



**Department of Commerce  
Bureau of Industry and Security**





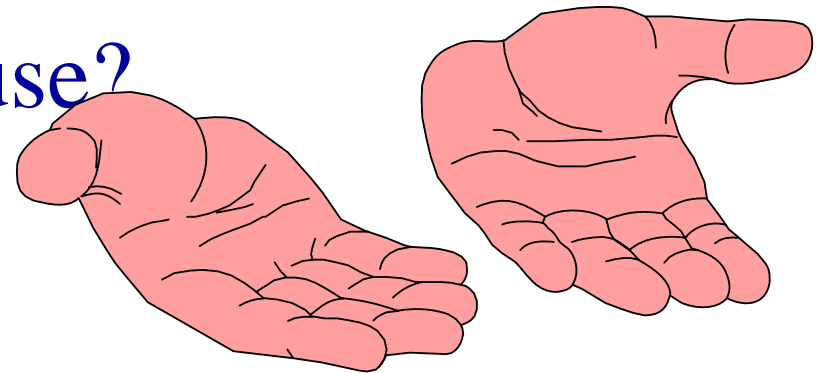
# Commerce Export License Requirements

- Series of Six Modules
  - Module 1 – “The Big Picture”
    - Module 2 – Classifying your Item and Determining if you need a license
    - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
    - Module 4 – Using License Exceptions
    - Module 5 – License Application and Supporting Documentation
    - Module 6 – Export Clearance and Recordkeeping



# What you Need to Know to Determine Your Export License Requirements

- What is my item?
- Where is it going?
- Who will receive it?
- What will be the end-use?





# Important Terms

- **Export** - an actual shipment or transmission of items out of the United States or certain releases
- **Reexport** - an actual shipment or transmission of items subject to the EAR from one foreign country to another foreign country or certain releases
- **Item** – Commodities, software or technology



# The Big Picture

- Determine jurisdiction for your item
- Determine if your item is “subject to EAR”
- Classify your item
- Identify the Reasons for Control
- Cross-reference the controls against the Country Chart
- Determine License Requirement or License Exception Eligibility
- Screen all parties to the transaction
- Ensure no prohibited end-uses or activities
- Export using appropriate ECCN and authorization



# Agency Jurisdiction

- Commerce - Bureau of Industry and Security (BIS)
  - Controls commercial items including “dual-use” items (items that may have both commercial and military applications)
  - Export Administration Regulations - EAR
- State - Directorate of Defense Trade Controls (DDTC)
  - Controls items specifically designed, developed, configured, modified or adapted for a military application
  - International Traffic in Arms Regulations (ITAR)
- Other regulatory agencies – such as Dept. of Treasury, Dept. of Energy, Nuclear Regulatory Commission

Go to [www.bis.doc.gov](http://www.bis.doc.gov) and click  
“Resource Links”

# Determining Your License Requirements Under the Export Administration Regulations (EAR)





# What is Subject to the EAR?

## Scope of Commerce Controls

- Items in the U.S.
- Certain items located outside the U.S.
- Activities of U.S. persons
- Releases of source code or technology to foreign nationals in the United States or abroad (“Deemed” exports and reexports)





# Deemed Export/Reexport

- Release of technology or source code subject to the EAR to a foreign national in the U.S. or abroad
  - Considered to be an export or reexport to that person's home country
  - Does not apply to U.S. Citizens, individuals granted permanent resident status, protected individuals

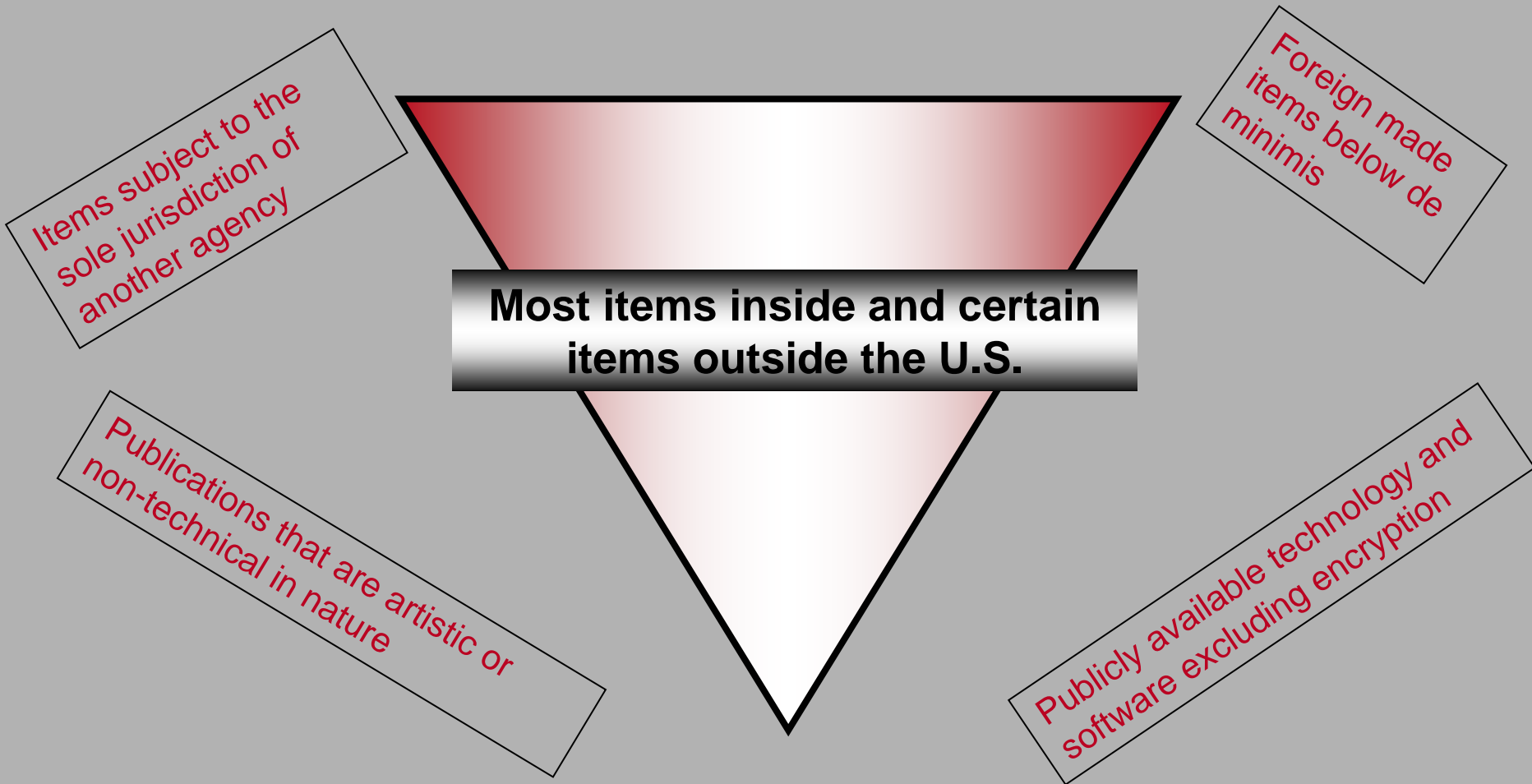


# What is Not Subject to the EAR

- Items under the exclusive jurisdiction of another Federal Agency
- Literary publications, such as newspapers or literary works (non-technical in nature)
- Publicly available technology and software (excluding encryption)
- Foreign made items with less than *de minimis* percentage of controlled U.S. content



# Subject to the EAR





## Next Consideration...

# Determine your License Requirements

What is my item?

