

# What is a Shippers Letter of Instruction (SLI) and Do I Need One?



By Juno Logistics Team on January 24, 2021

Whether you are exporting a shipment via air freight or ocean freight, you may be requested to provide a Shipper's Letter of Instruction (SLI). An SLI is an optional, yet important, document that provides detailed information and specific instructions from U.S. exporters to their agents (often freight forwarders). There are three primary benefits to completing an SLI:

1. To consolidate transportation and documentation instructions – clearly indicating who the exporter is, where it is moving to, as well as a full description and value of the goods.
2. To summarize export control and reporting information – allowing U.S. Customs authorities to control exports and compile trade statistics.
3. To designate authorization to the agent allowing them to carry out necessary steps to coordinate the shipment including the transmission of Electronic Export Information (EEI) to the Automated Export System (AES).

The best reason to accurately complete an SLI is to avoid misunderstandings between the shipper and the forwarder that can lead to financial losses. Having all the necessary details and instructions consolidated in the SLI helps any export be more efficient and compliant.

## Consolidate Instructions

An SLI is a standardized form from the exporter to the freight forwarder specifying how and where to handle the shipment being exported. It provides specific instructions to the forwarder about how the goods are to be transported.

## Export Control and Reporting

Beyond providing goods information and instructions for the shipment, the SLI is also utilized by U.S. Customs and Border Protection authorities to control exports and compile trade statistics.

According to the World Trade Library, "Many nations impose strict controls on exports (e.g., high technology, armaments, and drugs) and use the SLI as a means of export control. Because many exports can be diverted to "unfriendly" nations and individuals, it is considered the responsibility of the exporter to know his cargo, destination, customer, end-use, and end-user."

## Designate Authorizations

A completed and signed SLI gives permission to the forwarder to act as the exporter's agent to handle U.S. export customs and controls. It will include data the forwarder will need to report EEI information on your behalf to the AES. For this reason, it is extremely important that the SLI form is completed accurately and signed by an authorized representative. This will help ensure your goods comply with all Foreign Trade Regulations. This document will also include information and instructions for billing and other documentation.

## Yes, you need one!

While an SLI may not be mandatory, it is most certainly the clearest way to provide instructions for your shipment. Many freight forwarders may even reject the shipment if you are unwilling to complete the SLI since this creates risk exposure to both the exporter and the freight forwarder. Other reasons to complete an SLI are:

- To avoid misunderstandings between exporter, agent/forwarder, or other parties involved with the shipping transaction
- Establishes a standardized, secure method for collecting, transmitting, and archiving information surrounding your exports (becoming a written record of who to contact with questions, proof of export, and who issued export control documents)
- Helps to create a 'best practice' for exporters to follow to avoid confusion and potential financial risk

**Conclusion:**

An SLI helps provide that peace-of-mind to ensure you have the information and tools you need to succeed. Please use the Juno SLI Form and review the Juno SLI Instructions guide. The Instruction guide helps provide clear guidance for completing the Shippers Letter of Instruction.

If you find yourself in need of additional support, our team is always available to help. Juno is committed to being an extension of your company's Logistics Department. #welcometojuno