

# FOREIGN TRADE REGULATIONS

CFR / TITLE 15 / Subtitle B / Chapter I / Part 30

[Electronic Code of Federal Regulations \(eCFR\)](#)

# FOREIGN TRADE REGULATIONS (FTR) – TOPICS DISCUSSED

- Fundamentals
  - Foreign Trade Regulation
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  - Parties in an export transaction
- Types of Export Transactions
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  - Non-Routed
- Responsibilities of Parties in an Export Transaction
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  - Warranty Repair

# FOREIGN TRADE REGULATIONS (FTR)

## DEAL WITH STATISTICAL REPORTING OF EXPORT SHIPMENT

### E EI in the AES

Export Electronic Information in the Automated Electronic System

- If 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

# EXPORT SHIPMENT

To send or transport goods out of a country



**M** MARKETING91

# Fundamentals – SHIPMENT

## (FTR 30.1)

### 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,
  - 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.



# Fundamentals – SPLIT SHIPMENT (FTR 30.28)

- booked for export that is divided
  - by the carrier in two or more shipments prior to export
    - by the same mode of transportation from the same port within

**7 DAYS**

- Air cargo
- Truck cargo
- Rail cargo

**24 HOURS**

Vessel Cargo

- EEI
  - new EEI will not be required within the time frames specified above
  - new EEI must be filed and amendments must be made to the original EEI if exceeding the above time frames - original ITN data element may be used

# Fundamentals – U.S. Principal Party of Interest - USPPI

person in the United States receives the primary benefits, monetary or otherwise, of the export transaction

- **WHO CAN BE the USPPI**

- the U.S. seller (wholesaler or distributor) of goods for export
- U.S. manufacturer (if selling the goods for export)
- U.S. order party (if directly negotiated between the U.S. seller and foreign buyer and received the order for the export of the goods)
- foreign entity if it is **in the US when the items are purchased or obtained for export**
- U.S. customs broker if
  - listed as the importer of record when entering goods into the U.S. for immediate consumption or warehousing entry and the goods are subsequently exported without change or enhancement.
  - formally enters merchandise into the U.S. on behalf of a foreign entity listed as the importer of record and the goods are subsequently exported without change or enhancement.
- **freight forwarder**
  - Acting as a U.S. order party.
  - Acting as the U.S. customs broker – see above

- **WHO CANNOT BE the USPPI**

- forwarding agent – see exception above
- Consolidator

# Responsibilities of Parties in an Export Transaction (30.3)

## USPPI

- Restricted Party Screening - US Government bans business with certain countries/entities/end-use
  - restricted party lists are published by the
    - Department of Commerce - <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/denied-persons-list/23-compliance-a-training/46-how-do-i-avoid-dealing-with-unauthorized-parties>
    - Department of State - <https://www.state.gov/bureaus-offices/under-secretary-for-arms-control-and-international-security-affairs/bureau-of-international-security-and-nonproliferation/office-of-export-control-cooperation/> and
    - Department of Treasury - [Specially Designated Nationals And Blocked Persons List \(SDN\) Human Readable Lists | U.S. Department of the Treasury](#)
- prepare and file the EEI
  - itself
    - ✓ responsible for the accuracy and timely transmission of all the export information reported to the AES
  - OR**
  - authorize an agent to prepare and file the EEI on its behalf
    - Providing
      - ✓ accurate and timely export information necessary to file the EEI
      - ✓ power of attorney or written authorization to file the EEI - [CUSTOMS POWER OF ATTORNEY - IM EXPORTS.pdf](#)
      - ✓ Retaining documentation to support the information provided to the authorized agent for filing the EEI, as specified in §30.10. (5 years)



# Case Study #1

Company “X” in the US manufactures machinery sold to a Channel Partner in the United States. Company “Y” in China places an order with the US Channel Partner and authorizes it to export the machinery to the ultimate consignee China.

Who is the USPPI and why?

In this transaction, the US. Channel Partner is the USPPI because it receives the primary benefit from the foreign buyer.

# Case Study #2

Assume, a representative of Company “Y” in China is in the US when buying the machinery from the US based Channel Partner. After making the purchase, the Chinese representative authorizes Company “Z” to file EEI in the AES and move the merchandise on the Chinese Company behalf to China. After it, the representative returns to China.

## Who is the USPPI and why?

In this transaction, the Chinese representative is the USPPI because he was physically in the US at the time the goods were purchased.