Where is it going?



ECCN and  
Destination

Who is involved?

What are they doing  
with it?



End-user and  
End-use





# Commerce Control List (CCL)

(Part 738 and Part 774, Supplement No. 1)

- Each entry has an **Export Control Classification Number (ECCN)**
  - (e.g. 3A001, 3A994)
- Items generally listed in terms of technical parameters
- **ECCN** identifies “**Reason For Control**” – e.g. national security (NS), nuclear nonproliferation (NP), Anti-terrorism (AT), etc.
- If not on CCL, EAR99



3A981 Polygraphs (except biomedical recorders designed for use in medical facilities for monitoring biological and neurophysical responses); fingerprint analyzers, cameras and equipment, n.e.s.; automated fingerprint and identification retrieval systems, n.e.s.; psychological stress analysis equipment; electronic monitoring restraint devices; and specially designed parts and accessories, n.e.s.

## LICENSE REQUIREMENTS

*Reason for Control: CC*

**Control**

CC applies to the entire entry

**Country Chart**

CC Column 1



3A981 Polygraphs (except biomedical recorders designed for use in medical facilities for monitoring biological and neurophysical responses); fingerprint analyzers, cameras and equipment, n.e.s.; automated fingerprint and identification retrieval systems, n.e.s.; psychological stress analysis equipment; electronic monitoring restraint devices; and specially designed parts and accessories, n.e.s.

## LICENSE REQUIREMENTS

*Reason for Control: CC*

**Control**

**Country Chart**

CC applies to the entire entry

CC Column 1



# Commerce Country Chart

Supplement No. 1 to Part 738

- Used with the ECCN to determine if you need a license based on **item & destination**
- Compare **destination** and item's **reason for control** - e.g. national security (NS), nuclear proliferation (NP), regional stability (RS), crime control (CC)



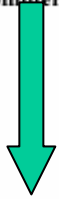


# Where is It Going?

## Destination

Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1



### Commerce Country Chart

#### Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		

# Where is It Going?

## Destination



Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1

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	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		

# Where is It Going?

## Destination



Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1

### Commerce Country Chart

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	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		



# Where is It Going?

## Destination



Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1

### Commerce Country Chart

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	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X			X				
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		







# Is an Export License Required?

- “X” in the box
  - License
  - License Exception
- No “X” in the box
  - NLR - No License Required



# License Exceptions

## *Part 740*

- An authorization that takes the place of a license
- In most instances exporter does not require anything in writing from BIS
- Identified by symbol (e.g. GBS, TSR, BAG)

# Not on the Commerce Control List? EAR99!

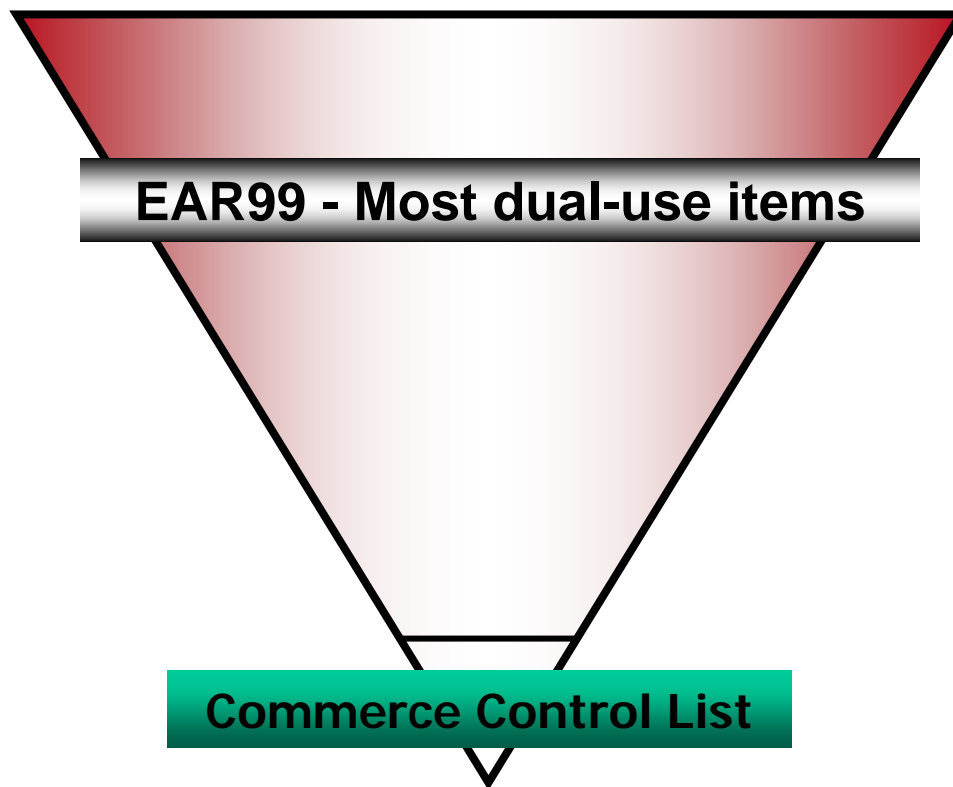


- Items not specified on the CCL are designated EAR99
- Most commercial items are designated EAR99
- EAR99 items can usually be shipped NLR (No License Required)
- *But, remember to check all parties to the transaction, the end-use of the item and restricted destinations!!*





EAR99: Items subject to the EAR that are not controlled by any CCL category





# First Step

## Determining your License Requirements

What is my item?  
Where is it going?



ECCN and  
Destination



# Next Step

## Determining your License Requirements

Who is involved?  
What are they doing  
with it?



End-user and  
End-use





# End Use/User Controls

## Part 744 of the EAR

- Any item subject to the EAR
- If you -- “know” or are “informed”
- Proliferation end-users/uses – nuclear, missile technology, chemical and biological
- Limited military end-use restrictions



# Who is Involved?

## “Lists to Check”

- Denied Persons List
- Entity List
- Unverified List
- General Order No. 3 of Supp. No. 1 to part 736
- Specially Designated Nationals List - Treasury Department, Office of Foreign Assets Control
- Nonproliferation Sanctions List - State Department
- Debarred Parties List - State Department

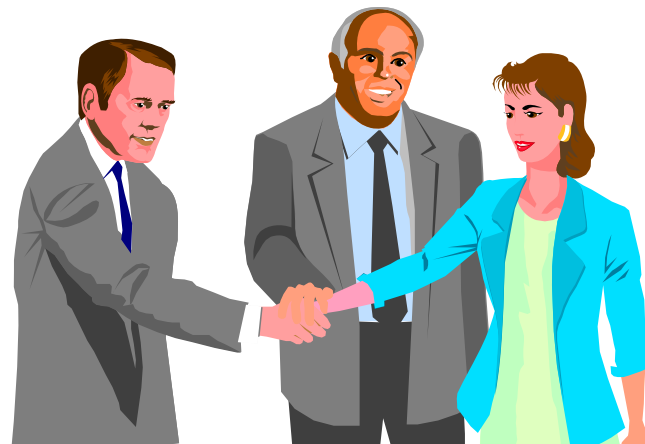
**These lists may be found  
on the BIS website  
([www.bis.doc.gov](http://www.bis.doc.gov)).  
Click on  
“Lists to Check”**



