



FREIGHT FACTS: WHAT YOU NEED TO KNOW ABOUT SHIPPING TO PUERTO RICO

Do my exhibitors have to pay import duties, fees or taxes on shipments?

There is a 5.5% State and 1.5% Municipal Sales and Use Tax that **only** applies when an exhibitor sells the merchandise brought for exhibition and then does not export their material. Any exhibitors that plan to sell on the show floor will need to apply for a Puerto Rico Merchant's Registration Certificate and Exemption Certificate, at least 30 days in advance of shipping to Puerto Rico. Exhibitors and associations are exempt from taxes on all temporary exhibition materials as long as these materials leave Puerto Rico within 60 days of importation. Promotional giveaways are exempt.

How do I select the right freight supplier?

Our recommendation is to appoint an "official carrier/customs broker" for your event. When selecting an official carrier, choose an experienced company already familiar with importing and exporting exhibition materials in and out of Puerto Rico or the Convention Center, and knowledgeable about local tax laws.

Why is shipping exhibition freight to Puerto Rico different?

Shipping exhibition freight to Puerto Rico is different because your choices for shipping are air and/or ocean and all shipments must be cleared for tax purposes through the Puerto Rico Department of the Treasury, known as *Hacienda*. The official carrier will act as a liaison between you and the Treasury Department.

What should I expect from the freight company we select?

It is most important that the carrier have an active relationship with the Treasury Department and be familiar with the Puerto Rico Sales and Use Tax laws. It is the official freight carrier's responsibility to manage all the paperwork and procedures required to import and export exhibition materials for your entity and exhibitors to Puerto Rico.

How does this work?

The official carrier will submit a formal letter to the Treasury Department requesting exemption from registration for your entity. In turn, the Treasury Department will issue a blanket Merchant's Registration Certificate and Exemption Certificate.

It is helpful if your entity surveys the exhibitors to identify those planning on selling at the exhibition and provides a list to the official carrier, as these exhibitors will need to apply for the Merchant's Registration Certificate and Exemption Certificate. The official carrier needs this information, as they are responsible for monitoring all of your event's transactions and collecting taxes from exhibitors on goods sold at teardown.

Is it important for exhibitors to use the official carrier?

This is a good choice for exhibitors as the official carrier has a vested interest in successfully delivering and returning exhibition materials. Moreover, the official carrier will have representatives clearing freight daily through the Treasury Department ensuring fast delivery of the exhibitor's crates, containers and cartons to an advance warehouse, the convention center and/or event location.

We highly recommend that you interview any of these companies for your next meeting, conference or tradeshow.

EAX Worldwide
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Since Puerto Rico is an off-shore destination, should we expect it to take longer to ship exhibition materials than other locations in the U.S.?

Here we include a list of different service levels and approximate transit times to Puerto Rico:

- Express Airfreight, 2-3 days (from U.S. city of origin)
- Economy Airfreight, 5-7 days (from U.S city of origin)
- Ocean, 4-7 days (from U.S. city of origin)
- Non-U.S./Canada International transit, allow a minimum of 14 days

Once the shipments reach either the port or airport, it will be cleared by the official carrier. Not using an official carrier, you should add 3-5 days to the delivery. This must be communicated to exhibitors to allow them sufficient time to plan shipments for the event.

What are the options for shipping freight to Puerto Rico?

- **Airfreight to advance warehouse:** Shipping by air takes the least amount of time depending on the type of airfreight service you require. Once the shipment arrives, it is cleared by the Treasury Department and then trucked to the advance warehouse. On the designated move-in dates, it is delivered to the convention center or show site by a general contractor.
- **Airfreight direct to show-site:** For shipments arriving at the airport, responsibility for clearance rests with the exhibitor's air carrier. Freight cannot be delivered to the show site without clearance.
- **Ocean services to advance warehouse or convention site.** There are two types of ocean services:
 1. **LCL (less than a container load):** This means the shipment will not occupy the entire space of an ocean container. LCL shipments may be delivered to the advance warehouse or direct to show-site. For timely delivery, shipment to the advance warehouse is recommended.

2. **Full container load:** Your entity or exhibitors have the option of an ocean container dropped at their facility to load, or the ship carrier can pick-up the material from the customer site and load the container at seaport.

It is important to note the following:

- Ocean shipments have a longer transit time than airfreight shipments.
- Ocean services are an economical choice for bigger and bulkier shipments.
- As with air freight, ocean shipments should be cleared through the official carrier.

What paperwork and information is needed to ensure seamless delivery of exhibition materials? Is this different than paperwork required in the U.S.?

You will need to supply the following:

- A commercial invoice which is an itemized listing of commodities, quantity, importation status and value of merchandise. It is important to indicate the status of the goods including:
 - Temporary** – All goods that will return to the U.S. within 60 days of importation
 - Permanent** – Goods for sale or not returning to the U.S.
 - Giveaways** – Anything that will be given away such as premiums and literature
- A Bill of Lading or Air Waybill supplied by your carrier and filled out by you.

The official carrier will also ask exhibitors to complete an Exhibit Transportation Form. This form provides the deadline dates, exhibitor information, carrier/broker information, and shipment information. The only difference between the U.S. and Puerto Rico is that Puerto Rico requires all exhibitors to complete a Commercial Invoice which has the designated value and status of the shipment.

When do we need to provide the paperwork?

The paperwork should be supplied to the official carrier with the freight on the day of the shipment pick-up. This will allow your carrier sufficient time to submit documentation, help to expedite the tax clearance, and complete delivery to advance warehouse.

