

 <b>MOTOROLA SOLUTIONS</b> Global Specification		NO. <b>1213933U05</b>
TITLE: <b>Country of Origin Invoice Declaration</b>		
REVISION DATE: <b>24-APR-18</b>	MEMO: <b>AGLDM08683</b>	ISSUE: <b>C</b> PAGES: 1 OF 17

### REVISION HISTORY

Revision History				
Date	Memo	Revision	Author	Change Description
06-MAY-10	GS3037	A	Michelle Hill	Initial Release
04-FEB-11	C448302	B	Michelle Hill	Update to reflect reorg and name change to Motorola Solutions Inc.
24-APR-18	AGLDM08683	C	Michelle Hill	Update org names and URL's.

### APPROVALS

Sector Specific Approvers		
Name	Position	Business Sector
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## 1. Objective

**1.1.** The objective of this document is to define Motorola Solutions, Inc. standards for compliant country of origin declaration on international invoices.

**1.2.** These standards are not to be construed as legal advice or a substitute for compliance to contradictory governmental regulations. The Exporter / Importer of Record, is legally responsible for understanding and complying with export/import regulations of the countries involved. Motorola Solutions will not be held responsible for failure of an unrelated party to follow applicable export/import regulations.

## 2. Scope

**2.1.** Motorola Solutions, Inc. (MSI). For the purpose of this document, all references to “Motorola Solutions” and “MSI” shall be deemed to include Motorola Solutions, Inc. and its affiliates. Motorola Solutions, Inc. “affiliates” includes Vertex Standard USA, Inc.

**2.2.** This global specification applies to all MSI factories, customer fulfillment centers, and repair service centers that ship internationally.

**2.3.** MSI requires its suppliers (including, but not limited to direct materials, indirect materials, EMS, ODM, and repair operations) to maintain comparable country of origin compliance programs for the products they provide to MSI or on behalf of MSI.

## 3. Responsibilities

**3.1. Global Trade Compliance.** Provide oversight, guidance, and interpretation of regulations.

**3.2.** The local export department is typically responsible for generating international invoices and ensuring compliant country of origin declaration. In addition to the export organization, other functions may also be responsible for country of origin compliance, including but not limited to: engineering, product management, category management, procurement, purchasing, order management, warehouse management, quality, receiving, packing, and shipping.

**3.3.** Local supply chain operations are expected to engage all responsible organizations in a cross-functional effort to develop, document, and maintain a compliant country of origin determination process.

## 4. Abbreviations, Acronyms, and Definitions

(3S) Shipping Label <sup>3</sup>	Used to identify a shipment by all parties involved in the shipping/receiving process: supplier, freight company, and customer.  Label should be placed in the upright position, in the lower right-hand corner of the smallest face of the box.
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(4S) Packing List Label <sup>3</sup>	<p>Used to identify a shipment by all parties involved in the shipping/receiving process: supplier, freight company, and customer.</p> <p>Label should be placed on a blank part of the packing list (either front or back). If the supplier can provide a bar coded packing list with the fields listed below, a separate (4S) label is not required. The packing list should be placed in a packing list envelope and the envelope placed in a clearly visible position on the number 1 box of each purchase order shipment.</p>
(5S) Outer pack Label <sup>3</sup>	<p>Used to identify a shipment by all parties involved in the shipping/receiving process: supplier, freight company, and customer.</p> <p>Label should be placed in the upright position, in the lower right-hand corner of the smallest face of the <u>outermost shipping container</u>.</p>
BOM	<p>Bill of Materials – a record of all materials used in the production or kitting of an intermediate or finished good.</p>
Certificate of origin <sup>7</sup>	<p>A certificate of origin is a document that states the country of origin and may be required for importation, meeting letter of credit requirements, or receiving benefits under a trade agreement. To be accepted by the importing country’s Customs agency, the document may have to be certified by a local chamber of commerce, consulate, notary or other government office or agency.</p>
Country of origin marking <sup>7</sup>	<p>Country of origin markings are physical marks on products or packaging that identify the country of origin. The purpose of country of origin marking is to inform the ultimate purchaser of the country in which the product was made.</p> <p>Refer to section 6 of the global specification on “Country of Origin Marking (1213933U06)” for detailed guidance on product and package marking requirements, which may vary based on the type of product or package.</p>
Country of origin of goods <sup>7</sup>	<p>The country of origin of a good is the country of manufacture, production or growth. It is not the country of export or the last country from which the item shipped. Origin is almost always required to be declared to the importing government as part of the importing process. Origin is also a key element in determining applicability of trade agreement benefits to goods.</p> <p>The country of origin of a good is the country in which:</p> <ul style="list-style-type: none"> <li>• The good is “wholly obtained or produced” (see “wholly produced” definition);</li> <li>• The good is produced exclusively from domestic materials; or</li> <li>• Each foreign material incorporated in that good undergoes a substantial transformation.</li> </ul>

