

## **Filing of Export Declarations And Record Keeping Requirements for Exporters**

As you are aware, the Bureau of Industry and Security and U.S. Customs are involved in implementing a complete changeover to electronic reporting of export shipments. The Automated Export System (AES) has been in existence for some time, with voluntary participation. That changed effective October 18, 2003 with the requirement that, if the goods being shipped were included on the Commerce Control List (CCL) or the U.S. Munitions List (USML), then electronic filing was required. Electronic reporting for all shipments is scheduled for implementation in summer 2004. For shipments made through freight forwarders, exporters will need to provide sufficient information for the forwarder to identify the parties involved with the shipment and to classify the goods being exported. Additionally, the exporter must provide written authorization to the forwarder to allow the forwarder to file using AES. This authorization may be on a per-shipment basis using a paper Shipper's Export Declaration (SED) or Shipper's Letter of Instruction (SLI) or on a blanket basis by issuing a power of attorney (POA). The POA may be an export POA, limiting authority to export transactions or a full POA which need be signed by owner, partner or corporate officer.

The Export Administration Regulations (EAR) also specify the record keeping requirements for export shipments. These regulations apply to almost all export shipments. Canada is excluded unless a third party in another country has an interest. Also included are records of negotiations which might possibly involve violations of restrictive trade practices or embargoes, even if no shipment ever materializes. The retention time for these records is five years. The most common records that need be retained are "Export Control Documents". Within this definition are SED or AES record, transport document (B/L or airwaybill), licenses and their accessorial documents, etc. Other documents include memoranda, notes, correspondence, contracts, accounting and financial records, etc. For most exporters with non-licensed shipments, the two required documents will be the waybill and the SED or AES record.

For shipments where the customer has required the use of a forwarder, it is important that you provide both the information and authorization to allow AES filing and to clearly require that they provide you with the required records. A signed SED or SLI can provide both information and authorization when accompanied by a commercial invoice. If you provide an SED, you should indicate that you will need a copy of the waybill for your files. If you provide an SLI, you should indicate that you require a copy of the waybill and a copy of the AES record for your files.

For copies of the relevant EAR pages, please call Exel Global Logistics at 816 891 8339 or FAX to 816 891 8949.

Disclaimer: The above information is an extract of a portion of The Export Administration Regulations. Please refer to those regulations for exact legal requirements.