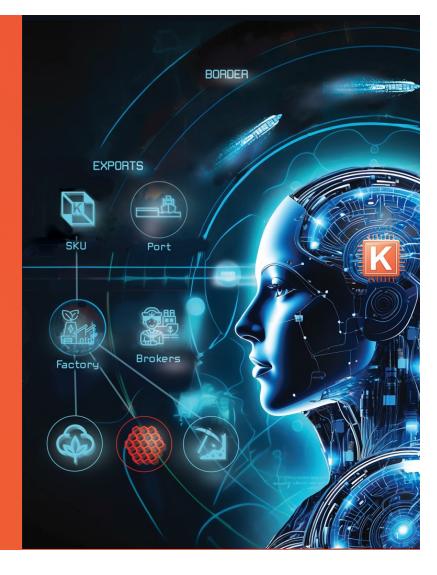


#### Artificial Intelligence for Trade Compliance: Believers vs. Skeptics Debate

Advanced Topics in Customs Compliance

February 2025

U.S. Patent # 17/512,223 Notice of Allowance Received Confidential — Unauthorized use and disclosure prohibited. © 2025 KYG Trade, Inc. All rights reserved



## **Today's topics**

#### Al "Assisted"...

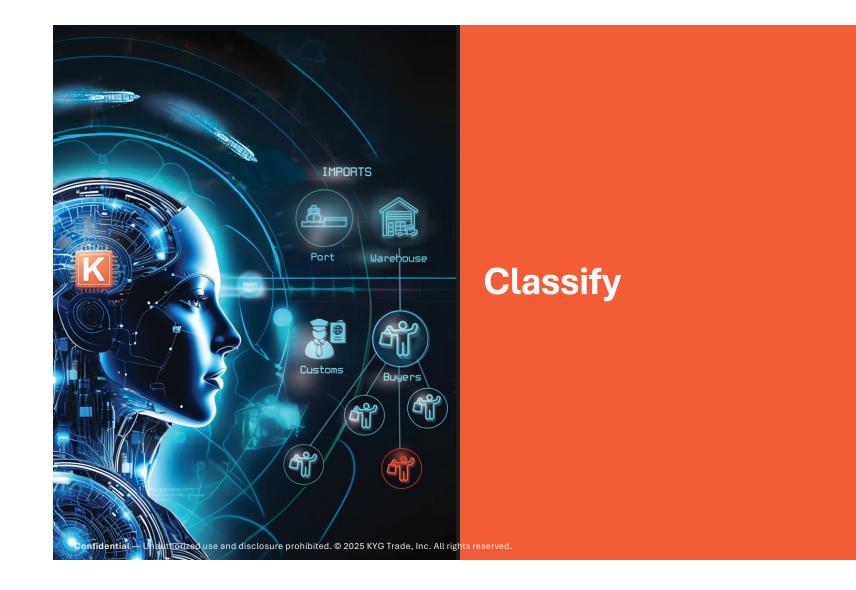
1) Classification



2) FTA Qualification

**3)** Non-Preferential Origin & UFLPA Compliance

4) Other tariff and trade compliance areas







AI-assisted classification does not take the following into account:

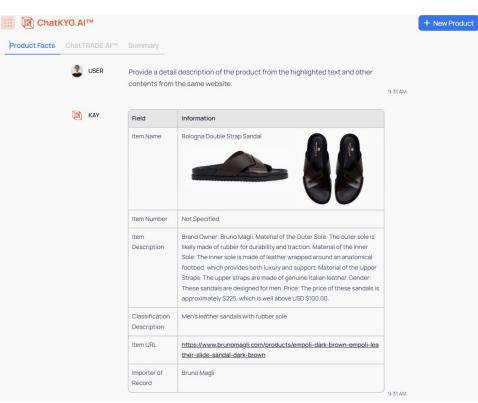
- Section notes
- Chapter notes
- Explanatory notes
- CROSS Rulings
- Informed Compliance Publications
- CIT cases



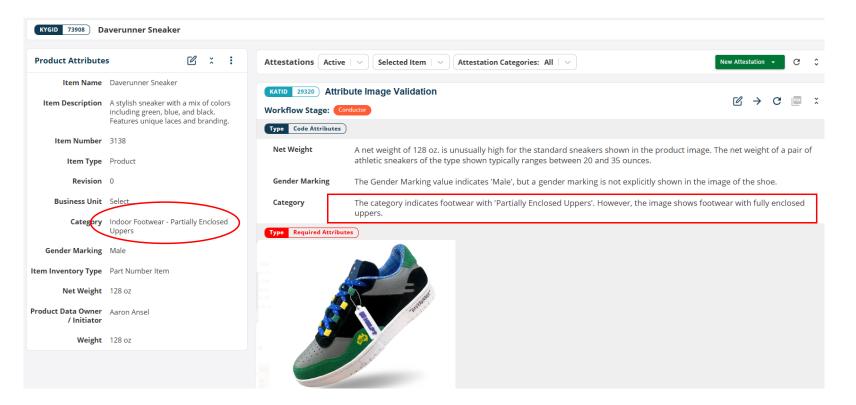
AI cannot classify accurately using inadequate merchandise descriptions.

- Datapoints from ERP/PLM systems.
- OCR and image scraping, identifying differences between images and narrative descriptions.
- Invoice description discrepancies.
- Product attribute discrepancies.

## AI Object + Image Classification



#### **AI-Assisted Discrepancy Detection**





Al doesn't take data insufficiencies into account.

- Makes things up.
- False assumptions.

| Selected Oracle ChatHTS.AI HS Classification: Jurisdict   | Selected Oracle ChatHTS.AI HS Classification: Jurisdiction: United States  | G X                      |
|---|--|--------------------------|
| QUESTION HISTORY  |  | Re-initiate Submit Answe |
| Question / Answer   | Question / Answer  | 2                        |
| Question [QID:12694]   Powered by AI Answer   | Question [QID:12700] Sourced by Al Answer  |                          |
| Let's start by confirming your item's description<br>and clarifying whether I made any incorrect<br>assumptions. Is the label self-adhesive, and is<br>it primarily made of paper or a similar<br>material? | The product details do not provide enough information to<br>draft a product description. The item is simply described as<br>a 'shirt' with the item number 'shirt', which is too vague to<br>determine the specific type, style, or purpose of the shirt.<br>While additional online information suggests various types<br>of shirts, such as a DIY oversized button-down shirt, a<br>Hanro cotton seamless short sleeve shirt, and a Hawaiian<br>shirt, these details do not directly relate to the product<br>context provided. Without specific attributes or<br>characteristics of the shirt in question, it is impossible to<br>create a comprehensive product description. |                          |
|   | We tried looking for additional information online, but were<br>unable to find any relevant details that could help us draft<br>a product description. Please try again, providing more<br>details about the item itself, and / or specific identifiers that<br>could help us find the item online.  |                          |

