

A Quick Guide to Title 15, Part 30 Foreign Trade Regulations

This guide contains references to export trade regulations and guidelines to assist you in properly submitting Electronic Export Information (EEI) via the Automated Export System (AES). This guide is intended to be a quick reference to the Foreign Trade Regulations (FTR) and is *not* intended to replace the FTR or any other Federal agency's export regulations. Reference should be made to other agencies' regulations for additional information.

If you have any questions with regards to the completion of the EEI please contact the Foreign Trade Division on 800-549-0595. Select option 1 to reach the Automated Export Branch for technical issues; option 2 to reach the Commodity Analysis Branch for classification questions; or option 3 to reach the Regulations, Outreach and Education Branch for regulatory concerns. The entire FTR along with other information, including a list of frequently asked questions, can also be found on our website at www.census.gov/trade

Automated Export System

The Automated Export System (AES) is an electronic export information gathering and processing system developed through cooperative efforts of the U.S. Customs and Border Protection, the U.S. Census Bureau, other federal agencies and the export community. The AES collects export information electronically from participants approved to use the system. This information was also previously captured from the Shipper's Export Declaration, Form 7525-V.

Q: Who can file in the AES?

A: U.S. Principal Party in Interest (USPPI), the USPPI's authorized agent, or the authorized agent of the Foreign Principal Party in Interest (§30.2).

Electronic Export Information (§30.6)

Electronic Export Information (EEI) is the export data as filed in the Automated Export System (AES). This is the electronic equivalent of the export information formerly filed on the Shipper's Export Declaration. When completing the EEI, the filer is responsible for submitting complete and accurate information known at the time of export. However, if any of the data requires amendment, the filer is responsible for making the necessary changes in the AES (§30.9)

The EEI has a dual use. The information collected by the Census Bureau is used for statistical purposes while the Bureau of Industry and Security and other export enforcement agencies uses it for export control and enforcement purposes (§30.60).

Confidentiality (§30.60)

The Electronic Export Information (EEI) contained in the Automated Export System (AES) is confidential and is to be used solely for official purposes as authorized by the Secretary of Commerce. The collection of EEI by the Department of Commerce has been approved by the Office of Management Budget.

Only the U.S. Principal Party in Interest (USPPI) or the USPPI’s agent may have access to its AES record. It is prohibited to share the EEI Information with a Foreign Government or entity, or any other party for non-official purposes.

EEI Reporting Requirements (§30.2 (a)):

<u>Shipped From</u>	<u>To</u>
United States	Canada (if a license is required)
United States	Foreign Countries
United States	Puerto Rico
United States	U.S. Virgin Islands
Puerto Rico	United States
Puerto Rico	Foreign Countries
Puerto Rico	U.S. Virgin Islands
U.S. Virgin Islands	Foreign Countries
U.S. Foreign Trade Zones	Foreign Countries

EEI Not Required (§30.2 (d)(2)):

<u>Shipped From</u>	<u>To</u>
United States	Canada (unless an export license is required)
U.S. Virgin Islands	United States
U.S. Virgin Islands	Puerto Rico
United States/Puerto Rico/Virgin Islands	Other U.S. Territories**
Other U.S. Territories**	United States
Other U.S. Territories**	Foreign Countries
Other U.S. Territories**	Other U.S. Territories**

**Guam Island, American Samoa, Wake Island, Midway Island, and Northern Mariana Islands (Appendix C).

Shipment

A shipment is merchandise shipped from one U.S. Principal Party in Interest (USPPI) to one consignee to a single country of destination, on a single conveyance, on the same day, valued over \$2,500 per schedule B, or when a license is required. (§30.1) A single carrier is an individual vessel, plane, truck, or rail car, not a steamship line or airline.

U.S. Principal Party in Interest

The U.S. Principal Party in Interest (USPPI) is the person or entity in the United States that receives the primary benefit, monetary or otherwise, from the export transaction (§30.1). Generally the USPPI is the U.S. seller, manufacturer, order party, or foreign entity (if in the United States at the time the goods are purchased or obtained).