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Declaration of origin <sup>1</sup>	A declaration of origin is a country of origin statement by the manufacturer, producer, supplier, exporter or other competent person on the commercial invoice or any other document relating to the goods.
Documentary evidence of origin <sup>1</sup>	A certificate of origin, a certified declaration of origin or a declaration of origin.
Essential Character <sup>4,10</sup>	The factor which determines essential character will vary between different kinds of goods. It may, for example be determined by the nature of the materials or component, its bulk, quantity, weight or value, or by the role of a constituent material in relation to the use of the goods.
External (Tertiary) packaging	Packaging used in the handling and transport of a quantity of Immediate and/or Intermediate packaged units. This packaging is specifically designed to prevent damage during transportation.
Immediate (Primary, Ultimate Purchaser, or Retail) packaging	Packaging designed to be supplied with the sales unit sold to the final user or users at the point of purchase.
Intermediate (Secondary) packaging	1. Packaging used to group quantities of primary packaged goods. The packaging can be sold along with the units or can be removed before being sold to the final user.  2. Rails, foams, reels, bundles, or bags of a single product; and boxes, cartons, bags, or other packages used to contain them. Normally one or more intermediate packages will be bundled to make a shipping pack.
ISO Standard 3166-1 <sup>6</sup>	The short country names from ISO 3166-1 and the alpha-2 codes are made available by ISO at no charge for internal use and non-commercial purposes. The lists are extracted from ISO 3166-1. They contain all short country names and alpha-2 code elements officially published by ISO and they are updated whenever a change of country name and/or alpha-2 code element is made in ISO 3166-1. ( <a href="http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm">http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm</a> ).
ISO country code <sup>6</sup>	Alpha-2 character country code defined in ISO 3166-1 ( <a href="http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm">http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm</a> ).
ISO short country name <sup>6</sup>	The short country name defined in ISO 3166-1 ( <a href="http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm">http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm</a> ).



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Non-preferential rules of origin <sup>5</sup>	<p>“Non-preferential” rules are those that generally apply to merchandise in the absence of trade agreements.</p> <p>Typically, non-preferential rules of origin schemes employ the “substantial transformation” criterion for goods that consist in whole or in part of materials from more than one country.</p>
Originating	<p>Manufactured, produced or grown, in accordance with applicable rules of origin.</p>
Preferential rules of origin <sup>5</sup>	<p>“Preferential” rules are those that apply to merchandise to determine eligibility for special treatment under various trade agreements or special legislation. Preferential rules of origin often employ schemes other than (or in addition to) “substantial transformation”, including commodity-specific tariff shift rules and regional value content rules. A product that qualifies as originating in a particular country under non-preferential rules of origin does not necessarily qualify as originating in that country for purposes of preferential treatment under a trade agreement.</p>
Rules of origin <sup>1</sup>	<p>the specific provisions, developed from principles established by national legislation or international agreements ("origin criteria"), applied by a country to determine the origin of goods.</p>



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**Substantial transformation<sup>4</sup>**

A substantial transformation has occurred when an article emerges from a process with a new name, character, or use different from that possessed by the article prior to processing.

