customs Compliance department should be alerted regardless of the outcome.

It is our expectation that all suppliers doing business with Nordstrom are fully aware of the issues and consequences surrounding illegal transshipments. In the event Customs and Border Protection has a question with regards to the country of origin declared on the documentation for a Nordstrom placed order, Nordstrom shall request from the supplier all documentation necessary to substantiate the country of origin claim. This includes, but is not limited to, production records, timecards, inspection certificates, bills of lading, OPA records, electrical bills and any other documentation that will assist us in proving the country of origin.

**PROOF OF PRODUCTION**

When Customs and Border Protection is not satisfied with the country of origin being claimed by the commercial documentation (particularly the Country of Origin declaration), they can request records/documents from Nordstrom proving the origin of a shipment. This power for Customs is defined in their trade bulletin notices TBT-97-049 & TBT-98-018. The basic documentation we will always require if requested by Customs and Border Protection is listed below. Depending on the shipment, additional documentation may be required to back up our origin claim.

As Customs' time limits are short for us to provide this documentation to Customs, we will require that the below documentation be faxed (and sent via courier) within 5 days of agent/supplier receipt of the request.

The below documentation should be available on every shipment regardless of single or multiple country origin.

Please number each page clearly and provide a description for each document via e-mail or separate letter. Please translate documents into English for review by Customs and Border Protection

**A. TIME LINE**

- 1) Clear and detailed time line prepared by the factory outlining the dates and details as outlined below. Time line should include the event (i.e. fabric purchase, cut parts export HK to CN, etc.), and the date it occurred in chronological order.

**B. RAW MATERIALS (Fabrics, Yarn, Trimmings, Labels)**

- 1) Invoices from the fabric/yarn/trimmings supplier for the raw materials used in questioned shipment
- 2) Shipping documents from the raw material supplier to production factory
- 3) Clearance documentation of raw materials into country of production (Government Import License).
- 4) Additional documentation on labels, other materials incorporated on a case-by-case basis.

**C. PRODUCTION RECORDS**

- 1) Internal Factory Production Order
- 2) Cutting records (tickets) if from fabric/knitting records if from yarn - should be able to verify quantity, colors & sizes of order

- 3) List number and types of machinery available at production factory/List number of machines used in production
- 4) Time cards of employees involved in Production Order with highlights of times employee worked on the order
- 5) All assembly records. These should include records maintained on the factory floor describing the operations performed, employees performing the operations, and the dates the operations were performed.
- 6) Proof of factory operation during time of production (e.g. electric bills)
- 7) If production in multiple countries OPA (Outward Processing Arrangement) documentation.
- 8) HKTD Production Notification of cut and sewn garments
- 9) All shipping details documenting movement of fabric/knit panels/assembled and unassembled garments/finished garments between countries (must be able to trace by production number/PO, including Customs clearance records, detailed truck manifests)
- 10) 1 - 6 above for production in second country.
- 11) Proof of export from country of export
- 12) Sketch of the unassembled panels (if applicable)

#### **D. SUB-CONTRACTOR RECORDS**

- 1) All of the same records as in C/Production Records for sub-contractor.

#### **E. INSPECTION CERTIFICATES**

- 1) In-line inspection report
- 2) Final inspection report

#### **PROOF OF PRODUCTION –FREE TRADE AGREEMENT PROGRAMS**

Every supplier and agent working with the production of product eligible for duty free treatment or reduced duty under a Trade Preference agreement should maintain a procedure manual detailing the regulations of the Trade Preference agreement and documenting their internal procedures that prove the product is eligible for the benefits of the program.

When Customs and Border Protection is not satisfied with the country of origin being claimed by the commercial documentation (particularly the textile declaration), they can request records/documents from Nordstrom proving the origin of a shipment. This authority for Customs is defined in Customs trade bulletin notices TBT-97-049 & TBT-98-018. The basic documentation we will always require if requested by Customs and Border Protection is listed below. Depending on the shipment, additional documentation may be required to back up our origin claim.

As Customs time limits are short for us to provide this documentation to Customs, we will require that the below documentation be faxed (and sent via courier) within 5 days of agent/supplier receipt of the request.

The below documentation should be readily available on every shipment regardless of single or multiple country origin.

Please number each page clearly and provide a description for each document via e-mail or separate letter. Please translate documents into English for review by Customs and Border Protection.