Foreign Principal Party in Interest

The Foreign Principal Party in Interest (FPPI) is the party shown on the transportation document to whom final delivery or end-use of the goods will be made. This party may be the ultimate consignee (§30.1). Generally the FPPI is the foreign buyer of the goods that are purchased or obtained for export.

In a routed export transaction the FPPI is responsible for facilitating the movement of the cargo and authorizing a U.S. Agent or the U.S. Principal Party in Interest to file the export information (§30.3 (e)).

Ultimate Consignee (§30.6 (a)(3))

The ultimate consignee is the person, party, or designee that is located abroad and actually receives the export shipment.

Q: Who is the ultimate consignee in the following scenario? A Mexican party orders tires valued at \$6,000 from Company A located in United States. The Mexican party sells those tires to an Australian company. The Mexican company instructs Company A to ship the goods directly to the Australian company.

A: The Australian company

Forwarding Agent

The person in the United States who is authorized by the principal party in interest to facilitate the movement of the cargo from the United States to the foreign destination and/or prepare and file the required documentation.

Q: Which Freight Forwarder shall be listed on the AES record in the following example? A U.S. company sells goods to a company located in France. This U.S. company authorizes a forwarding agent to file the AES record for the shipment and another forwarding agent to act as a carrier and move the cargo to the FPPI in France. Which forwarding agent is to be shown on the AES record?

A: The forwarding agent who filed the AES record.

Export Transaction (§30.3)

The U.S. Principal Party in Interest (USPPI) receives payment from a foreign buyer and files the export information or appoints an authorized U.S. agent to prepare and file the EEI. If the USPPI authorizes an agent to file on its behalf, the USPPI must provide the agent a written authorization or power of attorney, as well as make the necessary license determination on the product, if a license is required.

Responsibilities in an Export Transaction (§30.3 (e))

U.S. Principal Party in Interest (USPPI) Responsibilities:

- Act on his own behalf and file the EEI
- Appoint an authorized U.S. agent to prepare and file the EEI on its behalf
- Provide a power of attorney or written authorization to the authorized U.S. agent
- Make a License Determination
- Retain documentation

Authorized U.S. Agent Responsibilities:

- Obtain the authorization from the USPPI
- Provide transportation data
- Provide the USPPI with export information that it provided as submitted through the AES, if requested
- Retain documentation

Routed Export Transaction (§30.3 (e))

A routed export transaction is a transaction in which the FPPI authorizes a U.S. agent to prepare and file the EEI. While the FPPI will select the U.S. agent, it may give authorization to the USPPI to file the EEI. There are separate responsibilities for the U.S. Principal Party in Interest and authorized agent in a routed export transaction.

Responsibilities in a Routed Export Transaction (§30.3 (e)(1))

U.S. Principal Party in Interest (USPPI) Responsibilities:

- File on behalf of the Foreign Principal Party in Interest (FPPI), if a power of attorney or written authorization is received.
- Provide authorized U.S. agent of the FPPI with specific export and licensing information.
- Upon request, the USPPI can receive a copy of the required export information that was submitted to the authorized U.S. agent to file.
- Obtain a writing from the FPPI (See EAR 758.3)
- Retain documentation

Authorized Agent Responsibilities:

If authorized by the FPPI:

- Obtain a Power of Attorney (POA) or written authorization from the FPPI
- Upon request, provide the USPPI with a copy of the POA or written authorization provided by the FPPI
- Prepare and file the EEI record
- Upon request, provide the USPPI with a copy of the data elements provided by the USPPI

If authorized by the USPPI:

- Obtain a POA or written authorization from the USPPI
- Prepare and file the EEI record
- Upon request, provide the USPPI with a copy of the data elements provided by the USPPI
- Maintain documentation

Required Data Elements (§30.3 (e)(1))

Below are the data elements that the U.S. Principal Party in Interest (USPPI) is required to provide to the authorized U.S. agent of the foreign party.