If the manufacturing or combining process is a minor one which leaves the identity of the imported article intact, a substantial transformation has not occurred.

No article or material shall be considered to have been grown, produced, or manufactured in a country by virtue of having merely undergone "simple combining or packaging operations", or mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

"Simple combining or packaging operations" include, but are not limited to, the following processes:

- Repacking or packaging components together;
- Fitting together a small number of components by bolting, gluing, soldering etc.;
- The addition of batteries to devices;
- The addition of substances such as anti-caking agents, preservatives, wetting agents, etc.;
- Diluting chemicals with inert ingredients to bring them to standard degrees of strength.

The substantial transformation criterion is applied on a case-by-case basis, and it is based on a change in name/character/use (i.e., an article that consists in whole or in part of materials from more than one country is a product of the country in which it has been substantially transformed into a new and different article of commerce with a name, character, and use distinct from that of the article or articles from which it was so transformed).



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<p>Ultimate Purchaser</p>	<p>The “ultimate purchaser” is generally the last person in the importing country who will receive the article in the form in which it was imported.</p> <p>Examples:</p> <p>(1) If an imported article will be used in manufacture, the manufacturer may be the “ultimate purchaser” if he subjects the imported article to a process which results in a substantial transformation of the article.</p> <p>(2) If the manufacturing process is merely a minor one which leaves the identity of the imported article intact (i.e., no substantial transformation), the consumer or user of the article, who obtains the article after the processing, will be regarded as the “ultimate purchaser.”</p> <p>(3) If an article is to be sold at retail in its imported form, the purchaser at retail is the “ultimate purchaser.”</p> <p>(4) If the imported article is distributed as a gift the recipient is the “ultimate purchaser”.</p>
<p>WCO<sup>1</sup></p>	<p>The World Customs Organization (WCO) is the only intergovernmental organization exclusively focused on Customs matters. With its worldwide membership, the WCO is now recognized as the voice of the global Customs community. It is particularly noted for its work in areas covering the development of global standards, the simplification and harmonization of Customs procedures, trade supply chain security, the facilitation of international trade, the enhancement of Customs enforcement and compliance activities, anti-counterfeiting and piracy initiatives, public-private partnerships, integrity promotion, and sustainable global Customs capacity building programs. The WCO also maintains the international Harmonized System goods nomenclature, and administers the technical aspects of the WTO Agreements on Customs Valuation and Rules of Origin.</p>



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<p>Wholly produced<sup>1</sup></p>	<p>Goods produced wholly in a given country shall be taken as originating in that country. The following only shall be taken to be produced wholly in a given country:</p> <ul style="list-style-type: none"> <li>• mineral products extracted from its soil, from its territorial waters or from its sea-bed;</li> <li>• vegetable products harvested or gathered in that country;</li> <li>• live animals born and raised in that country;</li> <li>• products obtained from live animals in that country;</li> <li>• products obtained from hunting or fishing conducted in that country;</li> <li>• products obtained by maritime fishing and other products taken from the sea by a vessel of that country;</li> <li>• products obtained aboard a factory ship of that country solely from products of the kind covered by paragraph (f) above;</li> <li>• products extracted from marine soil or subsoil outside that country's territorial waters, provided that the country has sole rights to work that soil or subsoil;</li> <li>• scrap and waste from manufacturing and processing operations, and used articles, collected in that country and fit only for the recovery of raw materials;</li> <li>• goods produced in that country solely from the products referred to above.</li> </ul>
<p>WTO<sup>2</sup></p>	<p>The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.</p> <p>Functions:</p> <ul style="list-style-type: none"> <li>• Administering WTO trade agreements</li> <li>• Forum for trade negotiations</li> <li>• Handling trade disputes</li> <li>• Monitoring national trade policies</li> <li>• Technical assistance and training for developing countries</li> <li>• Cooperation with other international organizations</li> </ul>



