

Vendor SPI
Vendor Shipping Procedural Instructions
for IBM Air and Ocean Shipments to Brazil
Geodis – *Import/Export Department*
January, 2013

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Section 1 Introduction

Purpose

This guide documents the requirements for importing into Brazil. Non-compliance with these requirements can result in shipments being held by Brazilian Customs, monetary penalties to the Importer or loss of import privileges.

Application

This SPI must be provided to the Vendor and followed when a PO or contract results in an import to Brazil AND IBM is responsible for Customs clearance.

In all circumstances you should assume that IBM is responsible for such clearance.

Note 1: IBM Brazil may require foreign Vendors to ship low value ($\leq \$500.00\text{USD}$), **non-production, no charged items** (e.g. marketing materials, samples, brochures, demo tapes/diskettes), via Courier. The invoice accompanying these shipments should state: **"No Charge - Value for Customs Purposes Only"**

On these particular cases, IBM will not be responsible for Customs Clearance, which will be done by the Carrier utilized (e.g. FedEx, UPS, etc...). Nevertheless, the clearance will still be dependent upon the invoice provided by the Vendor. It **must** be noted that IBM Brazil will not be able to pay for any goods shipped under Courier standards, this type of shipment being exclusively for No-Charge items. **The goods must be sent as FREE DOMICILE.**

Note 1: USED MATERIAL – Due to several restrictions to import USED material in Brazil, there are many procedures that must be followed by the importer prior to the shipment. Each case must be analyzed and approved by Geodis and IBM Brazil.

How to Use

Please read the entire document. Provide it to your supplier with the information you need to provide....

P L U S

[Section 3](#) should be used to select the authorized forwarder from each geography/country.

Assistance

After the analysis of this document, if there is still any doubt, please contact **Geodis** team (responsible for managing import process on behalf of IBM) and its local broker **Panalpina** before shipment.

For shipments to Hortolândia plant (Air shipments to Viracopos Airport (VCP) or Ocean shipments to port of Santos (SSZ)), please contact:

Geodis Import/Export Manager
Mr. Giancarlo Teixeira
Phone no.: 55-19-3501-1550
Internet address: giant@br.ibm.com

Geodis International Trade Professionals:
Mr. Fernando Portes Teixeira
Phone no.: 55-19-3501-1552
Internet address: fportes@br.ibm.com

and

Mr. Paulo Henrique Godoy Faccio
Phone no.: 55-19-3501-1554
Internet address: pfaccio@br.ibm.com

Broker – Import Specialists:
Mr. Leandro Tashiro
Phone no.: 55-19-2101-2472
Internet address: leandro.tashiro@panalpina.com

Published by:

Geodis Soluções Globais de Logística do Brasil Ltda, Import/Export Department.
Hortolândia, SP

Section 2 Import Requirements

Method of shipments

IBM Brazil buys parts from the Vendors on FOB and Ex-Works basis.

Therefore, the Freight Forwarder will be required to either receive the cargo on its warehouse or to pick it up on the Vendor's facility.

The correct procedure for both methods is described below. In case of any doubt, please contact IBM Import Department before shipment for instructions.

- PORT TO PORT SHIPMENTS - **FOB**

The Vendor is responsible to deliver the cargo on the Freight Forwarder warehouse. The Exporter must pay the Inland freight. The Freight Forwarder is not authorized to accept any charges for the Inland Freight. Written authorization from IBM Brazil or Geodis is required for any exception.

The method of shipment (ocean or air freight) must be stated on the invoice.

IMPORTANT: For non-USA Vendors, please contact Geodis or Panalpina people mentioned on the 'Assistance Section' to be informed about the nearest freight forwarder facility.

For USA Vendors, the cargo must be sent to:

PANALPINA INC.

IBM DISTRIBUTION CENTER

12430 N.W. 25th Building #10, suite 100- Beacon Corporate Park
Miami, Florida - 33182

Attention to: Manuel Cornejo,

Internet address: manuel.cornejo@panalpina.com

Phone: 305-499-9800 extension 3583

Panalpina Manager for IBM operations:

Manuel Cornejo email: manuel.cornejo@panmail.com

The Vendor must contact the Panalpina Miami Office above, and NOT any other office.

