Know Your Customer

Issue: Foreign counterfeiters and foreign illegal companies are sourcing pesticides and AIs from China that are used illegally in the destination country. Exporters risk being responsible for the criminal acts of these foreign companies if the exporters ‘knew or should have known’ that they were shipping to criminals.

What can exporters and manufacturing companies do to avoid being responsible for shipping to foreigners who use AIs and pesticides illegally? What can exporters do to maintain the high reputation of the China pesticide export industry and China’s business reputation?

Answer:

Exporters Please ‘Know Your Customer’

Make sure your customers are reliable honest companies with a good reputation of using AIs and pesticides legally.

Is your customer registered in the country of destination?

Does your customer exist and have they provided you proof they exist?

Does your customer have a good reputation in the industry?

Danger for your company and reputational issues for the China export industry if there are problems because you DO NOT know your customer’

EXAMPLES

In 2007, 560 tons of pesticides were shipped to Ukraine because the China exporters did not know their customer. If they had done research on their Ukraine customer they would have discovered that their customers were engaged in criminal activities in Ukraine AND were counterfeiting pesticides.

The Ukraine government has stored these chemicals for over two years and do not have the budget to destroy them that may exceed USD 1.5 million.

Who is responsible to pay for destruction? The customer who counterfeited? The exporters who shipped?

In late 2008 Paraguay police and customs seized five shipments of AIs and pesticides in which the exporters in China did not know their customers, and the shipments were destined to illegal companies and counterfeiters, including criminals smuggling into Brazil.

Who is responsible? The customer who counterfeited? The exporters who shipped?

COOPERATION AND SUPPORT WITH ICAMA

CropLife International supports the positive steps of ICAMA in their mission to stop illegal activities in the trade of exported agricultural chemicals. CropLife International support ICAMA’s efforts in international cooperation, so as to protect the reputation of the China AI and pesticide exporting industry, and we are all working together to meet this goal.

IMPORTING CUSTOMS

Importing customs in the destination countries will be paying closer attention to import shipping documents accompanying AIs and pesticides imports. Is the factory and exporter registered with ICAMA and is this mentioned on the import documents?

PROTECT THE CHINA EXPORT INDUSTRY – KNOW YOUR CUSTOMER

For more information on the ‘know your customer’ program and what your exporting company can do to avoid dealing with counterfeiters please contact

+86 10-66211836-227 or knowyourcustomer@croplife.org

WE CAN ALSO OFFER COMPANIES A SHORT E-TRAINING ON ‘DUE DILIGENCE’ AND KNOWING THEIR CUSTOMERS SO THAT THEY CAN DEMONSTRATE THEY’VE INTEGRATED THIS INTO THEIR ‘KNOW YOUR CUSTOMER’ PROGRAM.

Protect the reputation of the China AI and pesticide exporting industry. Do NOT ship to illegal companies and counterfeiters.