

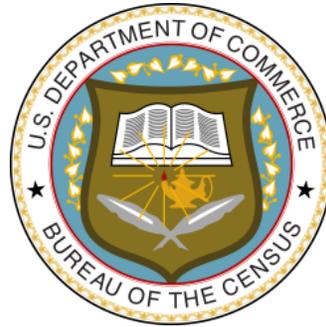
ACE Export Compliance Seminar



July 15, 2020
U.S. Census Bureau

Foreign Trade Regulations

Kiesha Downs



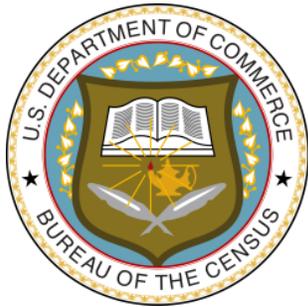
**Chief, Trade Regulations Branch
Economic Management Division
U.S. Census Bureau**

Foreign Trade Regulations (FTR) Topics

- Legal requirements
- Fundamentals of an Export Shipment
- Filing Requirements for Electronic Export Information (EEI)
- Types of transactions
- Data Elements
- Penalty provisions

Legal Requirements

Statistical



US Census Bureau
Foreign Trade Regulations
Title 15 Code of Federal
Regulations, Part 30

Enforcement



Bureau of Industry and Security
Export Administration Regulations (EAR)



US Customs and Border Protection
Customs Regulations

International Trade Data System (ITDS)

- **Executive Order 13659:** Streamlining the Export/Import Process for America's Businesses (February 19, 2014)
- The trade community is now able to submit export and import information through a **“Single Window”**



Fundamentals of an Export Shipment

EEI

Ultimate
Consignee



USPPI?

Shipment

Authorized
Agent

Parties to an Export Shipment

Domestic Parties:

- U.S. Principal Party in Interest
- U.S. Authorized Agent
- Carrier

Foreign Parties:

- Foreign Principal Party in Interest
- Ultimate Consignee

U.S. Principal Party in Interest

[FTR 30.3]

The U.S. Principal Party in Interest is the:

- U.S. Person or Entity
- Primary Beneficiary (Monetary or Otherwise)

Generally that Person can be the:

- U.S. Seller: (Wholesaler or Distributor)
- U.S. Manufacturer
- U.S. Order Party
- U.S. Customs Broker
- Foreign Entity (if in the U.S. at time goods are purchased or obtained for export)

Who is the USPPI?



Who is the USPPI?

Company A in the U.S. manufactures computers. After the computers are assembled, they are sold to Company B in the U.S. Company C in Canada places an order with Company B, and authorizes them to export the computers to the ultimate consignee in France. Who is the USPPI and why?

- (A) Company A – US Manufacturer
- (B) Company B – US Seller
- (C) Company C – Canadian Company
- (D) Company D – French Company



Who is the USPPI?

Mexican Entity A is in the U.S. buying pencils from Company B. After making their purchase, Mexican Entity A authorizes Company C in the U.S. to file in the Automated Export System and move the goods on their behalf. Then Mexican Entity A returns to Mexico. Who is the USPPI and why?



- (A) Mexican Entity A
- (B) Company B – US Seller
- (C) Company C – Authorized Agent

Who is the USPPI?

An individual in France places an order on-line with Company B located in Seattle for three bicycles that cost \$3,000 a piece. When checking out the individual enters the address of their freight forwarder located in Florida in the “Ship to” address. The individual hired the freight forwarder to package the shipment and export it to them in France. Who is the USPPI?

- (A) The French Customer
- (B) Company B
- (C) The French Customer’s Freight Forwarder



What is a Shipment?

[FTR 30.1]

Tip: The **ONE** Rule

- **ONE** U.S. Principal Party in Interest shipping their merchandise, to
- **ONE** Foreign consignee, on
- **ONE** Conveyance moving the product out of the U.S., on
- **ONE** day, and over \$2,500 per Schedule B number or the shipment falls under a mandatory filing requirement listed in Section 30.2(a)(1)(iv) of the FTR.

Any questions on these fundamentals



Filing Requirements for Electronic Export Information (EEI)



When is EEI Required?