An e-mail with all information concerning the shipment must be sent to Panalpina to the attention of Manuel Cornejo AND to Geodis Brazil to the attention of Import Department. A sample of this email is enclosed on this Shipping Instructions (CARGO DELIVERY ADVISE)

This communication is very important for both Freight Forwarder and Geodis Brazil. It allows Panalpina to pre-book the freight on the next flight to Brazil and Geodis to keep track of the cargo since the beginning.

VERY IMPORTANT - The cargo has to be delivered with 02 Original Invoices and 01 packing list, and the Vendor must ensure that other 01 packing list is attached to the cargo itself. More information on the **MANDATORY** chapter.

- **DOOR TO PORT SHIPMENTS - EX-Works**

The Freight Forwarder is responsible for picking up the cargo at the Vendor's facility. For that, the Vendor will send a fax or e-mail to Panalpina Miami with all the information concerning the cargo.

A sample of this communication is enclosed on this Shipping Instruction (CARGO PICK-UP REQUEST)

The Freight Forwarder phone number and contact person is:

PANALPINA INC.

Mr. Manuel Cornejo

manuel.cornejo@panalpina.com

Phone: 305-499-9800 extension 3583

If the Vendor does not inform the method of transportation (ocean or air freight), correct address for pick up, date for pick up, correct gross and net weight, number and dimension of volumes, the Freight Forwarder is not authorized to proceed the pick up of the cargo.

VERY IMPORTANT - The Vendor must provide at the moment of the pick up a set of 02 Original Commercial Invoices and 01 packing list in a separated envelope and the Vendor must ensure that 01 packing list is attached to the cargo itself. More information on the **MANDATORY** chapter.

If the Freight Forwarder does not show up to pick up the cargo, Geodis Brazil must be notified immediately, either by contacting the IBM Brazil Buyer or Geodis Brazil Import Department.

Documents

The following documents are required for all imports into Brazil. The instruction for issuing the documents must be followed to meet customs / legal requirements:

Commercial Invoice - 2 original invoices SIGNED **in Blue Ink**. Prior to issue the final document, the vendor must send a draft of the invoice by email to Panalpina Analyst to have it verified against local customs regulation.

Invoice Requirements / Instruction for issuing:

The commercial invoice **MUST** contain all the information below. Any changes or exception must have previous written approval of Geodis Brazil prior to the shipment:

- Invoice number / identification;
- Invoice to (or Bill to) and ship to addresses, according to Purchase Order:

IBM Brazil I.M.E.S. Ltda.
Rodovia Jornalista Francisco Aguirre Proença, S/N
S/N - SP 101 - KM 9 - Chacara Assay
Hortolandia - SP – Brasil
Zip Code: 13186-900
CNPJ 33.372.251/0062-78
ATTENTION to: buyer name

- Purchase order (PO) number
- Terms of payment (Net Terms, i.e.: 30 days, 45 days, etc..) and Currency being utilized
- Incoterms (i.e. FOB Miami, Ex-Works etc.)
- Method of transportation - OCEAN or AIR freight
- IBM Part number and related Vendor Part number (when applicable)
- Description of goods, detailed and in English. This description must allow the easy determination of the nature of the goods, **without** abbreviations or nicknames.
- Quantity shipped
- Unit price in dollars
- Total price in dollars
- Type of invoice (Charge or No Charge – Value for Customs Purpose Only)
- Bank information - should be listed the complete name, address and account number for payment purposes.
- Quantity and dimensions of boxes/pallets (also, number of boxes/cartons per pallet), and volumes specification (i.e. wood crates, cartons, etc)
- Net and gross weight, both per unit and total
- Country of origin/matrix - Complete name and address. **
- Requester information, as: Name, email, Phone, etc.

** Brazilian Legislation understands as manufacturer the one whose name is printed (or labeled) on the parts.

There are situations in which parts from different Vendors are assembled and sold as one single part. In this case, it will be necessary to declare all manufacturers whose name appear on the part or, if there is none, the assembler will be considered as the manufacturer.

Packing list – 2 documents: 1 original to be sent along the original invoice to be delivered with the goods to the Freight Forwarder and 1 attached to the cargo itself.

Note 1: In case of courier shipment, 1 packing list must be sent along to the original invoice.