# “Know Your Customer” Guidance

## *Supplement 3 to Part 732*

- Look for “Red Flags”
  - abnormal or suspicious circumstances
  - Unverified List
- If found, inquire and reevaluate transaction
- Otherwise, no affirmative duty to “go behind” customer’s representations
- Do not “self-blind”





# Activities of U.S. Persons

(sections 744.6 and 744.9)

- A license is required by U.S. person to export, reexport or transfer any item if that person knows the items will be used in proliferation activity in certain countries
  - Applies to U.S. and foreign-origin items
- U.S. person cannot knowingly support an unlicensed export, reexport or transfer related to such activity
- U.S. person cannot perform a contract, service or employment that it knows will directly assist in proliferation activity
- A license is required for encryption technical assistance provided by U.S. person

# Embargoes & special destinations

Parts 742 and 746 of the EAR



- Cuba
- Iran
- Sudan
- Syria
- North Korea



# Finally...

## What To Do with This Information

- Export using:
  - Export License authorization issued by BIS,
  - License Exception authorization, or
  - No License Required designation (NLR)
- Include (when required) on clearance documents





# SED or AES Record

*Shipper's Export Declaration or  
Automated Export System*

- Includes:
  - *BIS export license number, License Exception symbol, or NLR*
  - *ECCN (when required)*
- Your signature certifies that the information is accurate and true





# Recordkeeping

## Part 762 of the EAR

- Who keeps records:
  - Principal or agent who participates in transaction
- What to keep:
  - Export control documents and related documents listed in §762.2 and part 772
- Format:
  - Original, or reproductions that meet standards of legibility and readability requirements in §762.5
- Retention Period:
  - 5 years



# Commerce Contact Information

- Website: [www.bis.doc.gov](http://www.bis.doc.gov)
- Exporter Services Offices:
  - Washington, D.C. (202) 482-4811
  - Southern California (949) 660-0144
  - Northern California (408) 291-4212
- Export Enforcement Offices
  - Nationwide (800) 424-2980
- AES Support Lines: 800-549-0595
- 301-763-3539
- E-mail: [ASKAES@census.gov](mailto:ASKAES@census.gov)



# Summary of Topics of Discussion

- Determine jurisdiction for your item and if “subject to EAR”
- Classify your item
- Identify the Reasons for Control
- Cross-reference the controls against the Country Chart
- Determine License Requirement or License Exception Eligibility
- Screen all parties to the transaction
- Ensure no prohibited end-uses or activities
- Export using appropriate ECCN and authorization



# Module 2

- Item Classification
- Determining if you Need a License



# Classifying Your Item and Determining if You Need a License

Module 1 – “The Big Picture”

- Module 2 – Classifying Your Item and Determining if You Need a License

Module 3 – General Prohibitions Including Prohibited End-users and End-uses & Activities

Module 4 – Using License Exceptions

Module 5 – License Application and Supporting Documentation

Module 6 – Export Clearance and Recordkeeping

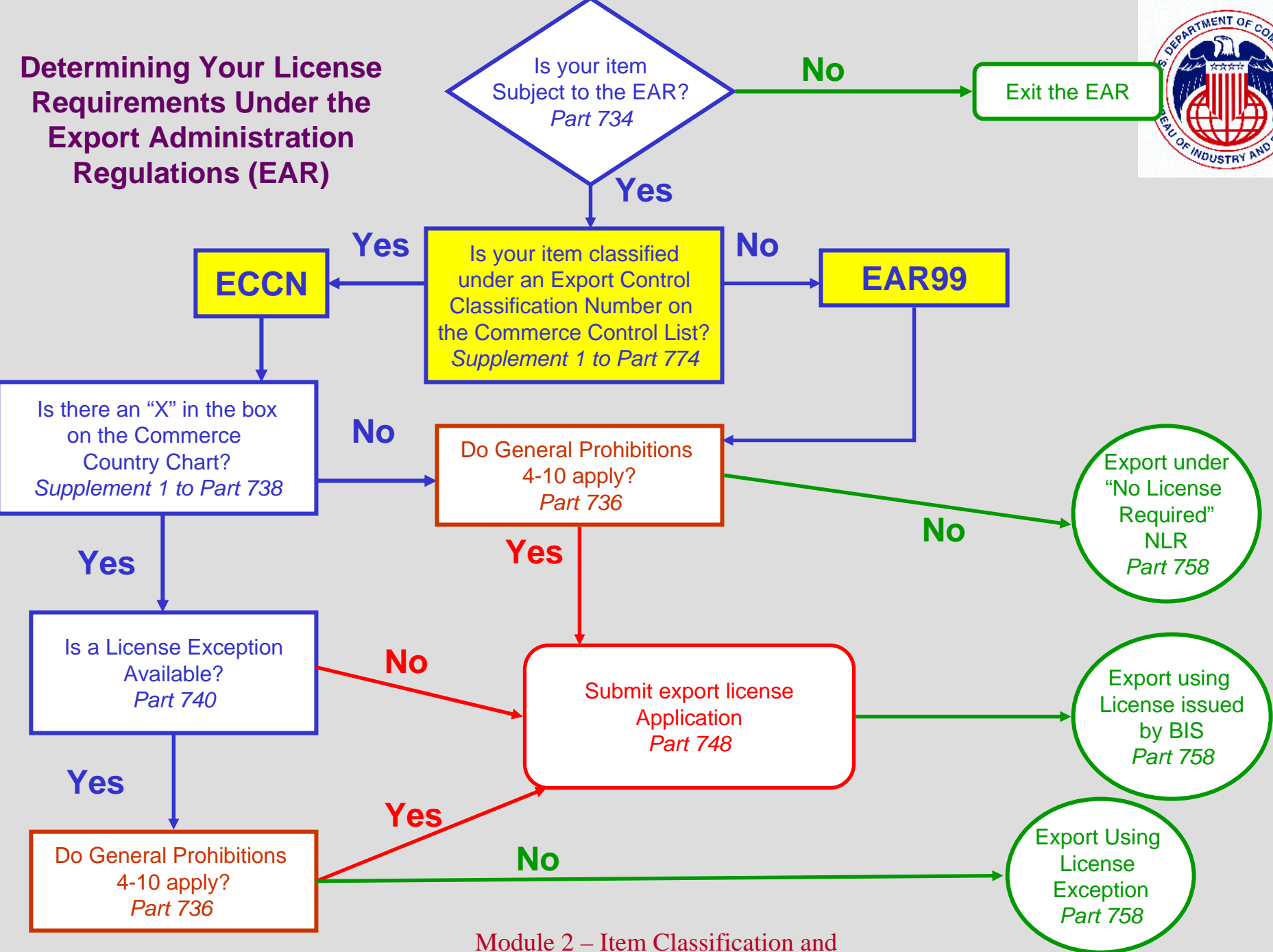




# What We Will Cover

- Commerce Control List (CCL)
- Export Control Classification Numbers (ECCNs)
- Reasons for Control
- Using the Commerce Country Chart to Determine License Requirements
- EAR99
- Approaches to Classifying Items

# Determining Your License Requirements Under the Export Administration Regulations (EAR)





# Commerce Control List

- Includes items subject to BIS licensing authority
- With the Commerce Country Chart, used to determine whether a license is required for items to any country in the world.
- Found in Part 774, Supplement 1 of the EAR
- [http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)
- [www.bis.doc.gov](http://www.bis.doc.gov) (below Exporter Resources)



# “Item”

Commodities



Software



Technology





# Structure of the Commerce Control List

## Part 774, Supplement 1

- 10 Categories (0-9)
- 5 Product Groups (A-E)
- Entries (ECCN)
- Alphabetical Index
- Numerical Index



