



Strengthening U.S. Economic and National Security

Office of Export Enforcement
Bureau of Industry and Security



Freight Forwarder Guidance

The freight forwarding community plays a key role in securing the global supply chain, stemming the flow of illegal exports, and preventing Weapons of Mass Destruction (WMD) Proliferation and other sensitive goods from falling into the hands of proliferators and terrorists.

Responsibilities of the Forwarding Community

- Forwarding agents have compliance responsibilities under the Export Administration Regulations (EAR) even when their actions are dependent upon instructions given by customers.
- Forwarding agents are responsible for the representations they make in filing export data.
- No person, including a forwarding agent, may proceed with any transaction knowing that a violation of the EAR has occurred or is about to occur.

Routed and Non-Routed Export Transactions

A **routed transaction** is where the foreign principal party in interest (PPI) authorizes a U.S. agent to facilitate the export of items from the U.S. on its behalf, and to prepare and file the Electronic Export Information (EEI).

- If **power of attorney** or other written authorization to act on behalf of the foreign PPI is obtained, the **U.S. forwarding agent is the “exporter”** under the EAR and is responsible for determining licensing authority and obtaining appropriate license or other authorization for the export.
- If power of attorney or other written authorization to act on behalf of the foreign PPI is not obtained, the **U.S. PPI is the “exporter”** under the EAR and is responsible for determining licensing authority and obtaining appropriate license or other authorization for the export.

In a **non-routed transaction**, if the U.S. PPI authorizes an agent to prepare and file the export declaration on its behalf, the U.S. PPI is the “exporter” under the EAR and is required to:

- Provide the agent with the information necessary to complete the AES submission;
- Authorize the agent to complete the AES submission by power of attorney; and
- Maintain documentation to support the information provided to the agent for the AES submission.

If authorized by either the U.S. or foreign PPI, the agent is responsible for:



- Preparing the AES submission based on information received from the U.S. PPI;
- Maintaining documentation to support the information reported on the AES submission; and
- Upon request, providing the U.S. PPI with a copy of the AES filed by the agent.

Export Administration Regulations (EAR)

While exporters should fully familiarize themselves with the EAR, below are key sections particularly relevant to freight forwarders:

- §§758.1 through 758.6, 748.4, and 750.7(d) note the difference in definitions between Census and BIS for the term “exporter”
- §758.8 discusses the return or unloading by forwarders, or other entities, of shipments at the direction of U.S. government officials
- §730, Supplement No. 3 notes that export control responsibilities for Ocean Freight Forwarders are with the Federal Maritime Commission’s Office of Freight Forwarders

Mitigating Risk

Forwarders can take steps to mitigate their own and their clients’ risk of liability:

- Establish a strong ***Export Compliance and Management Program***
- Be familiar with the ***Know Your Customer Guidance***
- Recognize ***Red Flag*** indicators (EAR §732, Supplement No. 1)
- Check parties to transactions against BIS’s and other U.S. Government agencies’ various ***Lists to Check*** on the BIS website or the consolidated list at [Consolidated Screening List](#)
- Maintain relevant ***documentation***
 - Required recordkeeping (EAR §762)
 - Form BIS-711, Destination Control Statement
 - Letter of Acceptance of License Conditions
- If you believe you may have committed a violation of the EAR, submit a Voluntary Self-Disclosure (VSD) to BIS



Report Export Violations
 1-800-424-2980 or EELead@bis.doc.gov