# Anchoring the product description

#### **Confidence scores**

| Kay's Question  | Result                   | Resources Can | didate List   |                           |                     |
|---|--------------------------|---------------|---|---------------------------|---------------------|
| andidate  | Confidence               | Subheading    | Description   | General                   | Spe                 |
| 5102.11.10.00<br>Of Kashmir (cashmere)                          | <b>95%</b><br>) goats.11 | 5102.11.10.00 | Not processed in any manner beyond the degrease<br>carbonized condition | ed or 5.1¢/clean kg null/ | Free<br>(AU<br>R, M |
| 5104.31.00.00<br>Of Kashmir (cashmere)                          | <b>94%</b><br>) goats (4 | 5102.11.90.00 | Other   | 4.9¢/kg + 4%.null/        | Free<br>(AU<br>R, N |
| 5105.31.00.00<br>Of Kashmir (cashmere)                          | <b>87%</b><br>) goats (4 | 5102.19       | Other -   | -                         |                     |
| 5106.31.00.00<br>Of Kashmir (cashmere)<br>5107.31.00.00         | 82%<br>) goats (4<br>78% | 5102.19.20.00 | Hair of the camel   | 5¢/clean kg null/         | Fre<br>(AL<br>R, N  |
| Of Kashmir (cashmere)<br>5108.31.00.00<br>Of Kashmir (cashmere) | 70%                      | 5102.19.60    | Other -   | 0.4% null/                | Free<br>(AL<br>R, M |
| 5109.31.00.00   | 66%                      | 5102.19.60.30 | Hair of the Angora goat cy kg   | -                         | -                   |

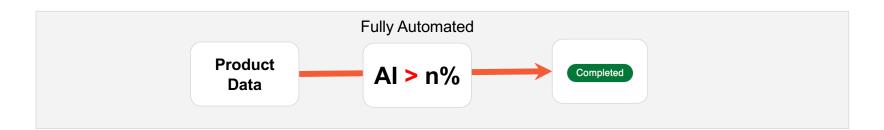
AI does not consider the human element, and sometimes professional judgment is needed.

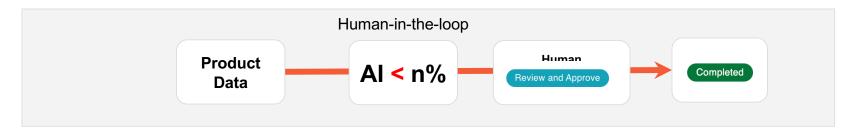
- Human in-the-loop review.
- Client-specific tribal knowledge-base.

# **AI + Human-in-the-Loop**



Product data, attributes, and attestations are optionally reviewed and approved by a human.





n% = user specific confidence score

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#### "Tribal" Knowledge-Base

--Comparison to Existing Classification--

The selected code 8414596560 matches the existing code provided by the client, confirming the accuracy of the classification.

--Comparison to Existing Classification--

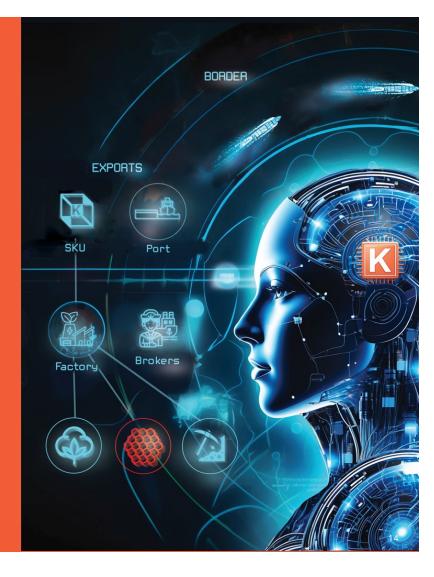
The selected code does not match the existing classification, 8504409580, as previously determined by the client. The client-provided code is defined for static converters not intended for telecommunication apparatus or power supplies used with automatic data processing machines of heading 8471, among other exclusions. The differences between the two codes lie in the specific functions and intended uses of the items they cover. The selected code, 8504314065, is more appropriate for the item described because it accurately reflects the power supply's function as a transformer with a specific power handling capacity, aligning with the item's technical specifications and intended use with ADP machines. The rationale for selecting this code is based on the General Rule of Interpretation (GRI) 1, which applies because the item description 'HARNESS FORCED AIR BLOWER 5M' matches the specific language of the heading 841459. This heading includes various types of fans and blowers not classified under other specific subheadings. The item 'HARNESS FORCED AIR BLOWER 5M' is best classified under HS code 8414596560 because it is a part of a forced air blower, which falls under the scope of this subheading. Historical

classification of similar items, such as the '

These items are also parts of blowers and have been classified under 841459. The item description does not indicate that it is excluded by any specific subheading exclusions, such as those for microprocessors, telecommunications equipment, or motor vehicles.

Several alternative codes were considered during the classification process. These include 8414596595, which would apply if the item were not a part of a forced air blower but rather a different type of fan not specifically excluded by the subheading; 8414596590, if the item were an axial fan component rather than a centrifugal fan component; 8414591000, if the item were a general fan part not specifically excluded by the subheading; 8414591500, if the item were specifically designed for cooling microprocessors, telecommunications equipment, or computers; 8414593000, if the item were a general fan part not specifically excluded by the subheading; and 8414596540, if the item were suitable for use with motor vehicles.

# **Free Trade Agreements**



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Bill of Materials is not accurate or incomplete.

- Document analysis, validation, and missing information.
- Different BOM types.
  - Engineering
  - Manufacturing
  - Shipment
- BOM changes.
- Same SKU with different BOM.

# **SKU-Based Tariff and Trade Compliance**

Leveraging AI to analyze and understand product data and documents in real time.