# CATEGORIES 0-4

Category 0 - Miscellaneous / Nuclear

Category 1 - Materials

Category 2 - Materials Processing

Category 3 - Electronics

Category 4 - Computers



# CATEGORIES 5-9

## Category 5 - Telecommunications and Information Security

Part 1 – Telecommunications

Part 2 – Information Security

## Category 6 - Sensors/Lasers

## Category 7 - Navigation & Avionics

## Category 8 - Marine

## Category 9 - Propulsion



# CATEGORIES 0-4

example: 3A001

Category 0 - Miscellaneous / Nuclear

Category 1 - Materials

Category 2 - Materials Processing

Category 3 - Electronics

Category 4 - Computers





# CATEGORIES 5-9

example: 6C992

Category 5 - Telecommunications and  
Information Security

Part 1 – Telecommunications

Part 2 – Information Security

Category 6 - Sensors/Lasers

Category 7 - Navigation & Avionics

Category 8 - Marine

Category 9 - Propulsion



# Product Groups A-E

- A – Equipment, Assemblies and Components
- B – Test, Inspection and Production Equipment
- C – Materials
- D – Software
- E - Technology



# Product Groups A-E

example: 4B994

- A – Equipment, Assemblies and Components
- B – Test, Inspection and Production Equipment
- C – Materials
- D – Software
- E - Technology



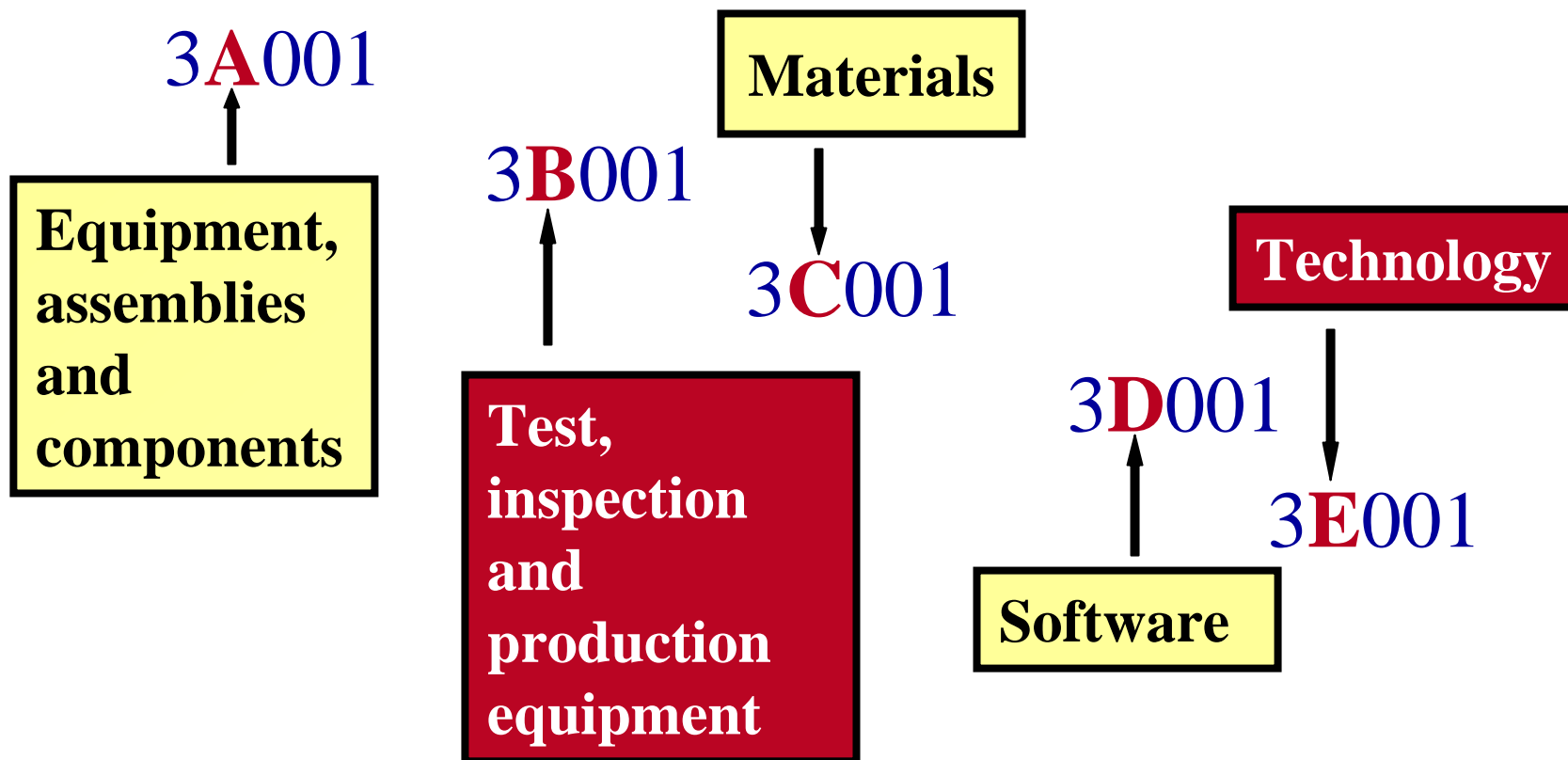
# Product Groups A-E

example: 6C992

- A – Equipment, Assemblies and Components
- B – Test, Inspection and Production Equipment
- **C – Materials**
- D – Software
- E - Technology



# Product Groups





# How Product Groups Relate

- 3A001 – includes electronic components



# How Product Groups Relate

- **3A001** – includes electronic components
- **3B001** – includes equipment for manufacturing of certain semiconductor devices or materials



# How Product Groups Relate

- **3A001** – includes electronic **components**
- **3B001** – includes **equipment for manufacturing** of certain semiconductor devices or materials
- **3C001** – includes hetero-epitaxial **materials** used in semiconductor manufacturing





# How Product Groups Relate

- **3A001** – includes electronic **components**
- **3B001** – includes **equipment for manufacturing** of certain semiconductor devices or materials
- **3C001** – includes hetero-epitaxial **materials** used in semiconductor manufacturing
- **3D001** – includes **software** designed for the development or production of certain electronic components



# How Product Groups Relate

- **3A001** – includes electronic **components**
- **3B001** – includes **equipment for manufacturing** of certain semiconductor devices or materials
- **3C001** – includes hetero-epitaxial **materials** used in semiconductor manufacturing
- **3D001** – includes **software** designed for the development or production of certain electronic components
- **3E001** – includes **technology** for development or production of certain Category 3 equipment or materials



# Second **Number** in ECCN

“Reasons for Control”

**3A001**

- 0: National Security (NS) reasons
- 1: Missile Technology (MT) reasons
- 2: Nuclear Nonproliferation (NP) reasons
- 3: Chemical & Biological (CB) reasons
- 9: Anti-terrorism (AT), Crime Control,  
Regional Stability, Short Supply,  
UN Sanctions, etc.



# Second Number in ECCN

“Reasons for Control”

## 3A001

- 0: National Security (NS) reasons**
- 1: Missile Technology (MT) reasons
- 2: Nuclear Nonproliferation (NP) reasons
- 3: Chemical & Biological (CB) reasons
- 9: Anti-terrorism (AT), Crime Control, Regional Stability, Short Supply, UN Sanctions, etc.