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## 5. Reference Documents

Document Description
<sup>1</sup> World Customs Organization, <a href="http://www.wcoomd.org">http://www.wcoomd.org</a>
<sup>2</sup> World Trade Organization, <a href="http://www.wto.org">http://www.wto.org</a>
<sup>3</sup> Motorola Solutions Receiving Bar Code Specification (1213933A01), <a href="https://drive.google.com/open?id=0B-5wD-XGOj54TzVxTjRnV0k5T00">https://drive.google.com/open?id=0B-5wD-XGOj54TzVxTjRnV0k5T00</a>
<sup>4</sup> Customs Rulings Online Search System (CROSS), <a href="https://rulings.cbp.gov/">https://rulings.cbp.gov/</a>
<sup>5</sup> "What Every Member of the Trade Community Should Know About: U.S. Rules of Origin Preferential and Non-Preferential Rules of Origin", Informed Compliance Publications. May 2004. <a href="https://www.cbp.gov/sites/default/files/assets/documents/2016-Apr/icp026_3.pdf">https://www.cbp.gov/sites/default/files/assets/documents/2016-Apr/icp026_3.pdf</a>
<sup>6</sup> International Organization for Standardization, <a href="http://www.iso.org">http://www.iso.org</a>
<sup>7</sup> Global Trade Compliance Country of Origin/Marking guidance: <a href="https://converge.motorolasolutions.com/community/lga/office-of-ethics-and-global-trade-compliance/customs-compliance">https://converge.motorolasolutions.com/community/lga/office-of-ethics-and-global-trade-compliance/customs-compliance</a>
<sup>9</sup> Harmonized Tariff Schedule of the United States, <a href="http://hts.usitc.gov/">http://hts.usitc.gov/</a>
<sup>10</sup> Explanatory Notes to the Harmonized Commodity Description and Coding System (HS- fourth edition 2007), published by the World Customs Organization
<sup>11</sup> Country of Origin Product Marking Requirements for Foreign Articles Imported into the U.S. (GTC-003), <a href="https://converge.motorolasolutions.com/docs/DOC-24975">https://converge.motorolasolutions.com/docs/DOC-24975</a>
<sup>12</sup> U.S. Country of Origin Marking Requirements for Repackaging or Kitting Operations (GTC-004), <a href="https://converge.motorolasolutions.com/docs/DOC-24976">https://converge.motorolasolutions.com/docs/DOC-24976</a>
<sup>13</sup> 19 C.F.R. § 134 Country of Origin Marking (US Code of Federal Regulations) <a href="https://www.gpo.gov/fdsys/pkg/CFR-2001-title19-vol1/content-detail.html">https://www.gpo.gov/fdsys/pkg/CFR-2001-title19-vol1/content-detail.html</a>
<sup>14</sup> "Made in U.S.A." Standard (US Federal Trade Commission) <a href="https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard">https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard</a>
<sup>15</sup> 19 C.F.R. § 102 Rules of Origin (US Code of Federal Regulations) <a href="https://www.gpo.gov/fdsys/pkg/CFR-2001-title19-vol1/content-detail.html">https://www.gpo.gov/fdsys/pkg/CFR-2001-title19-vol1/content-detail.html</a>
Country of Origin Marking Chart, <a href="https://converge.motorolasolutions.com/docs/DOC-24973">https://converge.motorolasolutions.com/docs/DOC-24973</a>
Packaging Requirements for Inbound Shipments to Motorola Solutions (12S10601A), <a href="https://drive.google.com/open?id=0B-5wD-XGOj54LVc3a0l6YjVzOFU">https://drive.google.com/open?id=0B-5wD-XGOj54LVc3a0l6YjVzOFU</a>
Country of Origin Marking (1213933U06) <a href="https://drive.google.com/open?id=0B-5wD-XGOj54SkhoOGk3eWJfXzA">https://drive.google.com/open?id=0B-5wD-XGOj54SkhoOGk3eWJfXzA</a>
Determining Non-Preferential Country of Origin (1213933U04) <a href="https://drive.google.com/open?id=0B-5wD-XGOj54MTg1bEwtYkhEd28">https://drive.google.com/open?id=0B-5wD-XGOj54MTg1bEwtYkhEd28</a>