(FTR 30.2)

EEI must be filed for exports of physical goods when shipped as follows:



- U.S. → foreign countries
- U.S. → U.S. Virgin Islands
- U.S. Virgin Islands → foreign countries
- Puerto Rico → foreign countries
- Puerto Rico → U.S. Virgin Islands
- U.S. ↔ Puerto Rico

When is EEI Required? (Continued)

[FTR 30.2(a)(1)(iv)]

- Shipments licensed by government agencies
- ITAR controlled items
- Sanctioned by the Office of Foreign Asset Control
- Rough diamonds
- Used self-propelled vehicles

Filing Requirements for Shipments Controlled by the EAR

Filing is Required for the following:

- All exports under license exceptions STA and VEU.
- All exports in paragraphs .a through .x of a 600 and 9x515 series ECCN.
- Paragraph .y of the 600 and 9x515 series, unless the shipment is \$2,500 or less or destined to Canada.

*Please reference §758.1(b) of the EAR for the full list of requirements

Filing Time Frames

<h2 style="text-align: center;">USML Shipments</h2> <p style="text-align: center; color: red;">[FTR 30.4 (b)(1)] & [22 CFR 123.22(b)]</p>	<h2 style="text-align: center;">Non- USML Shipments</h2> <p style="text-align: center; color: red;">[FTR 30.4 (b)(2)]</p>
 24 hours prior to vessel departure	24 hours prior to loading
 8 hours prior to truck departure	1 hour prior to truck arriving at U.S. border
 8 hours prior to scheduled departure	2 hours prior to scheduled departure
 24 hours prior to train departure	2 hours prior to train arriving at U.S. border
 Refer to 22 CFR 123.24	2 hours prior to export

Notes:

- Shipments of used self propelled vehicles must be filed 72 hours prior to export [§30.4(b)(5)]
- Shipments between the United States and Puerto Rico do not have to adhere to the above filing time frames [§30.4(b)(3)]

Split Shipments

[FTR 30.28]

A split shipment is a shipment booked for export that is divided by the carrier in two or more shipments by the same mode of transportation from the same port within the timeframes listed below:

7 days:

- Air cargo
- Truck cargo
- Rail cargo

24 hours:

- Vessel cargo

Original Internal Transaction Number (ITN)

[FTR 30.6(c)(3)]

The Original ITN:

The ITN associated with a previously filed shipment that is replaced or divided and for which additional shipment(s) must be filed.

Generally used for:

- Split Shipments
- Shipments sold while in transit

When is EEI Not Required?

[FTR 30.2(d)]

- Goods transiting the U.S. under CBP bond from one foreign country to another
- Goods shipped from the U.S. territories and goods shipped between the United States and these territories do not require EEI filing
- Electronic transmissions and intangible transfers
- Goods requiring a license where the country of ultimate destination is the U.S.

When is EEI Not Required?

[FTR 30.36-30.40]

- Country of ultimate destination is Canada [30.36(a)]
- \$2,500 or less per Schedule B number [30.37(a)]
- Tools of Trade: hand carried, personal or company use, not for sale, not shipped as cargo, returned within 1 year [30.37(b)]
- Shipments to Army Post Office, Diplomatic Post Office, Fleet Post Office [30.37(w)]

Two Truths and a Lie:

Do the following scenarios require EEI filing?



Two Truths and a Lie:

<p>A U.S. veterans group is sending \$3,000 worth of Blu-ray discs to U.S. Armed Service personnel stationed in Japan via the USPS. The shipment will be delivered to an Army Post Office. These discs do not require an Electronic Export Information (EEI) filing.</p>	<p>Sheila is moving from the United States to Canada with her 2005 Toyota Camry. She is a United States citizen and will be moving to Canada for 5 years. Sheila has to file EEI 72 hours before driving across the border to Canada.</p>	<p>A U.S. company is shipping \$3,000 worth of bicycles via train from Maryland to Alaska. Because the bicycles are traveling by train, they will pass through Canada on the way to Alaska. The shipment requires an EEI filing.</p>
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Two Truths and a Lie:

<p>A U.S. company sells \$3,000 worth of pencils and \$1,500 worth of pens to a buyer in Mexico and ships them together. The shipment does not require an EEI filing.</p>	<p>A U.S. company sells privately developed software for \$3,000 and sends it electronically to a buyer in China. The software does not require an EEI filing.</p>	<p>Margaret is sending a \$5,000 necklace to her mother in Guam. The shipment does not require an EEI filing.</p>
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Any Questions on Filing Requirements



Export Transactions



Standard Export Transaction

[FTR 30.3(c)]

The USPPI facilitates the movement of the goods from the U.S. and files the EEI or authorizes a U.S. agent to file the EEI



Standard Transaction

[FTR 30.3(d)]

Filer responsibilities:

- File EEI
- Resolve AES response messages
- Provide proof of filing citation or exemption legends to carrier

Standard Transaction

[FTR 30.3(c)(1)]

USPPI responsibilities:

- Export Control responsibilities
- Provide the U.S. agent with a POA or written authorization
- Provide the U.S. agent with timely export information
- Retain documentation

Standard Transaction

[FTR 30.3(c)(2)]

Authorized Agent responsibilities:

- Obtain POA or written authorization from USPPI
- Upon request, provide the USPPI with a copy of the export information
- Retain documentation

Routed Export Transaction

[FTR 30.3(e)]

FPPI authorizes a U.S. agent to facilitate the export of items from the United States and to prepare and file the EEI



Routed Export Transaction

[FTR 30.3(e)(1)]

USPPI Responsibilities:

- Provide the FPPI's agent with data
 - i. Name and address of USPPI
 - ii. USPPI's EIN
 - iii. State of origin
 - iv. FTZ, if applicable
 - v. Commercial description of commodities
 - vi. Origin of goods indicator:
Domestic or Foreign
 - vii. Schedule B or HTSUSA
 - viii. Quantities/unit of measure
 - ix. Value and or License value
 - x. ECCN
 - xi. All licensing information, if applicable
 - xii. Any information affecting license determination

Routed Export Transaction

[FTR 30.3(e)(1)]

USPPI Responsibilities (Continued):

- If filing, obtain POA or written authorization from the FPPI to complete and file the EEI
- May request copy of the POA or written authorization from the authorized agent
- May request a copy of the data elements as well as the Internal Transaction Number, Filer Name and Date of Export
- Retain documentation

Routed Export Transaction

[FTR 30.3(e)(2)]

U.S. Authorized Agents' responsibilities:

- Obtain POA or written authorization from the FPPI
 - Prepare and file EEI
-
- i. Date of Export
 - ii. Transportation Reference Number
 - iii. Ultimate Consignee
 - iv. Intermediate Consignee, if applicable
 - v. Authorized Agent Name and Address
 - vi. EIN or DUNS of Authorized Agent
 - vii. Country of Ultimate Destination
 - viii. Method of Transportation
 - ix. Carrier ID and Conveyance name
 - x. Port of Export
 - xi. Foreign Port of Unlading
 - xii. Shipping Weight
 - xiii. ECCN
 - xiv. License or license exemption information
 - xv. Ultimate Consignee Type

Routed Export Transaction

[FTR 30.3(e)(2)]

U.S. Authorized Agents' responsibilities (Continued):

- Annotate the commercial loading documents with the proper proof of filing citation, exemption or exclusion legend
- Upon request, provide the USPPI with:
 - A copy of the POA or written authorization received from the FPPI
 - Data elements supplied by the USPPI
 - Internal Transaction Number
 - Filer Name
 - Date of Export
- Retain documentation

All Export Transactions

[FTR 30.3(c)(3) & 30.45(f)]

Carrier responsibilities:

- Do not accept cargo without proof of filing citation or exemption legend
- Annotate the manifest or other carrier documentation [30.7(b)]
- Present proof of filing citation or exemption legend to CBP Port Director
- If applicable, provide the AES filer corrected carrier information