# Reasons for Control

Not Mutually Exclusive -

Many ECCNs are controlled for more than one reason

- **AT** = Anti-Terrorism
- **CB** = Chemical & Biological Weapons
- **CC** = Crime Control
- **CW** = Chemical Weapons Convention
- **EI** = Encryption Item
- **FC** = Firearms Convention
- **MT** = Missile Technology
- **NP** = Nuclear Nonproliferation
- **NS** = National Security
- **RS** = Regional Stability
- **SI** = Significant Item
- **SL** = Surreptitious Licensing
- **SS** = Short Supply
- **UN** = United Nations
- **XP** = Computers

# How “Reasons for Control” are reflected in ECCNs



- 3A001 – includes electronic components (NS, MT, NP, AT)



# How “Reasons for Control” are reflected in ECCNs

- 3A001 – includes electronic components (NS, MT, NP, AT)
- 3A002 – includes general purpose electronic equipment (NS, AT)



# How “Reasons for Control” are reflected in ECCNs

- 3A001 – includes electronic components (NS, MT, NP, AT)
- 3A002 – includes general purpose electronic equipment (NS, AT)
- 3A101 – includes certain converters usable in “missiles” (MT, AT)





# How “Reasons for Control” are reflected in ECCNs

- 3A001 – includes electronic components (NS, MT, NP, AT)
- 3A002 – includes general purpose electronic equipment (NS, AT)
- 3A101 – includes certain converters usable in “missiles” (MT, AT)
- 3A201 – includes certain flash x-ray generators (NP, AT)



# How “Reasons for Control” are reflected in ECCNs

- 3A001 – includes electronic components (NS, MT, NP, AT)
- 3A002 – includes general purpose electronic equipment (NS, AT)
- 3A101 – includes certain converters usable in “missiles” (MT, AT)
- 3A201 – includes certain flash x-ray generators (NP, AT)
- 3A980 – includes voice print ID equipment (CC)



# How “Reasons for Control” are reflected in ECCNs

- 3A001 – includes electronic components (NS, MT, NP, AT)
- 3A002 – includes general purpose electronic equipment (NS, AT)
- 3A101 – includes certain converters usable in “missiles” (MT, AT)
- 3A201 – includes certain flash x-ray generators (NP, AT)
- 3A980 – includes voice print ID equipment (CC)
- 3A991 – includes electronic devices not in 3A001 (AT)



# Composition of ECCN Entries

- ECCN and Entry Heading



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)
- License Exceptions



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)
- License Exceptions
- List of Items Controlled



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)
- License Exceptions
- List of Items Controlled
  - Units





# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)
- License Exceptions
- List of Items Controlled
  - Units
  - Related Controls



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control (e.g. NS, CB, AT)
  - Country Chart (e.g. NS Column 2, CB Column 1)
- License Exceptions
- List of Items Controlled
  - Units
  - Related Controls
  - Related Definitions



# Composition of ECCN Entries

- ECCN and Entry Heading
- License Requirements
  - Reasons For Control
- License Exceptions
- List of Items Controlled
  - Units
  - Related Controls
  - Related Definitions
  - Items



# Other Useful Guidance found in ECCNs

- Technical Notes and Advisory Notes in items list
- N.E.S – not elsewhere specified
- Part 772 Definitions
  - those that apply to more than one ECCN entry
  - identified by “quotes”



## 3A980 Voice print identification and analysis equipment and parts, **n.e.s.**

### License Requirements

*Reasons for Control: CC*

*Control(s)*                      *Country Chart*

CC applies to entire entry    CC Column 1

### License Exceptions

LVS: N/A

GBS: N/A

CIV: N/A

### List of Items Controlled

*Unit:* Equipment in Number

*Related Controls:* N/A

*Related Definitions:* N/A

The list of items controlled is contained in the ECCN heading.



## 3A980 Voice print identification and analysis equipment and parts, n.e.s.

### License Requirements

*Reasons for Control: CC*

*Control(s)*                      *Country Chart*

CC applies to entire entry    CC Column 1

### License Exceptions

LVS: N/A

GBS: N/A

CIV: N/A

### List of Items Controlled

*Unit:* Equipment in Number

*Related Controls:* N/A

*Related Definitions:* N/A

The list of items controlled is contained in the ECCN heading.



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

*Related Controls:* N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

*Items:*

- a. Designed for marine depths exceeding 1,000 m; *and*
- b. A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

## License Requirements

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

## License Exceptions

LVS: N/A

GBS: N/A

CIV: N/A

## List of Items Controlled

*Unit:* \$ value

*Related Controls:* N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

*Items:*

- Designed for marine depths exceeding 1,000 m; *and*
- A density less than 561 kg/m<sup>3</sup>





**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control: NS, AT*

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit: \$ value*

*Related Controls: N/A*

*Related Definitions: Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix*

#### *Items:*

- Designed for marine depths exceeding 1,000 m; *and*
- A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

*Related Controls:* N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

*Items:*

- Designed for marine depths exceeding 1,000 m; *and*
- A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A  
GBS: N/A  
CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

*Related Controls:* N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

#### *Items:*

- Designed for marine depths exceeding 1,000 m; *and*
- A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

*Related Controls:* N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

#### *Items:*

- a. Designed for marine depths exceeding 1,000 m; *and*
- b. A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

Related Controls: N/A

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

#### *Items:*

- Designed for marine depths exceeding 1,000 m, *and*
- A density less than 561 kg/m<sup>3</sup>



**8C001 Syntactic foam designed for underwater use having all of the following (see List of Items Controlled).**

### **License Requirements**

*Reasons for Control:* NS, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
AT applies to entire entry	AT Column 1

### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

### **List of Items Controlled**

*Unit:* \$ value

*Related Controls:* N/A

*Items:*

*Related Definitions:* Syntactic foam consists of hollow spheres of plastic or glass embedded in a resin matrix

- a. Designed for marine depths exceeding 1,000 m; *and*
- b. A density less than 561 kg/m<sup>3</sup>



**2B006 Dimensional inspection or measuring systems, equipment and “electronic assemblies”, as follows (see List of Items Controlled)**

## License Requirements

*Reasons for Control:* NS, NP, AT

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 2
NP applies to 2B006.a and .b, except 2B006.b.1.d	NP Column 1
AT applies to entire entry	AT Column 1



# Software and Technology

- Note that most software and technology is controlled based on the hardware.
- If your item is "development," "production" or "use" data or software it will be necessary to classify the related end-item hardware.
- General Technology Note in supplement 2 to Part 774.