#### **A. TIME LINE**

- 1) Clear and detailed time line prepared by the factory outlining the dates and details as outlined below. Time line should include all processes that occurred from raw material purchase to export to the U.S., and the date it occurred in chronological order.



**B. RAW MATERIALS (Fabrics, Yarn, Trimmings, Labels)**

- 1) Invoices from the fabric/yarn supplier for the raw materials used in Purchase Order.
- 2) Invoices for the thread used to assemble the garments and backup country of origin documentation may be required if duty free treatment in Trade Agreement
- 3) Shipping documents from the raw material supplier to production factory
- 4) Clearance documentation of raw materials into country of production (i.e. Government Import License).
- 5) Affidavits from raw material supplier certifying raw materials are of "NAFTA", "AGOA", "ATPDEA", or Israeli origin.
- 6) Provide a detailed list of all findings and trimmings used in the garment and their origin and value. Examples: Sewing thread, hooks and eyes, buttons, "bow buds", decorative lace, trim, elastic strips, zippers (including zipper tapes), labels and other similar products. Additional documentation on labels and other findings/trimmings incorporated into the garment may be requested on a case-by-case basis.

**C. PRODUCTION RECORDS**

- 1) Internal Factory Production Order
- 2) Cutting records (tickets) if from fabric - knitting records if from yarn - should be able to verify quantity, colors & sizes of order
- 3) List number and types of machinery available at production factory/List number of machines used in production
- 4) Production records for sewing with breakdown of each process done.
- 5) Time cards of employees involved in Production Order with highlights of times employee worked on the order.
- 6) All assembly records. These should include records maintained on the factory floor describing the operations performed, employees performing the operations, and the dates the operations were performed
- 7) Proof of factory operation during time of production (e.g. electric bills)
- 8) All shipping details documenting movement of fabric/knit panels/assembled and unassembled garments/finished garments between countries (must be able to trace by production number/PO, including Customs clearance records, detailed truck manifests)
- 9) 1 - 7 above for production in second country.
- 10) Proof of export from country of export.
- 11) Sketch of the unassembled panels (if applicable)

**D. SUB-CONTRACTOR RECORDS**

- 1) All of the same records as in C/Production Records for sub-contractor.

**E. INSPECTION CERTIFICATES**

- 1) In-line inspection report
- 2) Final inspection report

## Explanation of Delivery Terms

### Incoterms

It is important to understand the delivery terms listed on the purchase order. These terms determine where Nordstrom takes legal ownership of the product and the responsibilities of the supplier. The following terms will be followed by delivery point, which identifies the named place, port or destination.

#### **Example: FOB-Istanbul**

#### **EXW - EX WORKS named place**

The seller's responsibility is to make the goods available at their premises in a condition prepared for export. The seller is not responsible for loading the goods in the vehicle provided by the buyer, unless otherwise agreed. The buyer bears the full cost and risk involved in bringing the goods from there to the desired destination.

#### **FOB - FREE ON BOARD VESSEL**

The goods are placed on board a ship by the seller at a port of shipment named in the purchase order. The risk of loss or damage to the goods is transferred from the seller to the buyer when the goods pass the ship's rail during loading. This term only applies to transportation by sea or inland waterway only.

#### **FCA - FREE CARRIER**

FCA is based on the same principle as FOB except that the seller fulfills their obligation when goods are delivered into the custody of the carrier at the named point. If no precise point can be mentioned at the time of the contract of sale, the parties should refer to the place or range where the carrier should take goods into his charge. The risk of the loss or damage to the goods is transferred from the seller to the buyer at that time and not at the ship's rail. "Carrier" means a person by whom or in whose name a contract of carriage by road, rail, air, sea or a combination of modes has been made.

#### **CIF - COST, INSURANCE AND FREIGHT**

The seller must pay the costs for freight necessary to bring the goods to the named destination, but the risk of loss or damage, as well as any cost increases, is transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. The seller has to procure marine insurance against the risk of loss or damage to the goods during carriage. The seller pays the insurance premium.

#### **DDP- DELIVERED DUTY PAID**

The seller must pay the costs for freight necessary to bring the goods to the named place of destination along with all the costs and risks involved in bringing the good thereto including, where applicable, any customs duties, taxes, customs formalities, and the payment of formalities for import in the country of destination.