## 6. Procedure

### 6.1. Standard requirements.

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**6.1.1.** The non-preferential country of origin must be declared for each line item on international invoices (both import and export).

6.1.1.1. If all items on the invoice have the same country of origin, it is acceptable to declare country of origin in one place on the invoice, for example in the heading or in notes at the bottom of the page, instead of declaring the country of origin for each line item.

6.1.1.2. When the country of origin of a product varies, based on the exporter or importer government's interpretation of rules of origin, the country of origin as interpreted by the importer's government must be clearly stated on the invoice. Consult with the importer or in-country trade compliance for further guidance.

6.1.1.2.1. Example - Batteries: declare both "Cell Origin: XX" and "Final Assembly in YY" on the invoice, whenever possible. Otherwise, declare either the battery cell origin or the place of final assembly, based on the requirement of the importing government.

6.1.1.3. Either the ISO short country name in English or the Alpha-2 ISO Country Code from ISO 3166-1 is acceptable. Other variations of country of origin declaration may be accepted on a case-by-case basis. (Full country name is required for product marking).

6.1.1.4. Country of origin declaration in a language other than English may be required, depending on importing government regulation. Consult with local Trade Compliance Operations and regional Global Trade Compliance for guidance.

**6.1.2.** It is not necessary to declare country of origin for sub-items/options that are included in a main item/model. It is usually acceptable to declare country of origin for the main item/model only. Consult with local trade compliance operations and regional Global Trade Compliance for guidance on exceptions.

**6.1.3.** The country of origin declared on import and export invoices **MUST** match the country of origin marked on the product and packaging, if country of origin marking exists.

**6.1.4.** The local Motorola Solutions operation is required to document export invoice country of origin declaration procedures in writing.

**6.1.5.** The local Motorola Solutions operation must implement a country of origin data capture method for all export invoices that ensures a minimum 95% accuracy rate, as evidenced by regular self-assessment and Global Trade Compliance audits.

**6.1.6.** The local operation must first define, measure, and analyze the current state of country of origin compliance. If compliance is less than 95%, the local operation must develop an improvement plan that includes the following activities:

6.1.6.1. Local process improvement implementation and documentation.

6.1.6.2. Quality control process implementation and documentation (see section 7).

**6.2.** Guidance for capturing country of origin data to populate the export invoice. This guidance is based on industry best-practices. Local operations may adopt any combination of these methods, or develop an alternate method that achieves a sustainable 95% compliance rate (or better).

**6.2.1.** Buy Items

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Operations with large portfolios of buy items should not follow a process that requires manual maintenance of a country of origin database. Maintaining a country of origin database manually for a large number of buy items puts the operation at serious risk of non-compliance when Motorola Solutions or its suppliers fail to communicate multi-sourcing decisions and sourcing changes to the database administrator.

The recommended data capture methods for operations with large portfolios of buy items are:

6.2.1.1. Capture country of origin data via barcode scan (or visual inspection) at receiving and tie country of origin to inventory lot code. Trace country of origin to the invoice electronically by the lot code.

6.2.1.1.1. If there is more than one country of origin for the same part number, segregate the inventory by assigning a separate lot code for each country of origin.

6.2.1.1.2. If incoming shipments do not comply with barcode specifications for country of origin, report the incident to the supplier quality team for corrective action and record country of origin based on visual inspection.