#### Identifying and organizing relevant information.

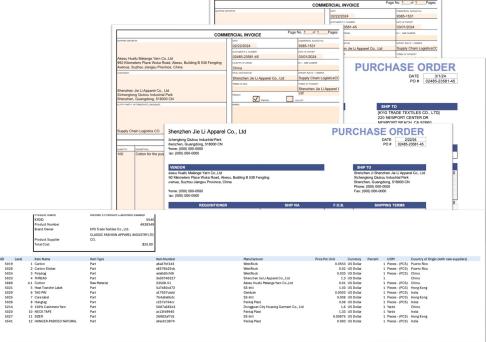
- Supply chain mapping
- Counterparties and roles
- Risk level (Sayari, Kharon, Descartes)
- Exhibits and documentation

#### Accelerated reporting.

- Leveraging generative AI capabilities to draft reports quickly and effortlessly
- Customizable templates and use cases



#### Emails, PDFs, Excel, Images, or via API





#### KYGID 76574 Men's Windbreaker **Bill of Material** 🛞 BOMID 1690 Tradesheet™ ▼ **↑** Upload File ₩ Manufacturing 回 . Engineering Level Order Item Name Item Type Item Subtype Item Number Product Data Owner / Initiator Supplier Name Price per Manufacturing Selected Oracle ChatFTA.AI™ 0 Men's Windbreaker С X : Raw Material Country of Origin: Jordan Preference Criterion: RVC FTA Qualification: Qualified CARTON TAPE 1 As-Shipped C 76618 2 NGC LABEL Initiate Accept and Continue *C* 76617 3 1 Recycled version of... QUESTION QUESTION HISTORY **Question History** X Question #3 Please make sure to add the Total Cost attribute for each of the following KYGIDs: 76575, 76579, 76581, 76583, 76593, 76602, 76606 **Answer:** I have updated the Total Cost for every BOM item. Please try again.

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**BOM Data Verification** 

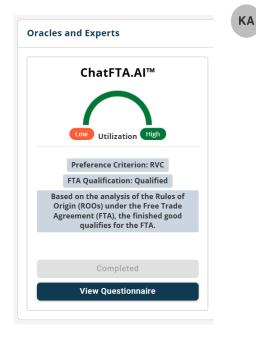
AI cannot validate rules of origin, country of origin, or transshipment risk.

- COO accuracy and completeness
- Supplier solicitation
- RVC, tariff shift, transshipment, de minimis

# **AI-Assisted FTA Qualification**



RVC, Non-Originating Goods, and Transshipment Analysis.



#### Kay Al 9 days ago Product 33986 / Assessment 29598 / Oracle

The finished good, Cashmere Jet Set Crew, with Item Number 4838349 and KYGID 33986, qualifies for special treatment under the FTA, Jordan-United States treaty.

The rules of origin applicable to the Cashmere Jet Set Crew under the FTA require a Regional Value Content (RVC) of 35% or higher. Upon thorough evaluation, the product was found to have an RVC of 61.0%, significantly exceeding the required threshold. This high percentage confirms that the majority of the product's value is derived from materiais and rabor originating within the partner countries, thereby meeting the FTA's criteria for preferential treatment.

The transport documentation was meticulously reviewed to ensure compliance with the FTA's direct transport rules. The goods were shipped from Irbid, Jordan, to Haifa, Israel, before reaching their final destination in Los Angeles, USA. Despite passing through Israel, the product qualifies under the direct transport criteria as outlined in Article 8 of the FTA. The goods did not enter into the commerce of Israel and remained under the control of customs authorities, with no operations performed other than those necessary to preserve the product's condition. The shipping documents clearly indicate the USA as the final destination, supporting the product's eligibility for special treatment.

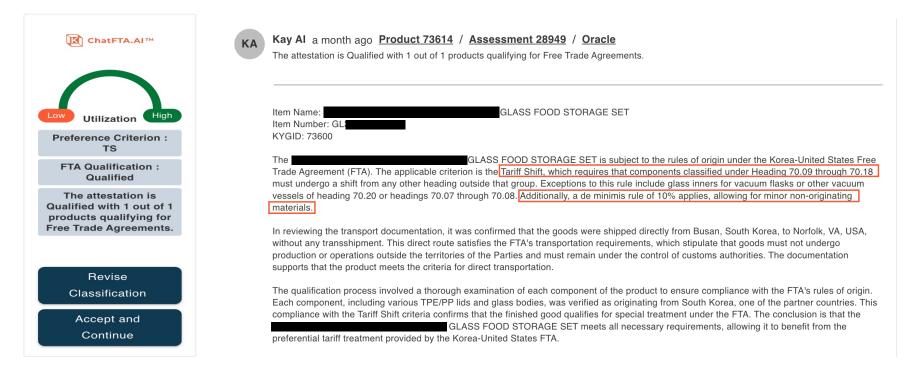
The qualification process involved a detailed examination of each component of the Cashmere Jet Set Crew to determine its origin status. Components such as the heat transfer label, thread, cashmere yarn, hangtag, carton, polybag, and sizer were identified as originating materials from Jordan, thus contributing to the product's RVC. Conversely, items like the tag pin, neck tape, carton sticker, care label, and hanger-padded natura were not considered originating materials. as they did not meet the FTA's criteria for indirect materials. Despite these non-originating components, the overall RVC calculation confirmed the product's qualification.

In conclusion, the Cashmere Jet Set Crew meets the necessary requirements for special treatment under the FTA, Jordan-United States treaty, due to its substantial regional value content and adherence to direct transport rules. This qualification allows for preferential tariff treatment, facilitating smoother trade between Jordan and the USA.

# **AI-Assisted FTA qualification**



Tariff Shift, De Minimis, and Transshipment Analysis.



## **AI-Assisted Identification of Missing Documents**

| Selected Oracle ChatFTA.AI™  | C X I  |
|--|--|
| Country of Origin: Preference Criterion: FTA C   | Qualification:                                   |
|  | ← Re-initiate Submit Answer                      |
| QUESTION QUESTION HISTORY  |  |
| Question / Answer  | ×  |
| Question [QID:4b4c40ed-466b-<br>492d-a8fd-f192277776c4]                                      | Answer   |
| I was not able to find a Purchase Order  | Yes, continue without the Purchase Order.        |
| supporting document for this KYGID. Would you like to continue without this supporting file? | No, I have a Purchase Order supporting document. |