**1D390 “Software” for process control that is specifically configured to control or initiate “production” of chemicals controlled by 1C350.**

## **License Requirements**

*Reasons for Control: CB, AT*

*Control(s) Country Chart*

CB applies to entire entry CB Column 2

AT applies to entire entry AT Column 1

## **License Exceptions**

**CIV: N/A**

**TSR: N/A**

## **List of Items Controlled**

*Unit: \$ value*

Related Controls: N/A

*Related Definitions: N/A*

The list of items controlled is contained in the ECCN heading



1D390 **“Software”** for process control that is specifically configured to control or initiate **“production” of chemicals controlled by 1C350.**

## License Requirements

*Reasons for Control: CB, AT*

*Control(s)*                      *Country Chart*

CB applies to entire entry    CB Column 2

AT applies to entire entry    AT Column 1

## License Exceptions

**CIV: N/A**

**TSR: N/A**

## List of Items Controlled

*Unit: \$ value*

Related Controls: N/A

*Related Definitions: N/A*

The list of items controlled is contained in the ECCN heading



**1D390 “Software” for process control that is specifically configured to control or initiate “production” of chemicals controlled by 1C350.**

## **License Requirements**

*Reasons for Control: CB, AT*

*Control(s)*                      *Country Chart*

CB applies to entire entry    CB Column 2

AT applies to entire entry    AT Column 1

## **License Exceptions**

**CIV: N/A**

**TSR: N/A**

## **List of Items Controlled**

*Unit: \$ value*

Related Controls: N/A

*Related Definitions: N/A*

The list of items controlled is contained in the ECCN heading

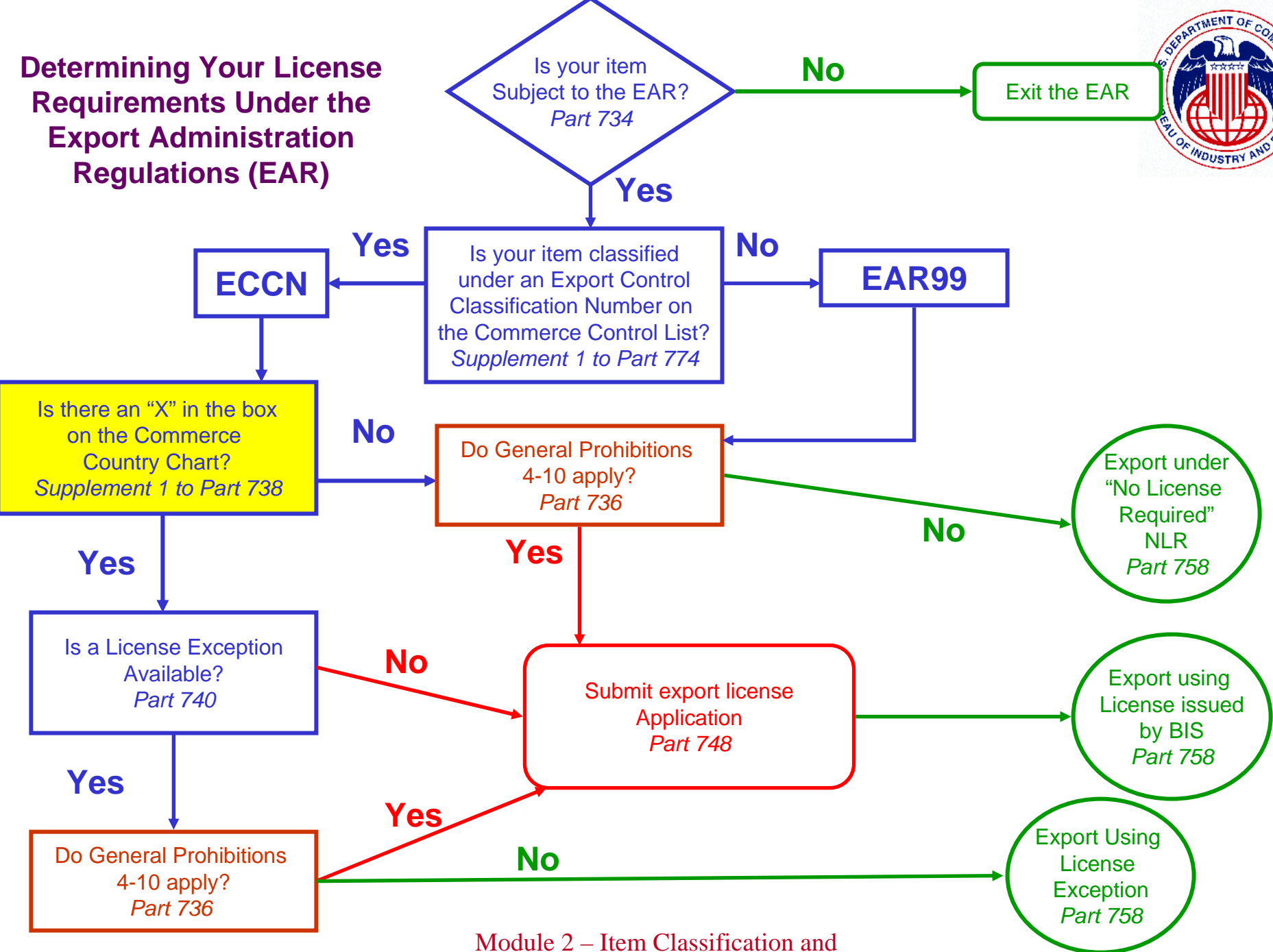
# Commerce Country Chart

Supplement No. 1 to Part 738



- Used with the ECCN to determine if you need a license based on **item & destination**
- Compare **destination** and item's **reason for control** - e.g. national security (NS), nuclear proliferation (NP), regional stability (RS), crime control (CC)

# Determining Your License Requirements Under the Export Administration Regulations (EAR)



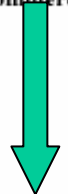


# Where is It Going?

## Destination

Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1



### Commerce Country Chart

#### Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		



# Where is It Going?

## Destination

Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1

### Commerce Country Chart

#### Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		



# Where is It Going?

## Destination

Commerce Control List Overview and the Country Chart

Supplement No. 1 to Part 738—page 1

### Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		





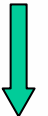
# Where is It Going?

## Destination

### Commerce Country Chart

#### Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		





# Where is It Going?

## Destination

### Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania	X	X		X		X	X	X	X	X		X	X			
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Aruba	X	X		X		X	X	X	X	X		X		X		
Australia	X					X		X	X							
Austria	X					X		X	X	X		X		X		
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	X		X		X	X	X	X	X	X	X		X		
Bahrain	X	X	X	X		X	X	X	X	X		X		X		





# Is an Export License Required?

- “X” in the box
    - License
    - License Exception\*
  - No “X” in the box
    - NLR - No License Required \*
- \* As long as end-user and end-use or other prohibitions do not apply

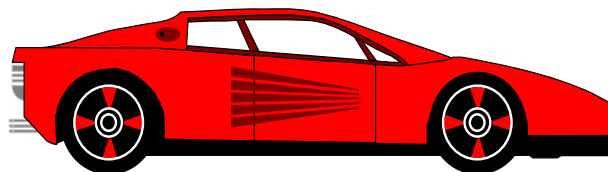
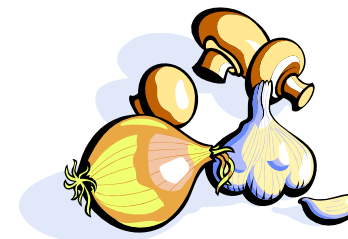


# What if Not on CCL?

- CCL is a Positive List of items controlled
- Items not listed on the CCL are designated EAR99
- Most commercial items are designated EAR99