6.2.1.1.3. If product is unmarked, report the incident to the supplier quality team for corrective action and record country of origin based on supplier declaration of origin solicited by purchasing.

6.2.1.2. Capture country of origin data via barcode scan (or visual inspection) at the point of pick (or pack) and tie the data directly to the outbound invoice electronically or update the invoice manually.

6.2.1.2.1. If packaging does not comply with barcode specifications for country of origin, report the incident to the supplier quality team for corrective action and record country of origin based on visual inspection.

6.2.1.2.2. If product is unmarked, report the incident to the supplier quality team for corrective action and record country of origin based on supplier declaration of origin solicited by purchasing.

6.2.1.3. Capture country of origin data to receipt from supplier ASN and allow system logic to automatically update the item record that drives printing on the outbound invoice.

Operations with a limited portfolio of buy items or a limited number of multi-sourced items may be able to successfully implement a process that involves maintaining a country of origin database. Such a process must include effective controls to address present and future multi-sourcing and change of sourcing issues and maintain a minimum 95% compliance rate.

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6.2.1.4. Capture country of origin data to a database that feeds to the outbound invoice. Maintain the data to reflect all future sourcing changes. Below are two possible methods for maintaining a database:

6.2.1.4.1. Collect declarations of origin from suppliers for all purchased items, request updated declarations annually, and require sourcing changes to be communicated immediately to the administrator.

6.2.1.4.2. Capture country of origin data at receiving and add or override existing country of origin data for parts with the country of origin of the most recent inventory received.

6.2.1.4.3. Managing multi-sourced parts in a database

6.2.1.4.3.1. If feasible, create a new part number for each country of origin. Consider incorporating the ISO country code into the part number suffix.

6.2.1.4.3.2. If a part is multi-sourced without creating a new part number for each country of origin, enter a unique multi-source code, such as “ZZ” or “Multi”, in the country code field of the database, to indicate multi-sourcing. Avoid more than one country of origin per part number to the database.

6.2.1.4.3.3. Require visual inspection of all items with the unique multi-source code prior to shipment and update the outbound invoice with the correct country of origin. If the shipment includes more than one country of origin for a part, indicate the quantity shipped of each origin on the outbound invoice.

## 6.2.2. Make Items

Operations may be able to successfully implement a process that involves manually maintaining a country of origin database for “make” items manufactured at their facility. Such a process must include effective controls to address present and future multi-sourcing, change of sourcing, and outsourcing issues. The process will likely require the active involvement of the product management, development engineering, new product introduction, order management and others.

6.2.2.1. New parts – population of the country of origin field should be required during the new part introduction process.

6.2.2.2. Existing parts – items missing the country of origin, and items with a “multi-sourced” code, should be put on a “hold” status at the time of international order booking that prevents shipment until the database is updated with the valid country of origin data.

6.2.2.3. Country of origin database guidelines:

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6.2.2.3.1. Manual country of origin database entries must be revalidated regularly.

6.2.2.3.2. If a buy item imparts the essential character of a “make” BOM item, the make item should be set to automatically pull country of origin data from the country of origin field of the buy item in the database, if possible.

6.2.2.3.3. If a buy item imparts the essential character and is multi-sourced, enter a unique multi-source code, such as “ZZ” or “Multi”, in the country code field of the database, to indicate multi-sourcing.

6.2.2.3.4. Items missing country of origin can be released from hold status when the part owner updates the item record with a valid country of origin.

6.2.2.3.5. Multi-sourced items with a “multi-sourced” code can be released from hold status when the “multi-sourced” code is overridden (for example, by the export analyst) with the actual country of origin obtained by visual inspection of the product prior to shipment.

### 6.3. Repair.

**6.3.1.** Where possible, repair centers must work with shippers (customers or 3PL’s) to ensure the correct country of origin is declared on the inbound shipping invoice.