Any Questions on the Types of Transactions



Data Elements

Sensitive Information						
Electronic Export Information						
ITN: X20190516369937						
XTN: 112610676-TEMPLATE2019						
Status: Accepted						
Filing Option: 2 - PREDEPARTURE						
NOTIFICATION:974:SHIPMENT ADDED						
1a. U.S. PRINCIPAL PARTY (USPPI) HARVEYS CAR WORLD 1435 4TH ST, BRONX, NY 10457, US			b. USPPI EIN (IRS) or ID Number 11261067600			
c. RELATED PARTIES TO TRANSACTION Non-Related			2a. DATE OF EXPORTATION 2019-05-16			
b. ITN CREATED 2019-05-16			c. ITN LAST UPDATED 2019-05-16			
3. TRANSPORTATION REFERENCE NO. 15632512161			EQUIPMENT NUMBER(S)		SEAL NUMBER(S)	
4a. ULTIMATE CONSIGNEE NAME, ADDRESS AND TYPE CILLIANS CARS 45 SHAPIRO WAY, OKINAWA, JP ULTIMATE CONSIGNEE TYPE: R - RESELLER			5a. FORWARDING AGENT NAME AND ADDRESS			
6. STATE OF ORIGIN/FTZ NO. NY - NEW YORK			b. FILER NAME AND ADDRESS CENSUS AESDIRECT TEST ACCOUNT 4600SILVER HILL RD SUITLAND, MD 20746, US			
8. METHOD OF TRANSPORTATION 10 - VESSEL, NON-CONTAINERIZED			7. COUNTRY OF ULTIMATE DESTINATION JP - JAPAN			
10. PORT OF EXPORT 1001 - NEW YORK, NY			9. EXPORTING CARRIER/CONVEYANCE NAME STAR FOUR		11. PORT OF UNLADING 58860 - OKINAWA ISLAND, JAPAN	
13. CARRIER IDENTIFICATION CODE ACEO			12. CONTAINERIZED (Vessel Only) NO			
15. ENTRY NUMBER			14. SHIPMENT REFERENCE NO. TEMPLATE2019			
17. IN BOND CODE 70 - MERCHANDISE NOT SHIPPED INBOND			16. HAZARDOUS MATERIALS NO			
19. ROUTED EXPORT TRANSACTION NO			18. ORIGINAL ITN			
20. SCHEDULE B/HTS DESCRIPTION of COMMODITIES						
a. LINE SEQ NBR	b. D/F	c. SCHEDULE B/HTS NUMBER		d. QUANTITY - UNIT(S)	e. SHIPPING WEIGHT (KG)	f. VIN/PRODUCT NUMBER/VEHICLE TITLE NUMBER
1	D	MINIATURE CHOCOLATE CHIPS EXPORT INFO CODE: OS HTS: 1905.31.0000 LICENSE NUMBER: NLR LICENSE CODE: C33		840 KG	840	
						g. VALUE (U.S. Dollars, omit cents) Selling price or cost if not sold 3500

Sensitive Information
Do not submit printout to Customs

USPPI and USPPI Identification

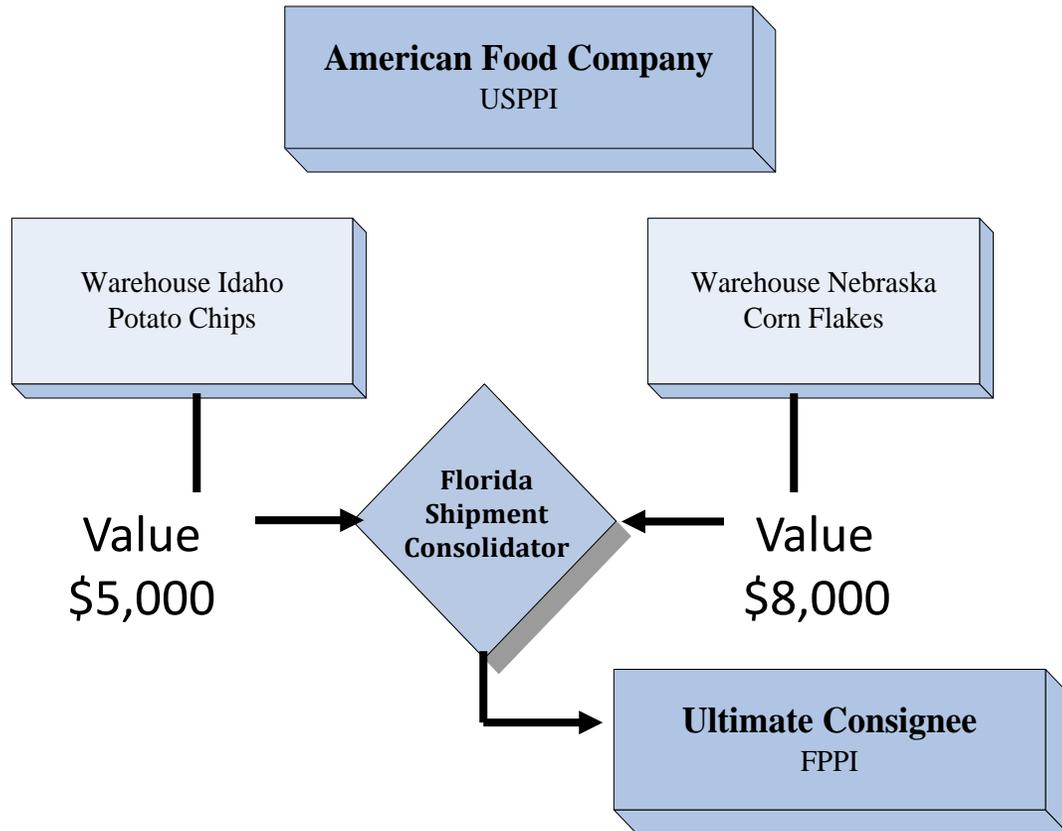
[FTR 30.6(a)]