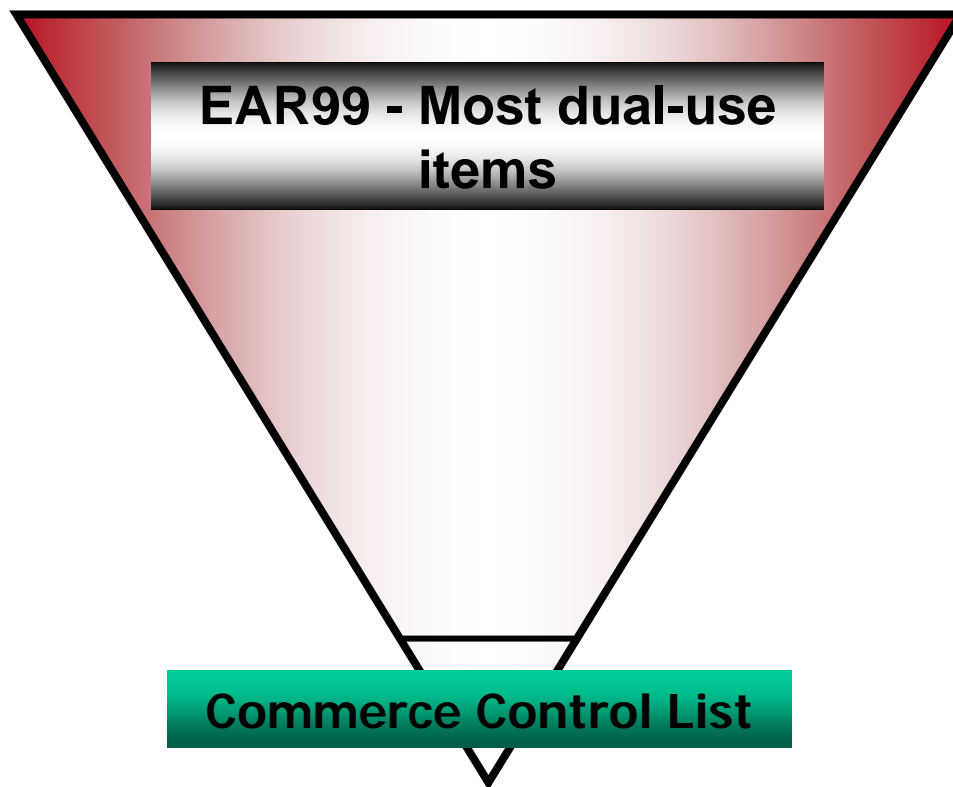


**EAR99**





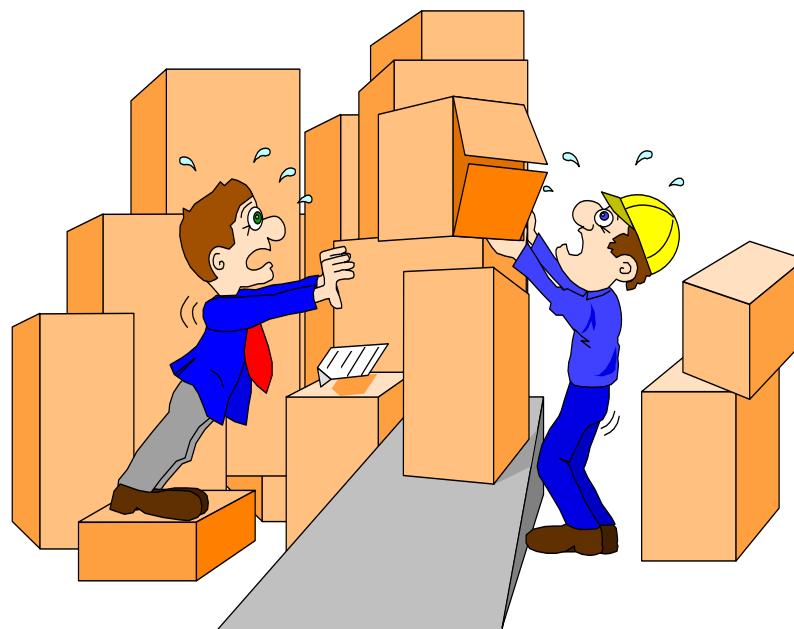
EAR99: Items subject to the EAR that are not controlled by any CCL category





# Classifying Your Product

## The Key To Export Control Requirements





# Approaches to Classifying

1. Check with the Manufacturer – but keep in mind that ECCNs may change over time



# Approaches to Classifying

1. Check with the Manufacturer– but keep in mind that ECCNs may change over time
2. Self Classify – involves a technical evaluation of item





# Approaches to Classifying

1. Check with the Manufacturer– but keep in mind that ECCNs may change over time
2. Self Classify – involves a technical evaluation of item
3. Submit formal classification request to BIS



# Self Classification of Item

- Review of general characteristics of the item to narrow down to appropriate Category
- Consider Index Comparison
- Read ECCN “**Item**” heading under “List of Items Controlled”
  - contains a positive list of all items controlled by entry.
  - for some ECCNs, the entry heading contains all items under that ECCN
- Match particular characteristics, functions and applications to a specific ECCN
- Pay attention to Related Controls and Related Definitions!



# How to Request a Written Classification from BIS

- SNAP-R on-line submission
- “Best guess” ECCN
- Maximum of six items per request
- Item details
  - Manufacturer
  - Model/Part Number
  - Applications
  - Specifications
- Include detailed technical specifications which support classification
  - Pictorial illustration, e.g. sales brochures





# Other Online Resources

[www.bis.doc.gov](http://www.bis.doc.gov)

- Part 738 – Commerce Control List Overview and Country Chart
- BIS Brochure – “How to Request an ECCN”
- <http://bis.doc.gov/licensing/CCLRequestGuidance.html>
- <https://SNAPR.bis.doc.gov>



# What We Covered

- Commerce Control List (CCL)
- Export Control Classification Numbers (ECCNs)
- Reasons for Control
- Using the Commerce Country Chart to Determine License Requirements
- EAR99
- Approaches to Classifying Items



# Module 3

- General Prohibitions
- Prohibited End-users and End-uses & Activities



# Commerce Export License Requirements

- Series of Six Modules
  - Module 1 – “The Big Picture”
  - Module 2 – Classifying your Item and Determining if you need a license
  - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
  - Module 4 – Using License Exceptions
  - Module 5 – License Application and Supporting Documentation
  - Module 6 – Export Clearance and Recordkeeping



# What We Will Cover

- General Prohibitions 1-3
- General Prohibitions 4-10
- Definition of “Knowledge”
- Activities by “U.S. Persons”

