

# EXPORTING 101

CUSTOMER GUIDE

Exporting items from the U.S. to a foreign destination, including shipments destined for Puerto Rico and the U.S. Virgin Islands, require complete compliance with U.S. Government regulations by the exporting party. Export items are defined as:

- **Commodities**— apparel, household goods, agriculture products, machinery
- **Software**—technical specifications or computer programs for download
- **Technology**—information, technical data

The U.S. Census Bureau Foreign Trade Regulations (FTR) define the U.S. Principal Party in Interest (USPPI) as, the person or legal entity located in the U.S. which receives the primary benefit, monetary or otherwise, from the export transaction. The USPPI could be a U.S. seller, manufacturer or order party. If a foreign entity purchased or obtained the goods while in the U.S., they will be the USPPI.

## USPPI Responsibilities

**Determine Commodity Jurisdiction**—The USPPI must first determine which U.S. Government Agency controls the commodity for export. The U.S. Department of State oversees the exports of defense, space or military items with the International Traffic in Arms Regulations (ITAR). The Department of Commerce oversees the export of civilian and dual-use articles with the Export Administration Regulations (EAR).

**Know the End User and End Use**—Knowing the end user of the exporting commodity, as well as the end use is an important responsibility of the USPPI. It is the USPPI's responsibility to perform due diligence to ensure the end user or any party involved in the export transaction is not listed on the Denied Persons Lists.

**Classification**—For statistical purposes, U.S. Census Bureau requires each commodity be classified with a Schedule B or valid Harmonized Tariff Schedule number.

**Licensing Determination**—The USPPI is required to make the licensing determination or authorization to export considering the Export Control Classification Number (ECCN), or the U.S. Munitions List (USML) category number.

**Filing Electronic Export Information**—The mandatory Electronic Export Information (EEI) must be filed in the Automated Export System (AES). The USPPI is required to file, or authorize an agent to file on their behalf, the below elements must be provided to the party responsible for the AES filing:

- USPPI Name and Address of cargo origin
- USPPI Tax ID Number
- Consignee Name and Address (not required from the USPPI in a Routed Transaction)
- Country of Ultimate Destination (Not required from the USPPI in a Routed Transaction)
- Consignee Type (not required from the USPPI in a Routed Transaction)
- State of Origin
- Schedule B / HTS number, Commodity Description and Gross Weight per item
- Schedule B / HTS number Unit of Measure
- Value
- Domestic or Foreign Indicator
- ECCN or EAR99 designation or Category #
- License Number or Authorization to Export

\* This information is to be used for informational purposes only and should not be construed as legal advice. When in doubt, please contact the appropriate U.S. Federal Agency or consult the applicable Code of Federal Regulations.



**Working with a Forwarder**—If the USPPI authorizes a forwarder to file the EEI, the USPPI must provide a Power of Attorney (POA) authorizing the forwarder to file on their behalf. The POA must specifically outline the responsibilities of each party involved. Providing a POA to a forwarder does not remove the responsibility of providing accurate and updated EEI to the forwarder. The USPPI must provide in writing all required EEI. Any changes to this information must be communicated to the forwarder so the EEI can be updated in the AES.

**Routed Transactions**— A Routed Export Transaction is when a Foreign Principal Party in Interest (FPPI) authorizes a U.S. agent to facilitate export of items from the U.S. on its behalf and prepare to file the EEI in the AES. For these transactions it is the responsibility of the FPPI to provide the authorization in the form of a POA. The USPPI must still provide the required EEI for the filing.

**Shipment Records**—Shipment records must be maintained for a minimum of five (5) years from the date of export in compliance with U.S. Government regulations.

## Forwarder's Responsibilities

- Obtain authorization to file EEI in the AES from the USPPI or FPPI.
- Confirm no parties are on the Denied Parties lists. This is meant to be a double check and does not replace the responsibility of the USPPI to perform screening prior to the international sale.
- File the EEI in the AES based on the required elements provided by the USPPI. The forwarder will review and qualify incomplete or concerning information with the USPPI. Any Red Flag must be qualified.
- If requested, provide the USPPI with the AES filing summary.

## Exporting Checklist

- Commodity Jurisdiction and Classification
  - » [EAR](#)
  - » [ITAR](#)
  - » [USML](#)
  - » [CCL](#)
  - » [General Prohibitions](#)
  - » Additional Commodity Jurisdiction information and assistance can be found on the [Bureau of Industry and Security's website](#)
- Determine End User and End Use
  - » ["Know Your Customer" Guidance](#)
  - » [Denied Parties Lists](#)
  - » [Sanctions Programs \(OFAC\)](#)
- Provide the forwarder with complete and accurate required EEI or file EEI in the AES and provide the forwarder with the Internal Transaction Number (ITN). If forwarder is filing on the USPPI's behalf, provide the forwarder with Power of Attorney.
- Request a copy of the AES summary from the forwarder if they filed the EEI in the AES.

## Additional Assistance

[Commerce Department-Bureau of Industry and Security](#)  
[State Department-Directorate of Defense Trade Controls](#)  
[Census Bureau-Foreign Trade Division](#)  
[Introduction to Commerce Department Export Controls](#)  
[How to Determine an ECCN](#)  
[BIS Online Training](#)  
[Schedule B Look-Up](#)  
[HTS Look-Up](#)  
[Red Flag Indicators](#)

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