# Fundamentals – FPPI – Foreign Principal Party of Interest

- **WHO CAN BE the FPPI**

- foreign buyer of the goods that are purchased or obtained for export
  - to whom final delivery or end-use of the goods will be made
  - may be the ultimate consignee

# Responsibilities of Parties in a Standard Export Transaction

## FPPI

- may authorize or agree to allow the USPPPI to prepare and file the EEI
  - ✓ must provide a written authorization

# Case Study #3

Company “A” in WI, sells equipment to Company “B” in Germany. All charges are paid based on Company’s “B” FedEx collect account. Company “B” authorizes Company “A” to file the EEI.

Who is the USPPI and the FPPI?

In this transaction, Company “A” is the USPPI.

# Fundamentals – U.S. Authorized Agent

- an individual or legal entity
  - physically located in or otherwise under the jurisdiction of the United States
  - has obtained power of attorney (POA) or written authorization from a USPPI or FPPI to act on its behalf to complete and file the EEI

# Fundamentals – CARRIER

- An individual or legal entity in the business of transporting passengers or goods:
  - airlines
  - trucking companies
  - railroad companies
  - shipping lines
  - pipeline companies
  - lot charterers
  - Non-Vessel Operating Common Carriers (NVOCCs)

# Fundamentals – Ultimate Consignee (FTR 30.6(a)(3))

- the person, party, or designee
  - located abroad and actually receives the export shipment
  - Licensed shipments - shall be the person designated on the export license
- Four types
  - Direct Consumer: a non-government entity that will consume or use the exported good
  - Government Entity: a government-owned or government-controlled agency, institution, enterprise, or company
  - Reseller: a non-government reseller, retailer, wholesaler, distributor, distribution center or trading company
  - Other/Unknown: an entity that is not a Direct Consumer, Government Entity or Reseller, as defined above, or whose ultimate consignee type is not known at the time of export.

## \**For goods sold en route*

- *Report "To be Sold En Route" indicator*
- *Correct EEI as soon as known*



# Export Transaction Types (FTR 30.3.(d))

- **Standard Transaction**

- the seller of the goods arranges the transport of the merchandise out of the country and takes care of the EEI filing

- **Routed Export Transaction**

- the FPPI authorizes
  - a U.S. agent to facilitate the export of items from the United States
  - a U.S. agent or the USPPI (Seller) to prepare and file EEI

*Routed export transactions are a risk since they shift the control of the movement of the goods and the filing of the EEI from the U. S.*

# Case Study #4

Company “C”, WI, sells equipment to Company “D” in Germany. Company “D” has arranged the transport through their freight forwarder located in DEU.

Who is the USPPi and why?

Company “C” is the USPPi because it made the international sale and is gets the most benefit from the sale

# Responsibilities of Parties in a Routed Export Transaction

## USPPI

if it is not the party granted authority to file through AES, the following information to be submitted to the freight forwarder for filing through AES

- ✓ Name and address of the USPPI
- ✓ USPPI's EIN (Employer Identification Number)
- ✓ State of origin
- ✓ Foreign Trade Zone (FTZ), if applicable
- ✓ Commercial description of commodities
- ✓ Origin of goods indicator: Domestic (D) or Foreign (F)
- ✓ Schedule B number or HTSUS code
- ✓ Quantities and units of measure
- ✓ Value
- ✓ Export Control Classification Number (ECCN) or sufficient technical information to determine the ECCN
- ✓ All licensing information necessary to file the EEI for commodities
- ✓ Any information that it knows will affect the determination of export license authority

# Responsibilities of Parties in a Routed Export Transaction - Continued

## Authorized agent

- must obtain a POA or written authorization from the USPPI / FPPI
- prepare and file the EEI in accurate and timely manner in accordance with the FTR
- Retaining documentation to support the information reported to the AES, as specified in §30.10
- Upon request
  - ✓ provide the USPPI with
    - a copy of the power of attorney or written authorization from the FPPI
    - the data elements
    - the date of export as submitted through the AES
    - the filer name
    - the ITN

# Responsibilities of Parties in an Export Transaction (30.3) -Continued

## Carrier

- must not load or move cargo unless the required documentation from the USPPI or authorized agent contains the required AES proof of filing
- shall notify the USPPI or the authorized agent of changes to the transportation data

# EXTRA - CHAPTER 98

- Repair under warranty Items
- Replacement Items

Heading/ Subheading	Stat Suf fix	Article Description
9801.00.10		Products of the United States when returned after having been exported, or any other products when returned within 3 years after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means while abroad
	10	Articles previously exported with intent to reimport after temporary use abroad
	12	Articles returned temporarily for repair, alteration, processing or the like, the foregoing to be reexported

U.S. Census Bureau - Foreign Trade Schedule B (2021)

Chapter 98

SPECIAL CLASSIFICATION PROVISIONS - NON COMMERCIAL

SCHEDULE B NUMBER	DESCRIPTION	UOM
98.01	<input type="checkbox"/> Exports of articles previously imported for repairs or alterations; instruments of international traffic:	
9801.10.0000	- Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from the United States	X



# Documents needed for Replacement and / or Repair Items – Bringing back to the US.

- Declaration by Foreign Shipper
- Declaration by Owner, Importer, or Consignee
- Manufacturer Affidavit

[CFR-2010-title19-vol1-sec10-1.pdf](#)

# Declaration by Foreign Shipper For entry under HTSUS 9801.00.

(Please place on letter head – Who is shipping back/your customer!)

I, \_\_\_\_\_, declare that to the best of my knowledge and belief the articles herein specified were exported from the United States, from the port of \_\_\_\_\_, on or about \_\_\_\_\_, 20\_\_\_\_, and that they are returned without having been advanced in value or improved in condition by any process of manufacture or other means.

Marks	Number	Quantity	Description	Value, in USD
	_____ (Date)			_____ (Signature)
	_____ (Address)			_____ (Capacity)



# Declaration by Owner, Importer, or Consignee For entry under HTSUS 9801.00.

**(Please place on letter head – YOUR COMPANY!)**

I, \_\_\_\_\_, declare that the attached declaration by the foreign shipper is true and correct to the best of my knowledge and belief, that the articles were manufactured by \_\_\_\_\_ (name of manufacturer) located in \_\_\_\_\_ (city and state), that the articles were not manufactured or produced in the United States under subheading 9813.00.05, HTSUS, and that the articles were exported from the United States without benefit of drawback.

\_\_\_\_\_ (Date)

\_\_\_\_\_ (Company name)

\_\_\_\_\_ (Address – line 1)

\_\_\_\_\_ (Address – line 2)

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Capacity – if corporation, must be signed by an officer, or employee of the corporation )

# Manufacturer's Affidavit

## For entry under HTSUS 9801.00.

**(Please place on letter head – YOUR COMPANY!)**

I, \_\_\_\_\_ (name of person making the declaration), declare that we are the manufacturer of the articles identified below, and that the articles were manufactured in the United States.

Description of article (including model, serial number as applicable): \_\_\_\_\_

\_\_\_\_\_

Plant address:

\_\_\_\_\_ (address Line 1)

\_\_\_\_\_ (address Line 2)

I declare that no drawback has been paid thereon, nor on any part thereof; and that no drawback will be claimed. I also declare that the articles were not manufactured or produced in the United States under HTSUS subheading 9813.00.05.

\_\_\_\_\_ (Date)

\_\_\_\_\_ (Company Name)

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Title)

Must be signed by a person having actual knowledge of the pertinent facts.

# Repair Items (FTR 30.29(a))

- **For non-licensed goods** that were temporarily imported for repair and declared as such on import, report:
  - Schedule B: **9801.10.0000**
  - Value: The cost of parts and labor, plus inland and domestic freight, insurance, and other charges to the U.S. seaport, airport, or land border port of export
- **For licensed goods** that were temporarily imported for repair and declared as such on import, report:
  - Schedule B: **same as non-licensed goods**
  - Value: **same as non-licensed goods**
  - License Value: The value designated on the export license that corresponds to the commodity being exported.

The bill of lading, air waybill, or other commercial loading documents include the statement, **“This product was repaired under warranty.”**

# Replacement Items (FTR 30.29(b))

## For non-licensed items report

- the Schedule B number or HTSUSA classification commodity number of the replacement goods
- The value of the replacement goods, plus inland and domestic freight, insurance, and other charges to the U.S. seaport, airport, or land border port of export

## For licensed replacement goods, report:

- the Schedule B number or HTSUSA classification commodity number of the replacement goods
- The value of the replacement goods, plus inland and domestic freight, insurance, and other charges to the U.S. seaport, airport, or land border port of export
- License Value: The value designated on the export license that corresponds to the commodity being exported

Place the following notation below the proof of filing citation, exemption, or exclusion legend

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

# Question?

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