## **COO** Validation

| KYGID 73908 Da                    | overunner Sneaker  |  |  |                                     |     |     |    |
|-----------------------------------|--|--|--|-------------------------------------|-----|-----|----|
| Product Attributes                | Ľ × :  | Attestations Active  | ✓ Selected Item   ✓ Attestation Categories: All   ✓  | New Attestation 👻                   | (   | C   | \$ |
|                                   | Daverunner Sneaker<br>A stylish sneaker with a mix of colors<br>including green, blue, and black.<br>Features unique laces and branding. | KATID     29320     Attribut       Workflow Stage:     Condu       Type     Code Attributes  | te Image Validation<br>التتم   | $\mathbb{C} \rightarrow \mathbb{C}$ | 3 ( | PDF |    |
| Item Number<br>Item Type          |  | Country of Origin (COO)  | Vietnam  |                                     |     |     |    |
| Revision<br>Business Unit         |  | Commodity Description  | The item description, selected tariff, and manufacturer do not comport with the inform documentation.  | ation in shipping                   | 1   |     |    |
|                                   |  | Shipment<br>Type Required Attributes   | Certificate of origin date covers shipments for 2024, whereas actual shipment was 2025   |                                     |     |     |    |
| Gender Marking                    | Male   | A clash malgari And (Synth's two, sould with<br>Adjust which, addition of marry)     A clash malgari is (Synthyse) and addition of the<br>A clash malgari is (Synthyse) and addition of<br>A clash malgari is (Synthyse) and<br>A  | New York State Sta |                                     |     |     |    |
| Item Inventory Type               | Part Number Item   | A there are the time     A there are the time     A there are the time     C and th       |  |                                     |     |     |    |
| Legacy Country of<br>Origin (CoO) | Vietnam  | Semantific cost:         Control         Control         Control         Control         Dia         Dia <thdia< th="">         Dia         <thdia< th="">         D</thdia<></thdia<>   |  |                                     |     |     |    |
| Net Weight                        | 128 oz   | Accession<br>Representation  |  |                                     |     |     |    |
| Product Data Owner /<br>Initiator | Aaron Ansel  | 1. Contrast, or co |  |                                     |     |     |    |
| Weight                            | 128 oz   | PROVIDENT RECERT Place and falls, spanners of conference of Place and falls, spanners and receipting and   |  |                                     |     |     |    |

## **AI-Assisted Supplier Solicitation**



#### Identify gaps in documentation

 Identifies the documents needed to defend an FTA qualification or UFLPA detention notice and identifies any data gaps.

#### Supplier solicitation workflow

 Generative AI can assist in solicitating necessary documents from a supply chain, reducing the burden of corresponding with multiple parties.

|   | Request for Bill of Materials and Transportation Documents • peyton@kygtrade.ai  |          |
|---|--|----------|
| > Send  | ◇ ⑪ Discard ∂ Attach File  |          |
| From:   | Peyton Montei (peyton@kyg.ai) >  | *        |
| To:   | (tony@maloufsleep.com)   | Cc Bcc   |
| Subject:  | Request for Bill of Materials and Transportation Documents   | Priority |
| Aptos   |  | ्रं =ब   |
|   | nation:  |          |
| Item Descripti<br>Purchase Orde<br>Requested Door<br>- The BOM shoi<br>- Each line sho<br>- If the item wa<br>2. Transportat<br>- Bill of Lading<br>- Commercial  | iasimmer Sweater<br>Jear Vibona Y 100% Gashmere Sweater<br>Jer ID : 123123<br>cumentation:<br>Irials (BOM):<br>uild insteach term on its own line, including all tangible items (components, raw materials, packaging) and intangible items (labor costs, testing fees, inland freight, etc.).<br>uild include the item name and description, total cost, and country of origin.<br>s: imported int the manufacturing country, please provide the six-digit I HS code used.<br>Itom Documents:<br>j: Including details of shipmen torigin, destination, and carrier information.   |          |
| Item Descripti<br>Purchase Ord<br>Requested Dor<br>1. Bill of Matei<br>- The BOM sho<br>- Each line sho<br>- If the item wa<br>2. Transportat<br>- Bill of Lading<br>- Commercial<br>- Packing List:<br>- Certificate of                                      | iastmare Xweatar<br>ion: Woman's 100% Cashmere Sweater<br>er (D: 123123<br>uumentation:<br>uudi site ach item on its own line, including all tangible items (components, raw materials, packaging) and intangible items (labor costs, testing fees, inland freight, etc.).<br>uudi site ach item on its own line, including all tangible items (components, raw materials, packaging) and intangible items (labor costs, testing fees, inland freight, etc.).<br>uudi site ach item on its own line, including all tangible items (components, raw materials, packaging) and intangible items (labor costs, testing fees, inland freight, etc.).<br>uudi include the item name and description, total cost, and country of origin.<br>Is imported into the manufacturing country, please provide the six-digit HS code used.<br><b>tion Documents:</b><br>[sucluding details of nitpiment origin, destination, and carrier information.  |          |
| Item Descript<br>Purchase Ord<br>Requested Doo<br>1. Bill of Matei<br>- The BOM sho<br>- Each line sho<br>- If the item wa<br>2. Transportat<br>- Bill of Lading<br>- Commercial<br>- Packing List:<br>- Certificate of<br>This detailed b                    | lastmare Sweater<br>ten: Woman's 100% Cashmere Sweater<br>er D: 12122<br>cumentation:<br>vials (BOM):<br>uid include the item name and description, total cost, and country of origin.<br>uid include the item name and description, total cost, and country of origin.<br>is imported into the manufacturing country, please provide the six-digit HS code used.<br><b>Item Documents:</b><br>[Including data is of shipment origin, destination, and carrier information.<br>Levoice: Detailing the goods shipped, their value, and other relevant financial details.<br>Describing the contents of each package or container.<br><b>I Gorigin:</b> Centifying the originating country of the goods.   |          |
| Item Descript<br>Purchase Ord<br>Requested Dor<br>1. Bill of Matee<br>- The BOM sho<br>- Each line sho<br>- If the Item wa<br>2. Transportat<br>- Bill of Lading<br>- Commercial<br>- Packing List:<br>- Certificate of<br>This detailed b<br>Please reply to | iastmare Sweater<br>tee: Woman's 100% Cashmere Sweater<br>er Dr. 12122<br>cumentation:<br>vials (BoOH):<br>uid include the item name and description, total cost, and country of origin.<br>uid include the item name and description, total cost, and country of origin.<br>Is imported into the manufacturing country, please provide the sk-digit HS code used.<br><b>Item Documents:</b><br>Including data is of shipment origin, destination, and carrier information.<br>Levoice: Detailing the goods shipped, their value, and other relevant financial details.<br>Describing the context of each package or container.<br><b>If Origin</b> : Certifying the originating country of the goods.<br>reackdown is essential for us to ensure compliance with trade regulations and to better assess product for our internal audits.  |          |
| Item Descript<br>Purchase Ord<br>Requested Dor<br>1. Bill of Matee<br>- The BOM sho<br>- Each line sho<br>- If the Item wa<br>2. Transportat<br>- Bill of Lading<br>- Commercial<br>- Packing List:<br>- Certificate of<br>This detailed b<br>Please reply to | iainmare Sweater<br>Jear Ubans 1 (10% Gashmere Sweater<br>Jer Ub 1 23123<br>cumentation:<br>irials (2007):<br>Juli list each from on its own line, including all tangible items (components, raw materials, packaging) and intangible items (labor costs, testing fees, inland freight, etc.),<br>uiul include the item name and description, total cost, and country of origin.<br>is imported into the manufacturing country, please provide the six-digit I HS code used.<br><b>Ito Documents:</b><br>Je Including details of hipment origin, destination, and carrier information.<br>Itroviece: Desting the goods hipped, their value, and other relevant financial details.<br>: Describing the contents of each package or container.<br>If origin: Certifying the originating country of the goods.<br>resektown is essential for us to ensure compliance with trade regulations and to beter assess product for our internal audits.<br>the senali with the completed BDM by October 5, 2024. If you have any questions or need further clarification on the requirements, do not hesitate to contact me directly.<br>your cooperation and prompt attention to this matter. |          |



## **Non-Preferential Origin**

#### **UFLPA** Compliance

Al cannot determine non-preferential origin due to lack of clearly defined rules.