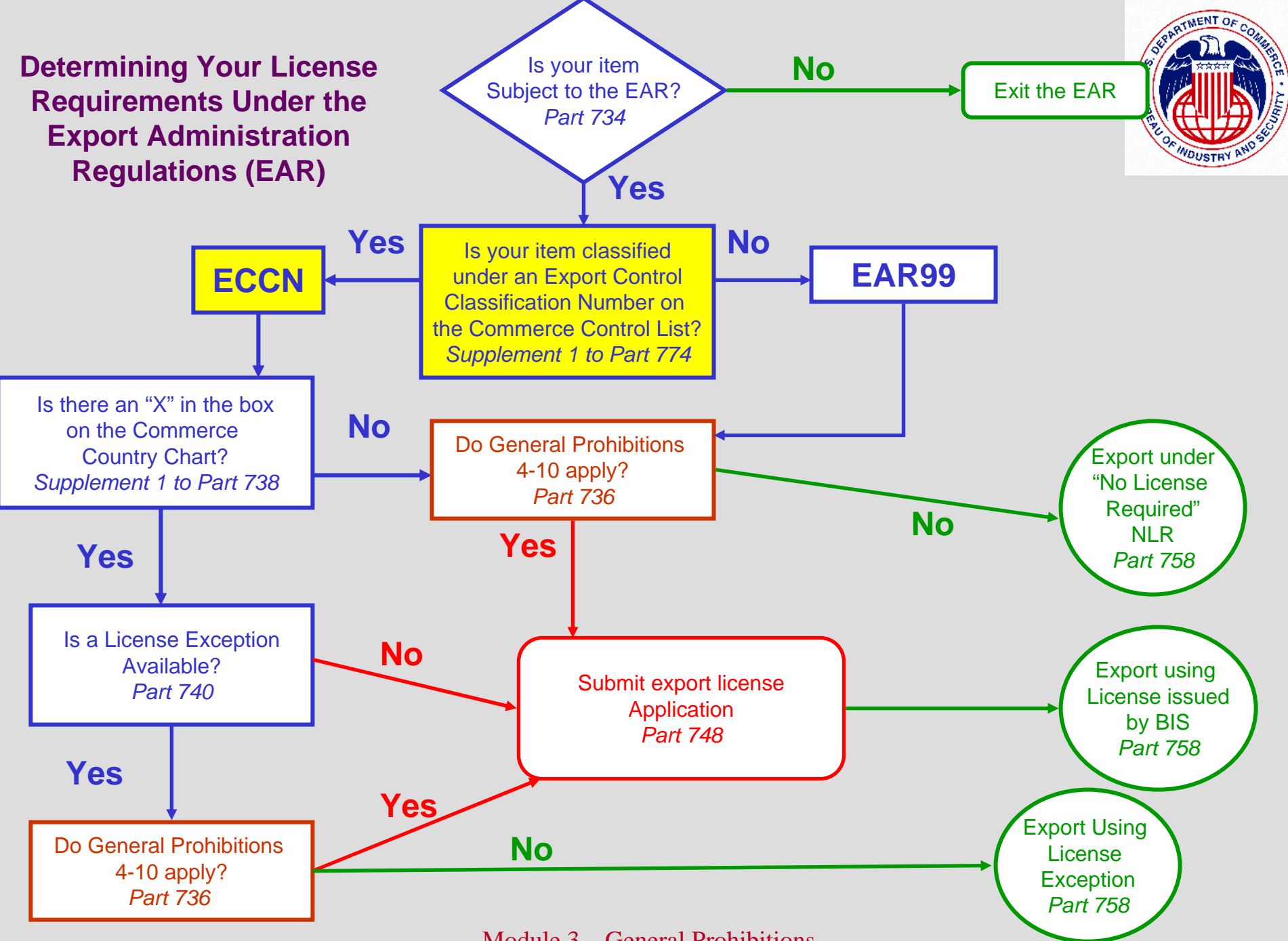




# General Prohibitions

- 10 General Prohibitions - Part 736
  - Describe certain prohibited exports, reexports, and other conduct
- General Prohibitions 1-3 generally apply to items having a specific ECCN
- General Prohibitions 4-10 apply to **all** items that are subject to the EAR (including EAR99)

# Determining Your License Requirements Under the Export Administration Regulations (EAR)

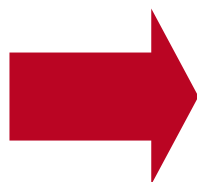




# General Prohibitions 1-3

Is your item classified under an ECCN on  
the Commerce Control List?

What is my item?  
Where is it going?



ECCN &  
Destination



# General Prohibitions (GP) 1-3

You may not, without a License or Applicable License Exception, engage in any of the following activities:

- **GP 1:** Export or reexport controlled items to countries for which a license is required
- **GP 2:** Reexport or export from abroad foreign-made items incorporating more than a *de minimis* amount of controlled U.S. content to countries for which a license is required
- **GP 3:** Reexport or export from abroad the foreign produced direct product of U.S. technology and software to countries for which a license is required

Further information on Reexports and General Prohibitions 2 & 3 is available at <http://www.bis.doc.gov/Licensing/ReExportGuidance.htm>



# Determining your License Requirements based on General Prohibitions 4-10

Who is involved?  
What are they doing  
with it?



End-user/End-  
use/Conduct

For All Items Subject to the EAR

# Determining Your License Requirements Under the Export Administration Regulations (EAR)





# General Prohibitions 4-10

- GP 4 – Denial Orders
- GP 5 – Exports or reexports to prohibited end-users and end-uses
- GP 6 – Exports or reexports to embargoed destinations
- GP 7 – U.S. Person Support of Proliferation Activities
- GP 8 – Intransit Shipments
- GP 9 – Violations of any order, terms or conditions
- GP10 – Proceeding with transactions with knowledge that a violation has occurred or is about to occur



# General Prohibition 5

## End-use/End-user Controls

- General Prohibition 5 prohibits exports or reexports to end-users or end-uses described in Part 744
- All items “subject to the EAR”
- If you “know” – Definition of Knowledge





# Knowledge

- Defined in Part 772
- Includes:
  - “Positive” knowledge that a circumstance exists or is substantially certain to occur
  - An awareness of a high probability of its existence or future occurrence
  - Know = reason to know = reason to believe



# General Prohibition 5

## Nonproliferation Control Policies

- **Nuclear** end-users and end-uses - section 744.2
- **Missile** end-users and end-uses – section 744.3
- **Chemical** and **biological** end-users and end-uses – section 744.4
- “Informed by BIS” – BIS may inform an export of concerns regarding proposed end-uses or end-users



# Entity List

## Supplement 4 to Part 744

- A way of “informing” public
- Parties for which there are concerns regarding proliferation and other foreign policy concerns
- May require license for any item subject to EAR – requirements vary



# General Prohibition 5

## Other Control Policies

- Military end-use in the People's Republic of China – section 744.21
- Microprocessors to Military Users and Uses – section 744.17
- Maritime nuclear propulsion – section 744.5
- Certain foreign aircraft or vessels – section 744.7
- Sanctioned parties per the State Department – sections 744.19 –744.20
- Specially Designated Nationals - sections 744.12 – 744.14



# General Prohibition 7

## U.S. Person Activities

- U.S. person may not support an export, reexport or transfer related to a proliferation activity
  - Includes items that are not subject to the EAR
    - U.S. and Foreign-origin items
  - Support includes financing, transportation or forwarding
- Performance of contract, service or employment



# U.S. Person Definition

## section 744.6

“U.S. person” includes...

- Any person in the United States
- U.S. citizens, permanent resident aliens, or protected individuals wherever located
- U.S. organized firms and their foreign branches

# General Prohibition 4

## Denied Persons



- Persons denied export privileges under a denial order
- Most covered under a Standard Denial Order, but some have other terms
- To be informed of changes, subscribe to:  
[BIS Email Notification Service](#)



# Red Flags

- Possible indicators that an unlawful diversion might be planned by customer
- Abnormal or suspicious circumstances
  - Product capabilities do not fit buyer's business
  - Buyer evasive about destination or use
  - Routine on-site service is declined
- Supplement 3 to Part 732





# “Know Your Customer” Guidance

- Decide whether there are “red flags”
- If there are “red flags” – inquire
- Do not “self blind”
- Reevaluate Transaction
- Absent “red flags” or special EAR provision, there is no affirmative duty to “go behind” customer’s representations



# Unverified List

- Foreign parties to transactions, where BIS could not conduct a pre-license check or post-shipment verification
- Raises “Red Flag” - Supplement 3 to Part 732
- To be informed of changes, subscribe to:  
[BIS Email Notification Service](#)



# General Prohibition 6

## Embargoes under the EAR

- Prohibits certain exports or reexports to embargoed destinations without a license or license exception
- Licensing requirements found in Part 746 of the EAR



# Selected Embargoes and Special Controls Under the EAR

- Cuba – section 746.2
- Iran – sections 746.7 & 742.8
- Sudan – section 742.10
- Syria – section 746.9 & Supp.  
No. 1 to Part 736
- N. Korea – sections 746.4 & 742.19
- Iraq – section 746.3
- Rwanda – section 746.8



# