

**CHAPTER 70**  
**CERTIFICATION OF EXPORT**  
**TRADING COMPANIES**

**Authority**

N.J.S.A. 52:27H-22.7 to 52:27H-22.14; P.L.  
1981, c.122 and P.L. 1995, c.275.

**Source and Effective Date**

R.1997 d.69, effective February 18, 1997.  
See: 28 N.J.R. 4775(a), 29 N.J.R. 578(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 70, Certification of Export Trading Companies, expires on  
February 18, 2002.

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**SUBCHAPTER 1. GENERAL PROVISIONS**

**12A:70-1.1 Purpose**

The purpose of this chapter is to create a program for certifying qualified export trading corporations and to establish minimum standards for certification. These rules are intended to ensure a standard of proficiency and reliability in the export services provided. These rules require any qualified export trading corporation obtaining certification

under N.J.S.A. 52:27H-22.7 et seq. (P.L. 1995, c.275) to "serve as an incubator facility for eligible businesses."

**12A:70-1.2 Scope**

These rules establish the process to certify export trading corporations in New Jersey on a voluntary basis. The rules apply to qualified export trading corporations organized solely to assist new entrants into the export market. The rules describe the eligibility requirements and procedures businesses in this State must satisfy before certification is granted.

**SUBCHAPTER 2. ELIGIBILITY CRITERIA**

**12A:70-2.1 Eligible applicants**

(a) Any business doing business in New Jersey that intends to engage in those activities prescribed by N.J.S.A. 52:27H-22.7 et seq., and that satisfies the minimum eligibility requirements, as specified in (b) below, shall be eligible to apply to become a certified export trading corporation.

(b) The minimum eligibility requirements to apply for qualification as an export trading corporation shall be as follows:

1. An applicant shall:

i. Provide in its by-laws that its sole purpose is to serve as an incubator facility to be used by eligible businesses only, and for the period of time prescribed under the certification standards contained in this chapter;

ii. Demonstrate by the submittal of employment or biographical background information that a majority of the members of the board of the corporation have had experience in export trade for a period of five years prior to filing its application;

iii. Demonstrate, by the submittal of the financial papers prescribed in N.J.A.C. 12A:70-3.2, that the applicant is financially sound, at a minimum showing that the assets of the applicant exceed its liabilities prior to the date of application;

iv. Demonstrate the applicant's ability to determine the receptivity and viability of its clients' products or services in international markets, and to design, develop and implement an incubator program to assist its clients' entry into export markets and develop their exporting self-sufficiency; and

v. Demonstrate that the applicant has established, in connection with community colleges and other public or private institutions of higher learning, an internship or

job training program(s) for students enrolled in a curriculum in such institution for which knowledge of export trade will enhance the student's ability to find employment and for employees of a business which exports, or intends to export, and may be eligible for funding under the terms of the Workforce Development Partnership Program, governed by N.J.S.A. 34:15D-1 et seq., and rules promulgated under the authority of that law.

(c) In order to qualify for certification under these proposed new rules, an applicant is required to have as its sole purpose and function to "serve as an incubator facility for eligible businesses." An applicant shall demonstrate that nothing in its existing by-laws conflicts or disallows meeting any of the minimum eligibility requirements, as stated in this rule, or satisfying the purpose and function of the export trading company.

#### 12A:70-2.2 Eligible conduct

(a) Certification shall only be issued to applicants able to undertake those activities prescribed by N.J.S.A. 52:27H-22.7 et seq. As a requirement of certification, the Commissioner of the Department of Commerce and Economic Development or his or her designee shall determine whether the applicant shall be able to at least provide the following services:

1. Provide or contract for assistance in researching of foreign markets;
2. Provide or contract for assistance in advertising, marketing, and participation in foreign trade events;
3. Provide or contract for assistance in the placement of bids with foreign buyers;
4. Provide or contract for lease assistance in arranging export trade transactions;
5. Provide or contract for assistance in pricing of goods to be exported, arranging the terms of sale, and facilitating foreign exchange transactions;
6. Assist in arranging loans or loan guarantees to clients, including loans or guarantees from the New Jersey Economic Authority, domestic banking institutions, foreign banking institutions, or the Export-Import Bank of the United States;
7. Provide or contract for translation, interpretation, or other services to facilitate communication between exporters and foreign purchasers;
8. Assist in arranging for the training of employees or prospective employees of clients with respect to the conducting for export trade;
9. Obtain, or assist in obtaining, bankers acceptances pursuant to section 207 of Title II of the Export Trading Company Act of 1982, P.L. 97-290 (12 U.S.C. § 372);

10. Purchase or take title to the receivables of exporters, or arrange purchases through independent factoring houses;

11. Assist in arranging for the packing, transportation, and shipment of goods;

12. Assist in, or contract for assistance in, the preparation of appropriate shipping and collection documents;

13. Assist in, or contract for assistance in, the selection and purchase of appropriate insurance, including marine and export credit insurance, provided through private carriers, or at the discretion of the board, through an umbrella or blanket policy obtained by the corporation;

14. Assist in, or contract for assistance in, the processing of foreign orders to and for exporters or with a foreign entity;

15. Assist in arranging joint ventures with other exporters or with foreign entities;

16. Assist in, or contract for assistance in, negotiating license agreements with foreign firms;

17. Assist in arranging financing through the New Jersey Economic Development Authority, the Export-Import Bank of the United States, through private sources, or a combination thereof; and

18. Assist clients in applying for export trade-related job training assistance pursuant to the Workforce Development Partnership Program established pursuant to P.L. 1992, c.43 (N.J.S.A. 34:15D-1 et seq.).

(b) Certification shall only be given to those applicants that will provide the aforementioned services to "eligible businesses" as defined under N.J.S.A. 52:27H-22.8. Eligible businesses are those New Jersey companies that are relative newcomers to export activities with little or no export experience, which can reasonably be determined to be able to sustain and expand export capability after the business is no longer eligible to use the facilities of the certified export trading corporation.

(c) Certified export trading corporations may provide services to a client for a period not exceeding three years commencing from the first date of delivery of exported goods or services following an agreement with the certified export trading corporation. The certified export trading corporation may only continue advising the client past the three year period upon a showing of compelling reasons, such showing to be made in writing to the Department of Commerce and Economic Development, no later than three weeks subsequent to the end of the three year period. Compelling reasons for extension shall include, but not be limited to:

1. Death of a principal of an eligible business;