



Lights out AES Export Filing Solution

A true manage by exception paradigm
using SAP GTS Export Corrections



➤ INTRODUCTION

“Do more with less” is the constant refrain coming down from Supply Chain and Finance to Trade Compliance practitioners within an organization. Significant cost pressures lead to hiring constraints coupled with constantly changing regulations and the addition of new ones to the mix put unprecedented demands on Trade compliance departments. All these factors combined make compliant, efficient, and cost-effective Imports and Export operations much harder to accomplish.

In general, customs law does not absolve an Importer of liability even if the entry is made by a broker; similarly, the exporter of record bears ultimate responsibility for data quality of Automated Export Systems (AES) submissions and has an obligation to furnish a Power of attorney to every Freight forwarder that they deal with. “My broker does that for me” defense does not pass muster in the event of a customs audit.

In this White paper, we delve into achieving compliant AES filings with minimal user interaction focused only on exception handling.

FREE UP COMPLIANCE TEAMS FROM REPETITIVE MANUAL WORK

Many US exporters are relying on highly manual and resource intensive processes to provide US Customs and Border Patrol (CBP) with Electronic Export Information (EEI). In general, EEI must be provided to CBP whenever the value of an export exceeds \$2,500, and this needs to be done prior to the departure of the shipment. An EEI can be handled either directly by the exporter (electronic self-filing) or by exchanging information with a freight forwarder to file on their behalf, but either case can result in a lot of manual work and potential for error. Especially in today’s environment of supply chain uncertainty, delays or changes to logistics plans can result in compliance risk and costly penalties.

SAP Global Trade Services (GTS) Edition for HANA is the best in breed software designed for companies to manage their EEI self-filing requirements in-house. Recent innovations in SAP GTS have resulted in even tighter integration with the ERP system resulting in the ability to fully automate the EEI process; GTS can not only file the EEI at the appropriate time touch-free, but also automatically notify CBP of updates or cancelations in real-time as logistics plans change. This will free up an exporter’s compliance team from daily manual work of regulatory compliance and allow them to step back and manage by exception.

In the past, Electronic Export Information Filing using SAP GTS has been more of a one-time activity with any subsequent corrections requiring either canceling the initial declaration (which may not be possible) or doing manual data entry in GTS and manually re-sending a correction to CBP. **Now it is possible to handle the entire process automatically.**

SETTING UP SAP GTS FOR AUTOMATIC EXPORT FILING

To enable a lights-out process of setting up SAP GTS for automatic export filing involves making sure that all the necessary information is available to the SAP GTS system prior to the filing deadline, and then making sure the GTS system is notified if relevant changes take place such as splitting or roll-on/roll-off of shipments. To automate the EEI process, some discussion with the trade compliance and international logistics team is required, and based on that a setup is required in the SAP GTS system.



The Compliance/Logistics team can help identify the timeline upon which the EEI transmission should be performed. (For example: We will file the EEI initially when our logistics is planned and make corrections after the deliveries are finalized, Or, file EEI upon goods-issue).

Based on this the project team will identify the point where output to GTS will be triggered and when updates will be sent from the ERP system to GTS. The project team will set up an output which will initiate the creation or update of a customs declaration in SAP GTS. In our experience a good time to initially file the EEI is once the basic transportation plan is in place (i.e. deliveries are created). Corrections should be sent to CBP whenever the shipment is finalized which could include physical shipping from the distribution center, or invoicing.

A trigger point must be put into place so that when a delivery split, cancellation, addition of line items or changes caused by rolled or split bookings by a shipping line result in ERP changes. Whenever these changes are encountered, the SAP GTS system needs to be notified using the new Export corrections functionality

Specific configurations must be performed in SAP GTS because the ability to automatically handle corrections based on changes in the ERP system is a recent GTS functionality that requires activation steps. GTS 11.0 and later support Customs declaration change functionality as opposed to create-only that was supported in the past.