**6.3.2.** Repair centers must require customers to indicate the correct country of origin on their Proforma/RMA invoice for the shipment to the repair center for import compliance purposes.

**6.3.3.** Repair centers must visually inspect each part for correct country of origin marking upon receipt or prior to shipping back to the customer.

6.3.3.1. Ensure each part is properly marked with country of origin.

6.3.3.2. Ensure the correct country of origin is indicated on the export invoice.

**6.3.4.** If a part requires marking and is not marked, repair centers must have a documented process to determine the correct country of origin and mark accordingly.

**6.4. Removal and alteration of Country of Origin Declaration.** Any intentional removal, defacement, destruction, or alteration of a country of origin declaration in order to conceal the true country of origin shall be considered a violation of the Motorola Solutions Code of Business Conduct, and may be treated as a criminal offense in certain countries, including the United States. Suspected violations should be reported to local management, Corporate Global Trade Compliance, and/or through the Motorola Solutions EthicsLine (<http://ethics.mot-solutions.com>).

## 7. Quality Control

 <b>MOTOROLA SOLUTIONS</b> Global Specification		NO. <b>1213933U05</b>	
TITLE: <b>Country of Origin Invoice Declaration</b>			
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**7.1.1.** Quality audits must be conducted on a representative sample of imported part numbers received and part numbers exported. The "representative sample" shall be defined by each site in local documented procedures. Consult the appendix of this document for an example sampling plan (sites may develop their own sampling plan, and are not required to follow the sampling plan described in this document). *Alternative method for imported parts.* At the discretion of the site, COO quality audits for imported parts may be incorporated into the local 100% "first article inspection" process in lieu of regular quality audits conducted on a representative sample.

7.1.1.1. If this alternative method is selected, the site COO procedures must reference the applicable "first article inspection" procedure to address imported part COO compliance.

7.1.1.2. The "first article inspection" procedure must verify COO compliance for all applicable parameters set forth in section 7.6 of this document.

**7.1.2.** No alternative method for exported part COO compliance.

**7.2.** Country of origin must be determined in compliance with "Determining Non-Preferential Country of Origin" (1213933U04)

**7.3.** Country of origin declaration on invoices must comply with Motorola Solutions global specification on "Country of Origin Invoice Declaration" (1213933U05).

**7.4.** Country of origin marking on products must comply with Motorola Solutions global specification on "Country of Origin Marking" (1213933U06).

**7.5.** Inbound (lines imported) and outbound (lines exported) parameters may be audited and reported separately, at the discretion of the site).

## **7.6. Parameters**

**7.6.1.** Verify that the country of origin indicated on the carton labels matches country of origin marked on the product. If the product is "incapable of being marked", the country of origin indicated on the carton labels must match country of origin marking on the immediate product packaging (baggie, reel, container, etc.). Applicable to all sites, inbound (import invoice) and outbound (export invoice).

**7.6.2.** Verify that the country of origin marked on the product matches the country of origin declared on the invoice. Applicable to all sites, inbound (import invoice) and outbound (export invoice).

**7.6.3.** Verify that the barcode on carton labels indicates the correct country of origin, if applicable. May be applicable inbound, outbound, or both.

**7.6.4.** Verify that the country of origin recorded in the local database or ERP is correct, if applicable. If local procedures do not involve capturing country of origin to a database or ERP, this parameter does not apply. May be applicable inbound or outbound.

## **7.7. Calculations**

**7.7.1.** The compliance rate for each measurement is calculated using the formula: [Number of compliant lines / (number of lines audited x number of parameters applicable)] x 100%.

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*Example: [85 compliant lines / (100 lines audited x 3 parameters)] x 100% = 85/(100x3) x100% = 85%.*

**7.8.** Root cause analysis and corrective action is required for all deficiencies.

**7.9.** Quality audits must be conducted monthly if the compliance rate falls below 95%, and may move to a quarterly schedule once 95% compliance is maintained at least two months in a row.