Instruction / Information to be included on the packing list:

Ship to Address

IBM Brazil I.M.E.S. Ltda.
Rodovia Jornalista Francisco Aguirre Proença, S/N
S/N - SP 101 - KM 9 - Chacara Assay
Hortolandia - SP – Brasil
Zip Code: 13186-900
CNPJ 33.372.251/0062-78

Case number: XX

IBM Part Number: XXXXXXXX Vendor part number: YYYYYY

Case Quantity: XXX pcs IBM Purchase Order: XXXXXX

Case X of N in this shipment (for example: case 1 of 10).

Shipping Location: **inform Country name**

Weights: Gross: ____ Net: ____ kgs.

Case dimensions: __x__x__ cm.

Quantity of pallets: ____

Pallets dimensions: ____x____x____ cm.

VERY IMPORTANT: One packing list must be sent attached to the original invoice and sent along the cargo; a copy of the packing list must be attached to the cargo itself. More information on the **MANDATORY** chapter.

SOLID WOOD PACKING:

Brazil Agriculture Regulation has determined that all cargo received with solid wood packing material (even if heat treated at the source) is selected to the agricultural inspection process (including possible fumigation), which delays the customs clearance process (1 or 2 days).

In order to avoid this delay, Brazil requires the use of non-regulated materials such as MWPM (Manufactured Wood Materials) or an alternative non-wood material that should be used for pallets and crates. Pallets/over packs should be manufactured of the following kind of material --marked "MWPM" -- which includes the following, if made from 100% of these or a combination of these and other non-regulated materials such as corrugated or metal or plastic:

- Plywood (ref. NEFAB crates)
- Oriented strand board (OSB)
- Press wood
- Masonite
- Paper Overlaid Veneer (POV)

All goods should be already palletized when the freight forwarder pick up them or receive them at its facility.

IMPORTANT: These requirements are not optional. It is the responsibility of the Vendor to ensure they are met.

Air Waybill - 1 original for air shipments. (To be provided by the freight forwarder)

Ocean Bill of Lading - 1 original (to be provided by the freight forwarder)

Labeling of cases/volumes

Carton/Package label - 1 per carton

Case labels - Use 2, 1 in front, 1 on the side

Also, boxes/cases must state the quantity of volumes and the particular cases number using the following example:

1/12 - Where reads as "case #1, from a total of 12 volumes"

Shipping/Address label

See example below:

EXAMPLE – CASE / CARTON / PACKAGE LABEL

Case number: 15

IBM Part Number: 1876578 Vendor part number: 562b35

Case Quantity: 115 pcs IBM Purchase Order: 200567

Case 15 of 80 in this shipment.

Shipping Location: USA

Country of Origin: Contents Made in USA

Weights: Gross: 35.5 Net: 29.5 kg.

Case dimensions: 15x30x28 cm.

EXAMPLE – SHIPPING / ADDRESS LABEL

IBM Brazil I.M.E.S. Ltda.

Rodovia Jornalista Francisco Aguirre Proença, S/N

S/N - SP 101 - KM 9 - Chacara Assay

Hortolandia - SP – Brasil

Zip Code: 13186-900

CNPJ 33.372.251/0062-78

ATTENTION to: buyer name

Routing

IBM Brazil has a contracted freight forwarder that must be utilized for the pick up process when the incoterm is Ex-Works.

General

Documents must be in **English**

All invoices must have the name of a responsible employee (salesman or shipping area personnel) of the Vendor, who has information or can get information about the shipment.

The 2 original invoices must be signed in blue ink.

MANDATORY - VERY IMPORTANT INFORMATION

- For any shipment: 2 original invoices, signed **in blue ink**, and 1 packing list MUST be placed in an envelope and:
 - handled to the driver of the truck sent by Panalpina to pick up the cargo (in case of Ex-Works shipments) or
 - handled to the driver of the truck designed by the Vendor to delivery the cargo at the freight forwarder facility (in case of FOB shipments) who MUST deliver this envelope, containing the documents, to the freight forwarder at the dock.

A **Receipt or Proof of Delivery (POD)**, stating the quantity of volumes/pallets delivered/received must be required from the freight forwarder in both cases (either Panalpina will be receiving the goods at its warehouse or picking it up at the Vendor's facility).

- Failure to provide an original commercial invoice for any shipment may incur in penalties to the Vendor, who will be obligated to reimburse IBM Brazil of any costs concerning Customs fines and/or warehousing costs at Brazilian Customs.
- One copy of the packing list must be attached to the box/volume, no matter if the same information is listed in the commercial invoice.
- **DO NOT** send cargo of different Pos (purchase orders) on the same volume/package unless under directions of IBM International Procurement Department. If the POs can be sent together, the IP Department will instruct the Vendor directly.
- **IN CASE** the Vendor is buying the goods from a third supplier and this third supplier is the one responsible for delivering the goods at the Freight Forwarder or for requesting the pick up of these goods, this third supplier will be also responsible for providing al the documents/cargo information as already requested by IBM to its original Vendors. The final responsibility to assure the compliance of these shipping instructions relies on the ORIGINAL VENDOR. The invoice, packing list, and the labels on the volumes provided by this third supplier MUST provide identification that will allow Panalpina to correctly identify the shipment. The original IBM PO number, part number and quantity must be on the cases/documents from the third supplier.
- Never use Door-to-Door (couriers) shipments without having previous Geodis Import Department acceptance/instructions. Courier shipments typically are No-Charge shipments, free domicile, for goods with no commercial destination, and IBM Brazil will have no means of paying the Vendor for any goods shipped under this method. The non-observance of this requirement may create a situation in which IBM Brazil will be unable to legalize the importation, and therefore unable to pay for any goods wrongly shipped.
- One copy of the packing list MUST be attached to each box/or for each PO shipped, identifying contents of the shipment (including PO number, invoice number, Part number, quantity and country of origin).

- All invoices must have the name of a responsible employee (salesman or shipping area personnel) of the Vendor who has information or can get information about the shipment.

Section 3 Shipping / Routing Guide

It is absolutely essential that shipments be imported through authorized IBM Brazil contracted forwarders to ensure proper clearance through Brazilian Customs at the lowest cost. IBM Brazil Distribution Dept must authorize any exceptions in advance.

For all Imports from **North America**, Panalpina is the Freight Forwarder that **MUST** be contacted and its office in **Miami** is the office in charge of handling these shipments. **Do not** contact any other Panalpina office in the USA, besides the Miami office, for pick up requests or cargo delivery advice purposes.

For non-USA Vendors, please contact Geodis or Panalpina people mentioned on the 'Assistance Section' to be informed about the nearest freight forwarder facility.

Section 4 Samples for Cargo Delivery Advise and Cargo Pick up Request

CARGO DELIVERY ADVISE

FROM: _____
TO: _____
P/N: _____
PO.NBR: _____
SHIP TO CODE: _____
INVOICE NBR: _____
METHOD OF SHIPMENT: _____
ORIGINAL INVOICE ALONG THE CARGO: () YES () NO
Note: It is **mandatory** the shipping of 1 original invoice and 1 original packing list along the cargo.
QTY OF PALLETS/BOXES: _____
MEASURES: _____
TOTAL WEIGHT: _____
TRACKING# _____
ETD: _____
ETA: _____

CARGO PICK-UP REQUEST

FROM: _____
TO: _____
P/N: _____
PO.NBR.: _____
SHIP TO CODE: _____
INVOICE NBR: _____
METHOD OF SHIPMENT: AIR () _____ OCEAN () _____
ORIGINAL INVOICE ALONG THE CARGO: () YES () NO
Note: It is **mandatory** the shipping of 1 original invoice and 1 original packing list along the cargo.
QTY OF PALLETS/BOXES: _____
MEASURES: _____
TOTAL WEIGHT: _____
ADDRESS FOR PICK-UP: _____
DATE: _____
TIME: _____
PERSON TO CONTACT : _____ phone number: _____

Section 5 Certificate of Agreement and Compliance by the Vendor

Dear Vendor,

Please read carefully the instructions contained on this shipping instructions. Any mistake made by you may incur in penalties to IBM, who will demand reimbursement at the Vendor's expenses.

Please sign this document, confirming your full understanding and return it to my attention.

Buyer's name

I have read this Shipping Procedures Instructions, fully understood it and agree with the compliance of all it's terms.

I also acknowledge that any mistake made by me will grant IBM Brazil the right to demand full reimbursement of the costs incurred, at my own expenses.

Vendor Representative name/signature/date