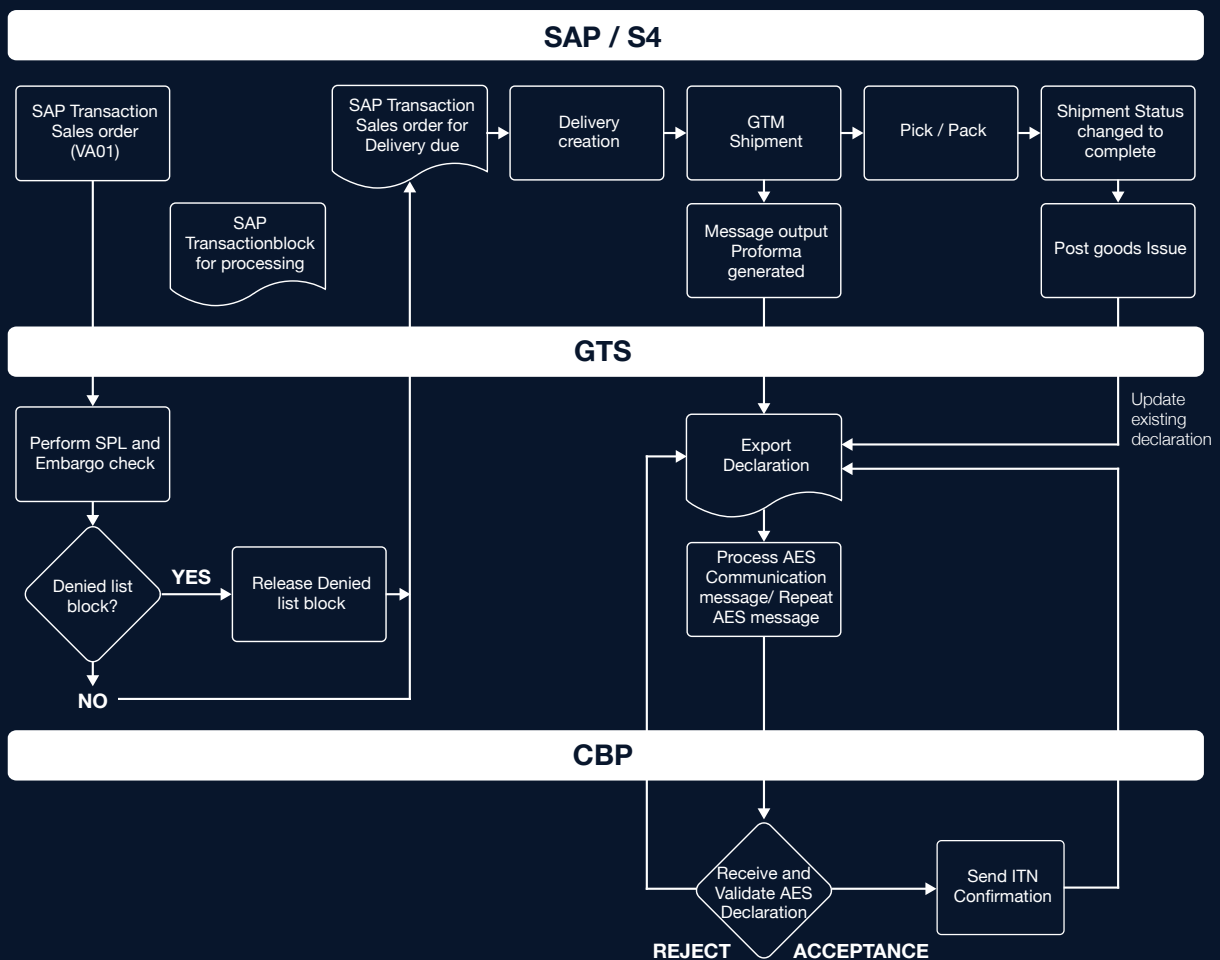
Check that all the mandatory information for EEI is included in the system (For example: Check that any mandatory information that may be in a custom z-table is included in GTS).