**7.9.1.** *Parts previously verified.* Random sampling will likely result in a part number that has already been verified re-appearing in subsequent audit samples. The site owner of the quality audit process should determine, based on historic performance and confidence in process controls, whether a part is at high or low risk of failing future audits.

**7.9.1.1.** *High risk parts.* Parts deemed by the site to be at high risk of falling out of compliance before the next scheduled audit must be re-verified at least once per quarter.

**7.9.1.2.** *Low risk parts.* Parts deemed by the site to be at low risk of falling out of compliance before the next scheduled audit must be re-verified at least once per year.

**7.10.** Results must be shared with senior management and with functional teams responsible for pursuing corrective actions.

**7.10.1.** Non-compliant import invoice findings must be shared with the local import manager.

**7.10.2.** Non-compliant export invoice findings must be shared with the local export manager.

**7.10.3.** Other responsible functional teams responsible for pursuing corrective actions may include (but may not be limited to): procurement, purchasing, receiving, shipping, manufacturing, engineering, and new product introduction.

## **8. Appendix**

### **8.1. Example Sampling Plan**

**8.1.1.** This is only an example. Sites are not required to follow this specific sampling plan. The "representative sample" shall be defined by site in local procedures.

**8.1.2.** Sampling plan based on:

**8.1.3.** ANSI / ASQC Z1.4 – 1993

**8.1.4.** Table 1: Define the monthly lines shipped as OUTBOUND

*Example: 1278 lines*



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### Steps 1 to 3: Define sampling lot selection Letter

TABLE I—Sample size code letters

Step 2:  
Select Sampling Plan

(See 9.2 and 9.3)

CODE  
LETTERS

10

Step 1:  
Select lot size

Step 3

Lot or batch size	Special inspection levels				General inspection levels		
	S-1	S-2	S-3	S-4	I	II	III
2 to 8	A	A	A	A	A	A	B
9 to 15	A	A	A	A	A	B	C
16 to 25	A	A	B	B	B	C	D
26 to 50	A	B	B	C	C	D	E
51 to 90	B	B	C	C	C	E	F
91 to 150	B	B	C	D	D	F	G
151 to 280	B	C	D	E	E	G	H
281 to 500	B	C	D	E	F	H	J
501 to 1200	C	C	E	F	G	I	K
1201 to 3200	C	D	E	G	H	J	L
3201 to 10000	C	D	F	H	I	K	M
10001 to 35000	C	D	F	H	K	L	N
35001 to 150000	D	E	G	J	L	N	P
150001 to 500000	D	E	G	J	M	P	Q
500001 and over	D	E	H	K	N	Q	R

Step 1: Find on "Lot or batch size" column, the appropriate batch (1201 to 3200 as sample)

Step 2: Use General Sampling column (II)

Step 3: Use the : Sampling size qty is "K"

#### 8.1.5. Table II-A:



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## Steps 4 to 5: Define sampling lot Qty

Table II-A—Single sampling plans for normal inspection (Master table)

(See 9.4 and 9.5)

Sample size code letter	Sample size	Acceptable Quality Levels (normal inspection)																									
		0.010	0.015	0.025	0.040	0.065	0.10	0.15	0.25	0.40	0.65	1.0	1.5	2.5	4.0	6.5	10	15	25	40	65	100	150	250	400	650	1000
		Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re	Ac Re
A	2																										
B	3																										
C	5																										
D	8																										
E	13																										
F	20																										
G	32																										
H	50																										
I	80																										
K	125																										
L	200																										
M	315																										
N	500																										
P	800																										
Q	1250																										
R	2000																										

Step 4: Find the letter "K" on the "Sample size lot letter" column

Step 5: Identify the qty to be sampled on the "Lot Size" column

Sample size is 125 outbound lines for the month if total lines shipped is 1278.