- Name and address of the USPPI
- USPPI's ID number (EIN, SSN)
- State of Origin (State or FTZ)
- Schedule B Description of Commodities
- Schedule B Numbers
- Origin of goods indicator: Domestic (D), Foreign (F)
- Quantity/Unit of Measure
- Value
- ECCN or other Government Agencies License identifiers
- Sufficient technical information to determine licensing authority

Power of Attorney and Written Authorization (Appendix A)

A legal authorization, in writing, from a U.S. Principal Party in Interest or Foreign Principal Party in Interest stating that the agent has authority to act as the principal party's true and lawful agent for purposes of moving the cargo and preparing and filing the Electronic Export Information (EEI) in accordance with the laws and regulations of the United States (§30.1).

Note: A Power of Attorney (POA) issued for authorization to move cargo only, is not the same as authorization to file the EEI, UNLESS specifically stated in said POA.

Drop Shipment

A typical drop shipment is when the manufacturer sells its product to a distributor. The distributor sells the product to an overseas customer, and instructs the manufacturer to send the product from its warehouse to the foreign entity.

Q: Who is the ultimate consignee in this drop shipment? Company A, is a U.S. Manufacturer that sells \$10,000 worth of machine parts to Company B, located in Barcelona. Company B instructs Company A to send the machine parts to Company C located in London.

A: Company C in London is the ultimate consignee. See §30.6 (a)(3) for ultimate consignee.

In-Transit Shipment

Goods shipped through the United States, Puerto Rico, or the U.S. Virgin Islands from one foreign country to another foreign country or area without being entered into the commerce of the United States (§30.1). If a shipment enters the United States, Puerto Rico, or U.S. Virgin Islands on the Form 7512 and leaves the United States, Puerto Rico, or the U.S. Virgin Islands via vessel, the Shipper's Export Declaration for In-transit Goods, ENG Form 7513, must be filed. Shipments exiting via any other method of transportation are exempt from filing requirements (§30.37 (e)).

Value (§30.6 (a)(17))

The value to be reported is the selling price by the U.S. Principal Party in Interest to the foreign buyer or cost if not sold, plus the cost of inland freight, insurance, and other charges incurred in moving the goods from their U.S. point of origin to the U.S. port of exportation.

Repairs (§30.29)

Repairs are only to be reported for articles previously exported and returned for repair or alterations. The value to be reported in the Automated Export System (AES) is the total cost of repair, including parts and labor. The Schedule B Number to be used at the time of re-export is 9801.10.0000.

If the goods are repaired under warranty at no charge to the customer, report the value of repair or alteration to the U.S. Principal Party in Interest in the AES. It is recommended that the bill of lading, air waybill, or other loading documents include the statement, “Product replaced under warranty, value for EEI purposes.”

Warranty (Replacement) (§30.29)

The value to be reported for warranty replacement is the actual value of the replacement parts. The Schedule B Number to be used is the Schedule B Number for the product being replaced.

If the value reported on the Automated Export System (AES) record is different from the value on the bill of lading, invoice, etc. include the statement “Product replaced under warranty, value for EEI purposes.”

Low Value Exemption (§30.37 (a))

Exports of commodities where the value of the commodities, shipped from one U.S. Principal Party in Interest to one consignee on a single exporting carrier, classified under an individual Schedule B number valued at \$2500 or less, are exempt from filing in Automated Export System. (This applies to individual Schedule B Numbers regardless of total value of the shipment.)

Therefore, only report the items that are valued over \$2500 per Schedule B Number, unless a license is required.

Tools of Trade (§30.37 (b))

Tools of trade are exempt from filing requirements if the item is:

- owned by the individual U.S. Principal Party in Interest (USPPI) or exporting company;
- accompanying the individual USPPI, employee, or representative of the exporting company;
- necessary, appropriate and intended for personal or business use;
- not for sale;

- returned to the U.S. within one year from the date of export; AND
- not shipped under a bill of lading or air waybill.

Canada Exemptions (§30.36)

Shipments to Canada are exempt from filing in the Automated Export System.

However, the shipment must be filed if the shipment is:

- subject to the ITAR, but exempt from licensing requirements.
- classified as rough diamonds under the 6-digit Harmonized System subheading (7102.10, 7102.21, 7102.31).
- sent for storage in Canada, but ultimately destined for a third country.
- moving from the U.S. through Canada to a third destination.
- or requires an export license.