- Name of USPPI
- USPPI Identification Number
 - Employer Identification Number
 - Dun & Bradstreet Number
 - Passport Number
- Address of USPPI
 - Address where goods begin journey
 - No post office box number
 - For multiple origins, report address where the commodity with greatest value originates

USPPI Address

[FTR 30.6(a)(1)(ii)]

- Receives order from FPPI for Potato Chips and Corn Flakes.
- USPPI has two different warehouses.



For Multiple Origins,

- Address of the USPPI (reported on the EEI) is the address of the warehouse location with the greatest value of the commodity. In this case, it is the Nebraska warehouse.
- Use the 2 character postal code and report the U.S. state of the commodities with the greatest value.

Ultimate Consignee

[FTR 30.6(a)(3)]

The person, party, or designee located abroad and actually receives the export shipment

- Report the Ultimate Consignee as known at the time of export.
- Licensed shipments shall be the person designated on the export license
- For goods sold en route
 - Report “To be Sold En Route” indicator
 - Correct EEI as soon as known

Ultimate Consignee Type

[FTR 30.6(a)(28)]

Provide the business function of the ultimate consignee that most often applies:

1. Direct Consumer
2. Government Entity
3. Reseller
4. Other/Unknown

Port of Export

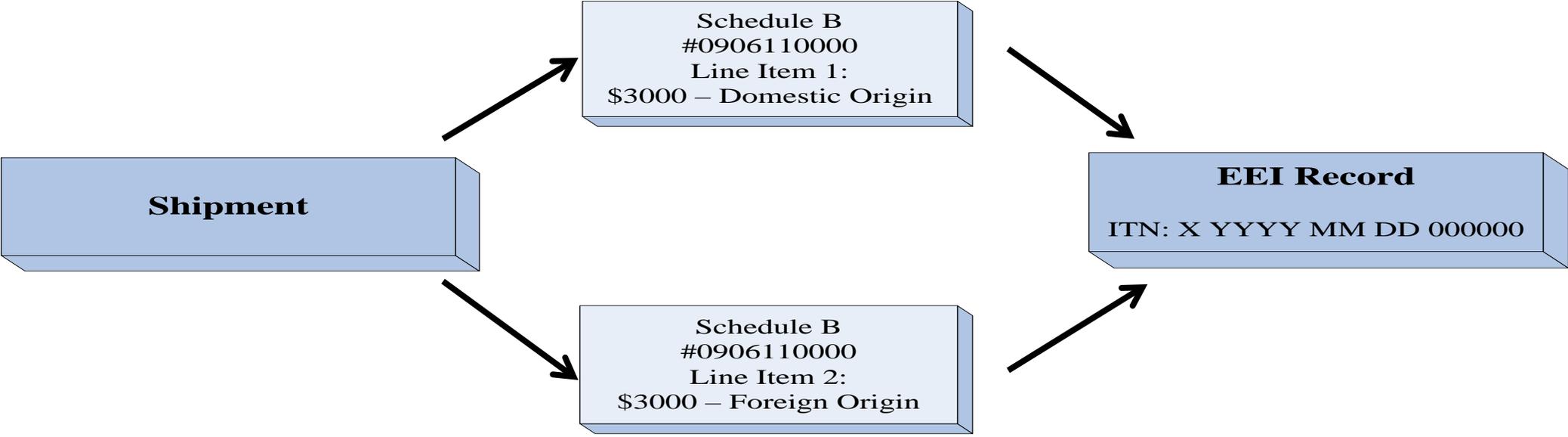
[FTR 30.6(a)(9)]