Based on this, the project team will ensure that the information necessary to complete the customs declaration is included. Our experience is that the information required is basic and will be included in the ERP system but may require a customization point if some info from the existing process has been stored in a z-field.



Determine how transactions will be grouped into a customs declaration (For example: All deliveries that share the same ocean container may be grouped into a single customs declaration / EEI in SAP GTS).

A key requirement is ensuring that the correct SAP ERP billing document split criteria is set up that consolidates deliveries in a shipment into a single billing document and hence on the same export declaration. This requires overriding standard split criterion for different Payer partners, erroneous Incoterms etc. to ensure that the deliveries are included on the appropriate EEI.



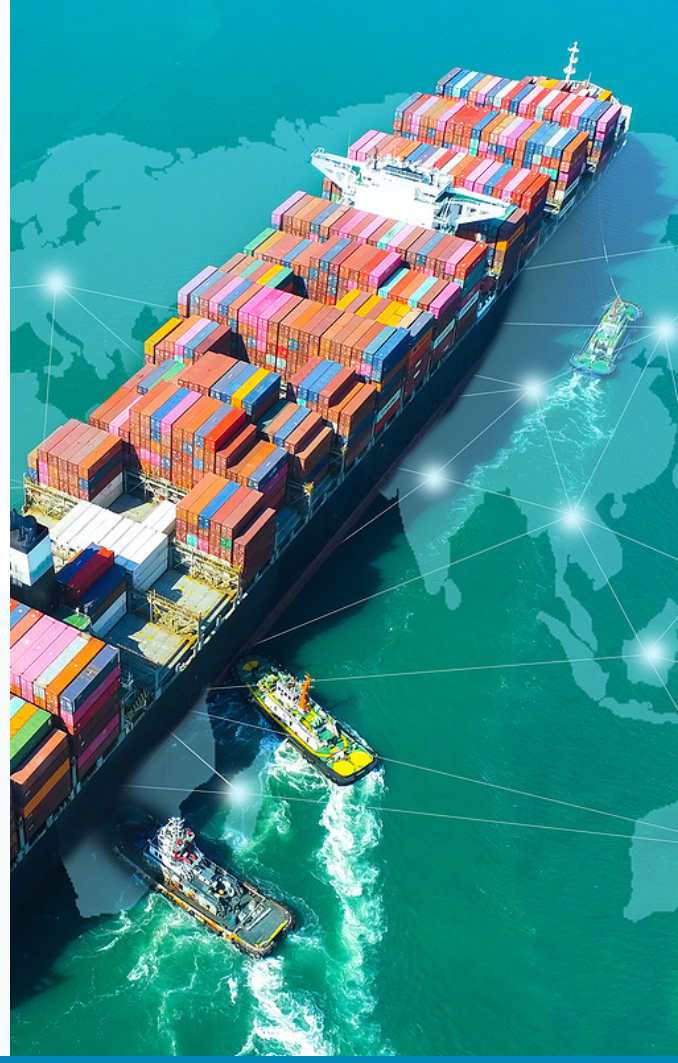
Once the trigger point in the process is identified, and all the mandatory EEI information is available, Export Corrections functionality in GTS can be set to make this initial filing and amendment filing automatic. This allows the Trade Compliance team to only interact with EEI filings in rare cases where the US CBP (Census Bureau) may respond for additional information or report a potential error.

> CONCLUSION

SAP Global Trade Services (GTS) offers a rich functionality set to achieve a vision of managing your trade compliance activities by Exception, with AES filing automation being a major building block in an overall strategy.

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ABOUT ROPAAR

Ropaar is an SAP Services Company focused on Global Trade, Transportation, and Logistics. We are an SAP North America Silver Partner committed to solving complex Trade Compliance problems through Superior Domain Expertise, Effective Collaboration, and Cutting Edge Thought Leadership.

We are independent thinkers and innovative problem solvers. Our practitioners have straddled the cusp of SAP technology and trade for over 18 years, helping customers realize the full value of optimized trade, transportation, and logistics operations.