Exemptions Do Not Apply to (§30.2 (a)(iv))

- Items destined for any sanctioned countries that are located on the Office of Foreign Assets and Control list
- Items that require Department of Commerce License (15 Part CFR 730 through 774 of the EAR)
- Items that require Department of State, Directorate of Defense Trade Controls export license under the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120 through 130)
- Items that are subject to the ITAR, but exempt from licensing requirements
- Items that require a Department of Justice, Drug Enforcement Administration export permit (21 CFR, Part 1312)
- Items that are classified as rough diamonds under 6-digit Harmonized System subheadings 7102.10, 7102.21, and 7102.31, regardless of value

Record Retention (§30.10)

The U.S. Census Bureau requires that all parties to the export transaction retain documents or records pertaining to the shipment for five (5) years from the date of export. U.S. Customs and Border Protection, the Census Bureau, and other participating agencies may require that these documents be produced at any time within the five year time period for inspection or copying. These records may be retained in any elected format, including electronic or hard copy.

In addition to the Census Bureau's requirements other government agencies may have a retention requirement beyond five years. Filers must also adhere to other agencies requirements, even if it exceeds the Census Bureau's requirement. For example, the State Department retention period is seven (7) years; therefore, it is required that you retain documentation for seven years.

Conformity of Documents

The State Department requires the export information submitted to the Automated Export System (AES) conform to information on the license.

There is no conformity of documentation required for other government agencies. Information on the invoice, airway bill or other loading documents are not required to conform to the information on the AES record.

Voluntary Disclosure (§30.74)

A voluntary disclosure reflects due diligence in detecting, and correcting potential violations when required information was not reported or when incorrect information was provided that violates the regulations (whether deliberate or unintentional).

A disclosure can lead to mitigating factors with regards to civil and criminal penalties, as long as the violation(s) are discovered and identified before the Census Bureau or another Federal government agency identifies the problem. The Census Bureau recommends that full disclosures be made for violations going back at least five (5) years.

If submitting a disclosure, it should be addressed to the Chief, Foreign Trade Division, U.S. Census Bureau. The company letter must include the following information:

- The kind of violation involved.
- Description of all data to be reported under the FTR that was either not reported or reported incorrectly.
- An explanation of when and how the violation occurred.
- The complete identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities pertaining to the violations.
- A description of any mitigating circumstances.

Internal Transaction Numbers (§30.1)

Internal Transaction Number (ITN) – The AES generated number assigned to a shipment confirming that the EEI was accepted in the AES. An example of an ITN is X20080122000022. The ITN is the proof of filing citation. The U.S. Principal Party in Interest or authorized U.S. agent must provide the proof of filing citation or exemption legend to the carrier. The carrier must annotate the proof of filing citation on the carrier's outbound manifest. Note: The External Transaction Number (XTN) will no longer be used for any purposes.

Export Information Code (§30.6 (a)(18))

A code that identifies the type of export shipment or conditions of the exported items (i.e. goods donated for relief or charity, impelled shipments, shipments under the Foreign Military Sales program, household goods, all other shipments).

Refer to Appendix E in the Automated Export System Trade Interface Requirements and Appendix B of the FTR for the list of Export Information Codes.

ID Type

Type of U.S. Principal Party in Interest ID number that can be reported:

D = Duns (Dun & Bradstreet Number)

S = Social Security Number

E = Employer Identification Number

T = Foreign Entity (i.e. passport number, border crossing number, etc.)

Automated Export System (AES) Responses (§30.9 (b))

Fatal Errors – an indication that one or more data elements reported in the transaction contained invalid or conflicting data. The export information is not accepted in the AES if a fatal error is generated. Fatal Errors must be corrected immediately. Making the required changes identified in the AES and resubmitting correctly should resolve a fatal error.

Compliance Alerts – An indication that a possible reporting compliance violation has occurred, such as a late filing.

Acceptance – The shipment has been accepted with no conditions.

Verify Messages – An indication that one or more data values reported for the shipment fall outside of the parameters normally expected for the data elements. If the shipment information is verified to be correct, there is no further action necessary. If a correction needs to be made, please correct and retransmit.