- Substantial transformation rules via,
  - Informed compliance publications
  - CROSS rulings
  - CIT cases
- Identify 301 exclusions

# Non-Preferential Origin + 301 Analysis



Searching rulings >1/1/2018 for origin and vacuum cleaners.

| (09055)    |  |   |
|------------|--|---|
|            | origin vacuum cleaners   | <b>२</b> ऱ  |
|            |  | Бнетку<br>Бибиласке – Кента регради: 130 v 1−24.0/24 <  |
| DATE       | RULING<br>CATEGORY<br>TASIFF NO  | RUUNG REFERENCE RELATED   |
| 4/21/2020  | NY NEL1 1993, 12<br>Country of Origin  | The country of origin of upright vacuum dwaners   |
| 8/7/2019   | NY NG05221 65<br>Country of Origin   | The Country of Origin of Vacuum Cleaners from<br>Version and Applicability of Section 301 Trade<br>Remedias   |
| 8/16/2019  | NY NGOSICI 55<br>Country of Origin   | The Country of Origin of Vecuum Cleaners from<br>Vinteam and Apphobility of Dection 331 Tudo<br>Remedies. Council as Aurily Amater VillOSC21                      |
| 12/18/2020 | NY NETGORO <sup>68</sup><br>Country of Origin  | The Country of Origin of Vacuum Cleaners from<br>Vintnian and Applicability of Section 331 Trudy<br>Remedies. Concerno 19. Multiphander 15205821                  |
| 8/21/2000  | NY NO12899 (5<br>Country of Origin   | The country of origin of recuum cleaners  |
| 5/14/2021  | NY NO19176 <sup>13</sup><br>Country of Origin  | The country of origin of vacuum cleaners  |
| 8/05/2000  | NY NO12804. <sup>15</sup><br>Country of Origin   | The country of origin of vacuum deaners   |
| 3,9(2020   | NY NO29819 15<br>Country of Origin   | The country of origin of vacuum cleaners  |
| 8/18/2020  | NY NET2471 <sup>55</sup><br>Country of Origin  | The country of origin of vacuum cleaners  |
| 9/14/2020  | NY NO14359 10<br>Country of Origin   | The country of origin of vacuum cleaners  |
| 9/13/2019  | NY NRX5811 12<br>Country of Origin   | The Country of Dright and Section 301 Trade Remedy<br>Application of the Vacuum Cleaners  |
| 4/28/2019  | NY NB02710 <sup>65</sup><br>Country of Origin  | The country of origin and Section 201 trade servedy of<br>vacuum cleaners from Vertnem  |
| 1/10/2022  | NY NR22216 05<br>Country of Origin   | The country of organ of recourt cleaners  |
| 5/28/2021  | NY NB16172 18<br>Country of Origin   | The country of origin of neourin cleaners   |
| 3/23/2022  | NY NR24519 18<br>Country of Origin   | The country of organ of vacuum cleaners   |
| 11/5/2021  | NY NEZZINE 15<br>Country of Origin   | The country of origin of vacuum cleaners  |
| 11/23/2021 | NY NEZZBOR 10<br>Country of Origin   | The country of origin of recurr deeners   |
| 12/5/2022  | NY NE20432 10<br>Country of Origin   | The country of origin determination of a robotic vacuum<br>cleaner from china   |
| 9/98/2021  | NY NE21 200 10<br>Country of Origin  | The country of origin of vacuum cleaners  |
| 7/81/2019  | NY NODESSA, <sup>62</sup><br>Country of Origin   | The country of origin and section 301 trade remedy of<br>the Robotic Vacuum Cleaner   |
| 10/8/2018  | NY ADDRESS <sup>12</sup><br>Classification and Marking<br>\$509.83.505                                     | The taniff classification of an Electronic Pet Peeder from<br>China   |
| 10/5/2018  | NY NBODIET 15<br>Classification and Marking<br>\$509.85.5095   | The tantification and marking of an Electronic Pet<br>Peeder from China   |
| 6/12/2023  | NV N030347. <sup>55</sup><br>Classification; Country of Origin<br>531.39.0000<br>8609.88.005<br>9902.88.02 | The task classification and country of origin of a References, <u>200008</u> 200205 19908334 toothbrush dainfector and relif pack                                 |
| 1/24/2018  | H0 H082243 <sup>10</sup><br>Classification<br>SH1 190.00   | Application for Further Review of Photest No. 1700-14 Balleseases: Station, Middle, No.2539, No.294<br>100257, Classification of non-worven filter pockets 556255 |

20 origin and 4 HS related hits

# Image: Image:

14 origin related hits

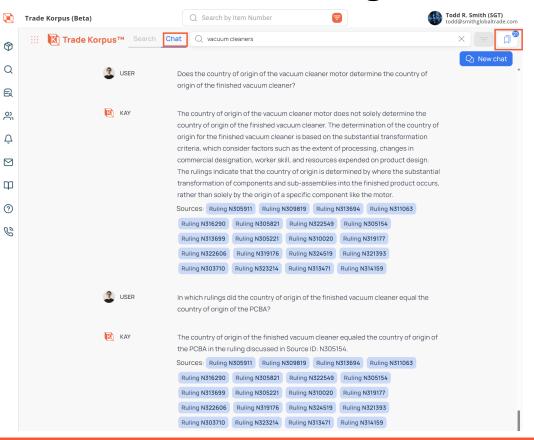
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## AI-Assisted Non-Preferential Origin + 301 Analysis

