

*The International
Trade Compliance
And Operations
Experts for
129 years!*

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SHIPPER'S LETTER OF INSTRUCTION

How well or poorly do you communicate information concerning your export shipment to the foreign freight forwarder that will be facilitating the movement? As important, how complete is the information you provided permitting that forwarder to file the government required export data through the Automated Export System (AES) on your behalf?

Remember, the exporter is the U.S. Principal Party in Interest (USPPI). The information the government receives about the export shipment is owned by the exporter who is responsible for its completeness and accuracy. The freight forwarder is merely as an agent of the USPPI in causing the information to be submitted through AES.

The exporter should not rely and, in many cases, cannot rely upon its forwarder to know all the requisite information concerning the goods within the shipment. It is not the responsibility of the forwarder to know or to determine the Export Control Classification number of exported goods nor whether the goods may leave the U.S. under NLR or if a License Exception is applicable. Data elements like these and many others must be conveyed to the forwarder so that an accurate and timely AES electronic filing can be made.

A good tool for conveying information to the forwarder is the Shipper's Letter of Instruction. The form has been around for years and has its history based in being part of a combination form set. The preparer would type one document but end up with an SLI as well as several copies of the old Shipper's Export Declaration. The typewriter is becoming extinct but the method and scope of convey export shipment information to a forwarder should not.

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SHIPPER'S LETTER OF INSTRUCTION *continued . . .*

When the real world concept of the *Routed Export Transaction* was codified into regulation, the revised SED and, then, the associated SLI provided a data element where this could be declared. To gain the benefit related to a routed export transaction, the exporter must so note this to the forwarder working on behalf of a foreign buyer.

It is a critical component of regulatory compliance as well as simply a good business practice to maintain a record of what information the USPPi has conveyed to the forwarder who is filing the AES record for the export. If the export conveys none at all or simply passes to the forwarder a copy of the commercial invoice from which the forwarder must then discern all the requisite information required by AES it is the export (USPPi) who still bears the entire regulatory burden for non-compliance should the information be inaccurate or incomplete.

The SLI serves not only as a compliance document but a logistics one as well. It provides to the forwarder all the information it may require in arranging for and facilitating the movement of the goods. Again, a written record of the direction given may serve to avoid disputes over charges incurred for services performed or not performed.

* You may be interested in also reading our white paper "Goodbye SED, Hello AES Filing ."