Warning Message – Incomplete ultimate consignee information may be declared for the shipment when the “To Be Sold en Route” declaration is made. Complete ultimate consignee information must be updated for the shipment no later than 4 days after transmission.

Acceptance, Compliance Alert, Verify and Warning messages will return an ITN, a Fatal Error does not.

Filing Citation Examples (Appendix D)

AES Proof of Filing Citation

AESX20080101987654

AES Postdeparture Citation – USPPI filing

AESPOST USPPI-EIN Date of Export

AESPOST 123456789 01/01/2008

AES Postdeparture Citation – Agent filing

AESPOST USPPI EIN – FILER ID Date of Export

AESPOST 123456789 – 987654321 01/01/2008

Exemption Legends Examples (Appendix D)

Standard Exemption Legends

NOEEI 30.37 (a) Low value

NOEEI 30.37 (b) Tools of the trade

NOEEI 30.37 (r) Temporary exports

NOEEI 30.36 Canada shipment

NOEEI 30.39 U.S. Armed Forces

AES Downtime Citation

AESDOWN FILER ID Date of Export

AESDOWN 123456789 01/01/2008

AES Downtime (Appendix D)

The downtime citation can only be used when the AES mainframe is not available. If a company's software is not available, then an alternative filing method must be used. Shipments licensed by the State Department can not use the downtime policy.

Used Vehicles (§30.6 (b)(9))

When exporting a used vehicle, report the Vehicle Identification Number (VIN) in the AES. The title must be presented to the Customs and Border Protection (CBP) 72 hours prior to the export of the used vehicle. Please contact CBP at the port of export for the proper procedures. Additional information may be found at this website:

<http://www.cbp.gov/xp/cgov/toolbox/ports/>

Embassy Shipments

Q: A U.S. company sells goods to the Australian Embassy located in the United States. Is an AES record required?

A: No, because it is considered a domestic sale.

Q: A U.S. company is sending goods to a government employee at a U.S. Embassy located overseas, is an AES record required?

A: No. Section 30.40 of the FTR includes special exemptions for certain shipments to the U.S. government agencies and employees. However, if the shipment is licensable or does not meet the criteria of section 30.40, an AES record must be filed.

Army Post Office (APO)

Q: A contractor has a shipment sent to an APO address in the United States. From the APO address the military will ship the goods to the military in Iraq. Does the shipment require an AES filing?

A: No, military to military shipments are exempt regardless of location.

Schedule B

The Statistical Classification of Domestic and Foreign Commodities Exported from the United States. These 10-digit commodity classification numbers are administered by the Census Bureau and cover everything from live animals and food products to computers and airplanes. It should also be noted that all import and export codes used by the United States are based on the Harmonized Tariff System.

The Census Bureau's FTR requires that items of domestic and foreign origin under the same commodity classification number should always be reported separately and listed only if either is valued over \$2,500.

FTR FILING TIMEFRAME (§30.4 (b))

Non-USML Shipments

<u>Method of Transportation</u>	<u>Timeframe</u>
Vessel	24 hours prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
Truck	1 hour prior to the arrival of the truck at the U.S. border to go foreign
Air	2 hours prior to the scheduled departure time of the aircraft
Rail	2 hours prior to the time the train arrives at the U.S. border to go foreign
Mail	2 hours prior to exportation
All other modes	2 hours prior to exportation

ITAR FILING TIMEFRAME (§30.4 (b))

USML Shipments

<u>Method of Transportation</u>	<u>Timeframe</u>
Vessel	24 hours prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
Rail	24 hours prior to the time the train arrives at the U.S. border to go foreign
Truck	8 hour prior to the arrival of the truck at the U.S. border to go foreign
Air	8 hours prior to the scheduled departure time of the aircraft

Note: For USML shipments, refer to the International Traffic in Arms Regulations (Title 22 Code of FR, Parts 120 through 130)

Appendices to the FTR

Appendix A	Sample POA/Written Authorization
Appendix B	AES Filing Codes
Appendix C	Proof of Filing Citations and Exemption Legends
Appendix D	Exemptions and Exclusions
Appendix E	FTSR to FTR Concordance
Appendix F	FTR to FTSR Concordance