| Ⅲ 🔣 Trade Korpus™  | S        | earch | Chat       | vacuum cleane | ers      |   |  |  | × =                                   |
|--|----------|-------|------------|---------------|----------|---|--|--|---------------------------------------|
| Search Filters   | i        |       | Date       | Ruling        | Category | Subject   | Kay's reason   | Bookshelf (21)   | Clear al                              |
| 0 25 50 75<br>I I I I  | 100<br>I |       | 19/05/2021 | NY N319177    | Origin   | The country of origin of vacuum cleaners  | Discusses The Substantia<br>Transformation Of Vacuur<br>Vietnam.               | Ruling: NY N323214<br>Rulings reference: The<br>of vacuum cleaners         | Date: 09/01/2022<br>country of origin |
| 30   |          |       | 22/03/2022 | NY N324519    | Origin   | The country of origin of vacuum cleaners  | Explains The Manufacturi<br>Of Vacuum Cleaners In Ch<br>Vietnam.               | Category: Origin   | Ħ                                     |
| Start date End date  | ~        |       | 24/08/2020 | NY N313694    | Origin   | The country of origin of vacuum cleaners  | Addresses The Assembly<br>Cleaners In Vietnam From<br>Sourced From China And N | Ruling: NY N319177<br>Rulings reference: The<br>of vacuum cleaners         | Date: 19/05/2021                      |
| Select all   |          | M     | 09/01/2022 | NY N323214    | Origin   | The country of origin of vacuum cleaners  | Mentions The Manufactur<br>Processes Of Dyson V8 Va<br>Cleaners In Mexico.     | Category: Origin   | Date: 17/08/2020                      |
|  | ^        | M     | 17/08/2020 | NY N313471    | Origin   | The country of origin of vacuum cleaners  | Discusses The Substantia<br>Transformation Of Vacuur<br>Vietnam.               | Rulings reference: The<br>of vacuum cleaners<br>Category: Origin           | e country of origin                   |
| Collection Admissibility(0)  | ~        | M     | 25/04/2019 | NY N303710    | Origin   | The country of origin and Section 301 trade<br>remedy of vacuum cleaners from Vietnam                       |  | Ruling: NY N303710   | Date: 25/04/2019                      |
| Bond(0) Broker(0)  |          |       | 18/05/2021 | NY N319176    | Origin   | The country of origin of vacuum cleaners  |  | Rulings reference: The<br>and Section 301 trade r<br>cleaners from Vietnam |                                       |
| Carrier(0) Classification(0)   | 11       |       | 20/04/2020 | NY N311063    | Origin   | The country of origin of upright vacuum cleaners  |  | Category: Origin   | R                                     |
| Conditionally Free Merchandise(C<br>Drawback(0)<br>Entry Procedures(0) | ))       |       | 06/08/2019 | NY N305221    | Origin   | The Country of Origin of Vacuum Cleaners from<br>Vietnam and Applicability of Section 301 Trade<br>Remedies |  | Ruling: NY N313694<br>Rulings reference: The<br>of vacuum cleaners         | Date: 24/08/2020                      |
| Free Trade Agreements(0) Intellectual Property Rights(0)               |          |       | 04/11/2021 | NY N322549    | Origin   | The country of origin of vacuum cleaners  |  | Category: Origin   | Ħ                                     |
| Marking(0)   |          |       | 08/03/2020 | NY N309819    | Origin   | The country of origin of vacuum cleaners  |  | Ruling: NY N313699<br>Rulings reference: The                               | Date: 20/08/2020                      |

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#### AI-Assisted Non-Preferential Origin + 301 Analysis



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# AI-Generated "Draft" 301 Origin Analysis

The excipter transformation is a NorthWitter vacuum classes, an advanced With-Formattel Calority docts used to class more it frames and active processing of the second second second dist, data, and debris from hard friends and corpets. The set includes the TeerWitee vacuum classes rechtrageable battery, ackeding atteiner for rectanging, and a power cost. The IteeWitee may also include an optional accessory to define classing boundaries. The NetWitee will be imported from Tailande, pacagoge for retail tails.

The applicable subheading for the NextWare vacuum cleaner will be 2500-11,0000, which provides for Vacuum cleaners; parts thereof: With self-contained electric motor: Of a power not exceeding 1,500 W and having a dust bag or other receptacle capacity not exceeding 20 I. The rate of duty will be free.

#### Example of a 3-page draft 301 origin analysis, which took

adda 5 tarif on cetae products of One of Instant to obtaining our restance of the second seco

Products of Chrun classified under subhading 550.11.103, HTUSS unless specifically excluded, adjust to the additional 32 periors 41 adjustment and 64/day, AH them of Inportation report the Chapter 99 subhading is, 950.858.03, in addition to subhading 550.11.03. HTUSS tilled about. The trait adjust to provide amendment, per your hould neretire seasance monitoring the status of goods covered by the Notice Oted above and the applicable Chapter 9 subhading.

In grant present, gruss state that the Neutrino scalars of careful and scalar state of the scalar state of

Unlimited user-specific customizable 301 analysis templates

country of manufacture, production, or growth of any article of foreign origin entering the L States. Further work or material added to an article in another country must effect a substan transformation in order to render such other country the "country of origin."

#### 🚺 КАҮ

#### Country of Origin Determination

Section 134.1(b), Customs Regulations (19 C.F.R. § 134.1(b)), defines "country of origin" as the country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the "country of origin."

Based on the information provided, the materials/components and subassemblies imported into Thailand from China are manufactured into different subassemblies and ultimately assembled into the subject NextWave vacuum cleaner. The processing performed in Thailand constitutes a substantial transformation of the imported materials/components into "products of" Thailand. The manufacturing process in Thailand transforms the Chinese-origin components to produce the finished product. It creates a new and different article of commerce with a distinct character and use that is not inherent in the components imported into Thailand. Therefore, the "product of" requirement has been satisfied. For tariff purposes, we conclude that the country of origin for the NextWave vacuum cleaner and its accessories, when imported together, will be Thailand.

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AI cannot be used to respond to a UFLPA detention response.

- SKU-level, tier n supply chain mapping
- UFLPA vendor risk assessment
- UFLPA detention response

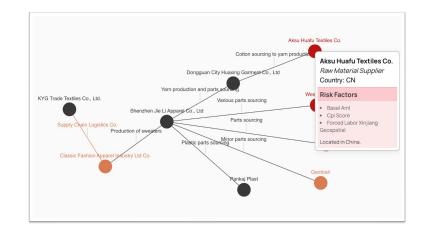
# AI-Assisted SKU-Based UFLPA/Traceability Compliance



#### of 1 Pages 01/2024 **PURCHASE ORDER** DATE 3/1/24 PO # 02485-23581-45 Supply Chain Logistic Sheruhen Jie Li Appare $\nabla$ **PURCHASE ORDER** Shenzhen Jie Li Apparel Co., Ltd DATE 2/22/24 PO # 02485-23581-45 Park Thome: (000) 000-0000 (as: (000) 000-0000 act Number act Owner hoduct Supple Istal Cost Item Name 1 Carton 2 Carton 2 Carton Sticker 3 Polybag 4 THREAD 4.1 Cotton 5 Heat Transfer L 6 TAG PIN 7 Care label 8 Hanging 9 105% Cashne Ren Number alia3715245 ade345cr49 3400749227 23566-51 5a74930472 a17937cr64 7344340506 c2579734cc 5987a68541 ac1559340 2888541741 ade3b3374 Westback Westback Westback Shenzhen J Akseu Huats SS-Inti Gembah SS-Inti Dankaj Plant Dankaj Plant SS-Inti SS-Inti 10553 US Delar 0.02 US Delar 0.033 US Delar 0.13 US Delar 0.01 US Delar 0.003 US Delar 0.008 US Delar 1.6 US Delar 1.8 US Delar 1.3 US Delar 1 Pieces - (PCS) 1 Pieces - (PCS) 1 Pieces - (PCS) 1 1 Pieces - (PCI 1 Viets 1 Viets

