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Filing the Electronic Export Information (EEI)

We dare you to say that your EEI filings are error-free.

In the United States, the EEI filing is the official declaration to the Census Bureau when a shipment requires a Shipment Export Declaration. All shipments with a BIS validated export license, all physical commodities exceeding U.S. \$2500 in value under a single Harmonized System classification number under a single consignee in the same day, and any shipments made to Cuba, Iran, North Korea, South Sudan, and Syria must file an EEI. Mandatory EEI filings are also required for several other conditions including the export of ITAR commodities, physical commodities valued at more than \$2500 under a single Harmonized System classification number under a single consignee in the same day for shipments made between the U.S. and Puerto Rico, from Puerto Rico to foreign countries, from Puerto Rico to the U.S. Virgin Islands, and from the U.S. to the U.S. Virgin Islands.



Andrea Appell
Director

A formal decision regarding whether to file the EEI directly with Census via the Automated Export System (“AES Direct”) or empowering carriers to file on a company’s behalf is a critical corporate decision. Ensuring the data declared to Census is correct and the process of auditing that data must be key considerations in this decision and will pave the way to error-free EEI filing. In this Hot Topic we’ll walk through the pros and cons of each of these considerations, review best practices, and arm you with a short scorecard to assist you in making decisions related to EEI filing.

A lack of understanding of the data elements required of EEI filings and human error usually results in inaccurate EEI filings. Whether in house or via 3rd party, filers often confuse data elements or just do not understand key elements such as an Export Control Classification Number (ECCN), related party or license exception. A best practice for all companies is to ensure that any declaration made to government entities is true and verifiable. Accordingly, when deciding whether to empower a 3rd party to file EEIs on your behalf or keeping this function in house, consider how your company will control the data submitted to Census.

Achieving the best practice of data integrity and control with in-house filing requires that the function responsible for filing is properly trained on data elements and, in the absence of clear instruction, how to obtain the correct information. Staff should understand the fundamentals of exporting and export controls, when EEI filings are required, how to correctly summarize commercial invoice data for EEI filings and how to correct EEI filings if errors are found. Desk procedures supporting the filing of declarations through AES should be created and followed. If using a 3rd party, a good practice is to develop a company-specific Shipper’s Letter of Instruction (SLI) to submit to carriers detailing how to complete the EEI along with a statement of work indicating that no data element should be changed without express permission from the company. The simple act of drafting the SLI and verifying the data elements against classification databases and purchase orders should close any gaps in missing or incomplete data.



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A final 3-pronged best practice of reconciling the EEI filing with corresponding order data, shipment detail, and Census records; the timely correction in AES of any errors found in the review; and the retention of complete records is a must. If using a 3rd party, companies must request a copy of the complete EEI filing along with the Internal Transaction Number (ITN). The EEI filing must be evaluated for accuracy, completeness, and consistency with other documentation related to the transaction. Any errors identified in the EEI filing must be corrected in AES as soon as discovered as the penalties may reach \$10,000 per each violation of the Foreign Trade Regulations. After the evaluation, the EEI filing (original and any revised filings), shipping documents, invoices, orders, packing lists, and correspondence, as well as any other relevant information must be retained for a period of at least 5 years from the date of export.

While it is possible for a company to request a copy of the data submitted to Census via EEI filing, perform a reconciliation, notify carriers of errors, request a timely error correction, and re-audit the revised filing, the extra step of engaging carriers and re-auditing their filings is time consuming and may result in additional service costs. In addition, companies should never rely on their business partners for record retention.

Before you say that your EEI filings are error free, use this scorecard that consolidates EEI filing best practices to pave your way to success.

Recommendation	Description	In-House filing	3 rd Party filing
AES Direct/ Export Training	<p>Staff responsible for filing AES declarations should be trained on AES Direct. The Census Bureau provides training videos on AES Direct as well as other export related training videos. Staff should understand the fundamentals of exporting and export controls, when EEI declarations are required, how to correctly summarize commercial invoice data for EEI filings and how to correct EEI declarations if errors are found. Desk procedures supporting the filing of declarations through AES should be created and followed.</p> <p>Staff responsible for AES filings and their managers should have these responsibilities added to their job descriptions.</p>	<p>+</p> <p>Companies can train their own staff</p>	<p>-</p> <p>No visibility to accuracy or skillset of 3rd parties</p>
Data Integrity and Control	<p>Staff responsible for EEI filings should ensure all classifications and license exceptions are obtained from a corporate product matrix prior to submitting a declaration. If a product or component has not been classified, the staff member should contact the company's Global Trade department for the correct classification. 3rd parties to receive a company-specific SLI detailing how to complete the EEI along with a statement of work indicating that no data element should be changed without express permission from the company.</p>	<p>=</p> <p>Corporate staff always verifies data – whether for immediate filing or drafting an SLI</p>	<p>=</p> <p>Corporate staff always verifies data – whether for immediate filing or drafting an SLI</p>



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Recommendation	Description	In-House filing	3 rd Party filing
Internal Audit and Recordkeeping	Request data from Census. Reconcile EEI filing with order data, shipment detail, and Census records; timely correction of errors in AES; record retention for a minimum of 5 years from the date of export.	<p style="text-align: center;">+</p> End-to-end responsibility for correct filings, recordkeeping, and timely correction of errors managed exclusively in-house.	<p style="text-align: center;">-</p> Extra effort to manage responsibilities among 3 rd parties. Additional costs related to correcting EEI filings may be incurred.