- Seaport or airport where goods are loaded on the carrier leaving the U.S.
- For overland shipments, the port where goods cross the border
- Use Schedule D, Classification of CBP Districts and Ports
- Use Appendix D of the AESTIR to verify the proper modes of transportation for each Port of Export



Domestic/Foreign Indicator

[FTR 30.6(a)(11)]



Value

[FTR 30.6(a)(17) & 30.6(b)(15)]

Value:

- Selling price including inland domestic freight and insurance
- Cost, if the goods are not sold
- Report value to nearest U.S. dollar



License Value:

- For shipments requiring an export license, report the value designated on the export license that corresponds to the commodity being exported.

Review Questions

Data Elements:



Multiple Choice

Goods are loaded onto an airplane in Salt Lake City, Utah and ultimately destined for Japan. The airplane will make a stop at an airport in Seattle, Washington before heading to Japan. When the airplane stops in Seattle, Washington, the goods that were loaded onto the airplane in Salt Lake City, Utah will not be removed. What is the port of export?

- A. Salt Lake City, Utah**
- B. Seattle, Washington**



True or False

A cargo ship is transporting vacuum cleaners to Japan. \$5,000 worth of the vacuums were manufactured in Mexico and were not changed while in the United States. \$2,000 worth of the vacuums were manufactured in the U.S. All of the vacuums must be included in the Electronic Export Information (EEI) filing.



Repair Items

[FTR 30.29(a)]

- Report the value of the repairs, including parts and labor
- Report Schedule B number 9801.10.0000 for the reexport of any article that was imported for repairs or alterations
- For goods licensed by a U.S. Government agency or subject to the ITAR, report the license value in the license value field



Replacement Items

[FTR 30.29(b)]

- Report the value of the replacement commodity
- Report original Schedule B number
- If the value in the EEI record is different from the value on the bill of lading, invoice, etc., include a statement notating:

**“Product replaced under warranty,
value for EEI record purposes”**

How is the transaction handled?

Repair and Replacement



How is the transaction handled?

A U.S. company sells an engine to Mexico, however the engine breaks after one year. The company in Mexico sends the engine back to the U.S. company to be repaired.



How is each transaction handled?

1. The U.S. company fully repairs the engine and returns it to the Mexican company.
2. The U.S. company determines that the engine cannot be repaired. The U.S. company replaces it under warranty.

Penalty Provisions



Penalties

[FTR 30.71]

Criminal Penalties

- U.S. exporters, agents, or carriers who knowingly fail to file, file false or misleading information, or continue to participate in illegal activities
- Penalty can be up to \$10,000 per violation and/or imprisonment for no more than five years

Civil Penalties

- U.S. exporters , agents, or carriers who report incorrect information or report export information late
- Penalty can be up to \$10,000 per violation or \$1,100 per each day of delinquency

Voluntary Self Disclosure

[FTR 30.74]

Submit a letter detailing:

- Type of violation
- Explanation of when and how the violations occurred
- List all individuals and organizations (foreign & domestic) related to the violations
- A description of any mitigating circumstances
- Number and value of shipments affected
- Corrective measures
- Corrected or filed shipments

Send letter on company letterhead to:



International Trade Call Center (800-549-0595)



Automated Export System

Option 1

askaes@census.gov

Classification Assistance

Option 2

Eid.scheduleb@census.gov

Trade Regulations Branch

Option 3

emd.askregs@census.gov

Data Dissemination

Option 4

Eid.international.trade.data@census.gov

Outreach

Option 5

emd.outreach@census.gov

Any Additional Questions