#### **Shipment Documents**

SKU-Level Map



#### **AI-Generated "Draft" UFLPA Detention Response**



Example of a 20-page draft UFLPA detention response, which took 15 seconds to create.



templates.



| KAY | Detention Notice Response Letter  |
|-----|---|
|     | Section 1: INTRODUCTION To Whom It May Concern,   |
|     | In response to the Detention Notice issued by the U.S. Customs and Border Protection (CBP) concerning our shipment of Women's Cashmere Sweaters, we hereby submit this comprehensive documentation to demonstrate our compliance with the Tariff Act of 1930, specifically Section 307, and the Uyghur Forced Labor Prevention Act (UFLPA), Public Law 117-78, codified at 22 U.S.C. § 6901. These statutes collectively prohibit the importation of merchandise produced wholly or in part by forced labor, including convict labor, forced child labor, and indentured labor.   |
|     | The UFLPA establishes a rebuttable presumption that goods produced in the Xinjiang Uyghur Autonomous<br>Region or by entities on the UFLPA Entity List are made with forced labor and are, therefore, prohibited from<br>entry into the United States. As importers, we understand our obligations under the UFLPA to conduct due<br>diligence, trace, and manage our supply chains to ensure compliance, particularly concerning goods<br>potentially originating from the Xinjiang region.<br>In response to the detention of our merchandise, we have several options, including demonstrating that the<br>merchandise was not produced in the Xinjiang region or by a listed entity, rebutting the forced labor |
|     | presumption with clear evidence, or opting to re-export the merchandise. This submission aims to clarify our compliance with the relevant laws and regulations and request the release of the detained merchandise. It includes transaction records, supply chain information, and other business-generated evidence to support our case.<br>We are committed to ensuring clarity and compliance with all applicable laws and regulations and request the   |
|     | release of our detained merchandise based on the comprehensive documentation provided herein.   |
|     | Section 2: STATEMENT OF FACTS   |
|     | KYG Trade Textiles Co., Ltd., the importer of the detained Women's Cashmere Sweaters, is committed to<br>ethical sourcing and vehemently opposes the use of forced labor in any part of our supply chain. The goods in<br>question were not sourced, produced, or manufactured in the Xinjiang region of China, nor have they been<br>associated with any entities on the UFLPA Entity List.  |

# **Other Use Cases**



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AI cannot be used in any other areas of trade compliance.

- First sale for export
- Post entry compliance reviews
- ECCN classification
- Product intake form and custom oracle

## **AI-Assisted Post Entry Reviews**

Compare 7501 to invoice, BOL, PO.

- Product description
- HS code
- Value
- Quantity
- Related party indicator
- Country of origin

|             |  |                                   |                 |                                      |  |   |                   | Form Appre | oved OMB No. 1651-0022    |                     |                   |       |
|-------------|--|-----------------------------------|-----------------|--------------------------------------|--|---|-------------------|------------|---------------------------|---------------------|-------------------|-------|
|             | DEPARTMENT O                           |                                   |                 |                                      | 1. Filer Code/Ent                            | ary No.   | 2. liney          | Type       | 3. Summary Date           |                     |                   |       |
| ι           | J.S. Customs                           | and Bord<br>SUMMA                 |                 | tection                              | AHD 01370                                    | C. C. C. C.   | 01 AB             |            | 03/19/21                  |                     |                   |       |
|             |  | 00111117                          |                 | Team & dep                           | <ol> <li>8. Surety No. 8.<br/>054</li> </ol> | Band Type<br>8  | 5.201             |            | 7. Entry Data<br>03/10/23 |                     |                   |       |
| 8. imp      | porting Carrier                        |                                   |                 | of Transport                         | 10. Country of 5                             | Origin  |                   |            | 11. import Betw           |                     |                   |       |
| 12.0        | CISM CHRISTOP<br>I & AMUNE             |                                   | 13. Mari        | J. Acture ID                         | CNI<br>14. Reporting Co                      | in a state of the |                   |            | 03/11/21<br>18.Expos.Date |                     |                   |       |
|             | 00908209129                            |                                   | HEPORS.         | 18003751                             | C28  |   |                   |            | 01/17/21                  |                     |                   |       |
| 16.13       | T. Ha.;                                | 17. LT. Date                      | 1               | 8. Maning Doors                      | <ol> <li>Foneign Part<br/>57035</li> </ol>   | of Lating   |                   | 30.00      | C. Pert of Unlasting      |                     |                   |       |
| 21.64       | seation of Goods/6.G.<br>N SCOTH FLORE |                                   | Comp            | ee No.                               | 23. importar No.<br>05 - 01.20 03            |   |                   |            | ference No.               |                     |                   |       |
| 25.9        | 5 SCOTE PLOTE                          |                                   |                 |                                      | 28. Importer of I                            |   | ne and Ad         | dress      |                           |                     |                   |       |
|             |  |                                   |                 |                                      | 1128 NV 5                                    |   |                   |            |                           |                     |                   |       |
|             |  |                                   |                 |                                      | DORAL FL                                     |   |                   |            |                           |                     |                   |       |
|             |  |                                   | PL:             |                                      |  |   |                   |            |                           |                     |                   |       |
| 019         |  | 114                               |                 | 3a                                   | City.  |   | 90                |            | 20                        |                     |                   |       |
| 27.         |  | scription of Me                   | nd and a        |                                      | 32.<br>A Entered Value                       | ART   | di neu            | 1          | are all in the            |                     |                   |       |
| Line<br>No. | A HTSUE No.<br>E ADA/CVD Case F        | A.Gress<br>A.Gress<br>6. B.Marifu |                 | 31.<br>Net Cashday in<br>HTSUS Units | E.CHOB<br>C.Falationship                     | *   B.AD  | LICVD Re<br>Filte | • 10       | dars Cents                |                     |                   |       |
|             |  | OTEL CIRC                         | 6<br>63.035.0.6 | 21.4                                 | BOT RELATE                                   | 50  |                   |            |                           |                     |                   |       |
| 0.03        | ANTICLE OF 0<br>9903.88.15             | 8136A, UK 5<br>8470               | FTE 20          | x                                    | 43401<br>C1473                               | 7.9   |                   |            | 3:255.08                  |                     |                   |       |
|             | LOUDSPEAKERS                           |                                   | 4522            |                                      |  |   |                   |            |                           |                     |                   |       |
|             | 8518.29.8010                           | 8470                              |                 | 4013 30                              | 43401<br>01473                               | 79.85   |                   |            | 0.00                      |                     |                   |       |
|             |  |                                   |                 |                                      |  |   |                   |            |                           |                     |                   |       |
|             |  |                                   |                 |                                      | Invoice Recor                                | nciles  |                   |            | _                         |                     |                   |       |
| ACE Qty     | 🔽 Invoice (                            | Qty 🔽 ACE I                       | Price 💌         | InvoicePrice 🖃                       | with ACE Data                                | a? 🔽  | Comme             | nt         |                           |                     |                   |       |
|             | 100                                    | 100                               | 10              | 10                                   | Yes  |   | Minor ro          | ounding    | g difference, quar        | ntity matches.      |                   |       |
|             | 150                                    | 145                               | 12              | 11.9                                 | No   |   | Small dif         | ference    | e in price and qua        | ntity, likely due t | o discount adjust | ment. |
|             | 200                                    | 220                               | 15              | 16                                   | No   |   | Significa         | nt price   | e and quantity dis        | crepancy, requir    | es investigation. |       |
|             |  |                                   |                 |                                      |  |   |                   |            |                           |                     |                   |       |

#### **AI-Assisted Product Intake Forms & Decision Trees**



Al agents answer questions in static forms and questionnaires from product attribute data.

- Product description
- Gender
- Age
- End use
- Color
- Stitch count
- Voltage

| Product Oracle OLRF Execution ID eef190cc |                               |                    |                                   |                      |                 |  |  |  |  |
|---|-------------------------------|--------------------|-----------------------------------|----------------------|-----------------|--|--|--|--|
| Que                                       | stions References             | Question History   |                                   | Ask                  | Kay Ask Someone |  |  |  |  |
| ID  | Question                      | Questionnaire Name | Answer                            | Modification Date    | References      |  |  |  |  |
| 1   | What is the gender marking?   | Cashmere Sweater   | Womens                            | Nov 18, 2024 3:42 PM |                 |  |  |  |  |
| 2   | What is the material?         | Cashmere Sweater   | Cashmere                          | Nov 18, 2024 3:42 PM |                 |  |  |  |  |
| 3   | What is the stitch count      | Cashmere Sweater   | 7 stitches per two<br>centimeters | Nov 18, 2024 3:42 PM |                 |  |  |  |  |
| 4   | What is the color             | Cashmere Sweater   | Beige                             | Nov 18, 2024 3:42 PM |                 |  |  |  |  |
| 5   | What is the country of origin | Cashmere Sweater   | Jordan                            | Nov 18, 2024 3:42 PM |                 |  |  |  |  |

# **AI-Assisted Jurisdiction and Classification**

Determine jurisdiction (EAR or ITAR) and classification (USML or ECCN).

- Product description
- ECN code
- End use
- Commercial equivalency
- Foreign direct product
  - Footnote 5 (FN 5) FDP rule
- HS export code

#### Question [QID:12697]



We determined the export classification code (ECN) for the Helicopter Main Rotor, with an item number of 5549, designed for advanced performance in aviation, is 08.h.18. This classification was meticulously chosen to reflect the rotor's specialized design and its critical role in military aviation. The rotor is not just a component; it is a sophisticated piece of engineering that embodies advanced composite rotor blades, which significantly reduce weight and enhance efficiency. Its robust rotor hub design ensures precise control during operation, while the precision bearing system minimizes maintenance, making it an indispensable part of the helicopter's flight control system.

The rotor's integrated swashplate assembly is pivotal in controlling the pitch of the rotor blades, a feature that underscores its importance in the helicopter's drive system. However, what truly sets this rotor apart is its optimization for performance under ballistic impact. It is engineered to withstand impacts from projectiles of 7.62mm or larger, a testament to its suitability for military applications where durability and resilience are paramount.

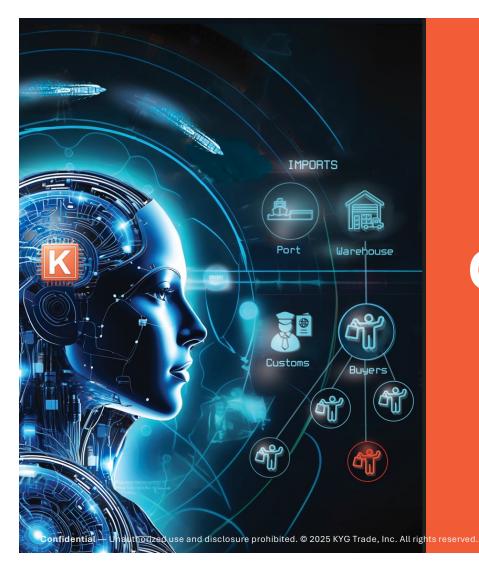
The classification under 08.h.18 is not arbitrary but a deliberate decision based on the rotor's ability to function after the impact of such projectiles. This aligns perfectly with the requirements of USML 08.h.18, which pertains to drive systems, flight control systems, and parts and components specially designed for such conditions. The rotor's military-grade design and its critical function in controlling rotor blade pitch further affirm its classification under this category.

Alternative classifications were considered, such as 08.h.2, 08.h.3, 9A610.w.1, and 9A619.c, each with specific conditions that did not align with the rotor's design and intended use. For instance, 08.h.2 would apply if the rotor were part of a gearbox with specific performance criteria, while 08.h.3 would be relevant if it were part of an automatic rotor blade folding system. Similarly, 9A610.w.1 and 9A619.c were considered for UAV applications and military gas turbine engines, respectively. However, none of these alternatives matched the rotor's unique characteristics and military application.

Furthermore, an assessment was conducted to determine if a "commercial equivalent" exception could apply, which would necessitate a different classification. However, no commercial equivalent was found, as the web results did not provide a clear connection to a rotor with the same advanced performance and ballistic impact resistance. This lack of commercial availability reinforced the decision to classify the rotor under 08.h.18.

In conclusion, the classification of the Helicopter Main Rotor under ECN 08.h.18 is a reflection of its specialized design, military application, and the absence of a commercial equivalent. This decision ensures that the rotor is appropriately categorized, acknowledging its critical role in military aviation and its ability to withstand the rigors of combat environments.





# **Contact Us**



**Todd R. Smith** Founder CEO <u>todd@kyg.ai</u> +1 (949) 903-0338

#### **Thank You**

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U.S. Patent # 17/512,223 Notice of Allowance Received

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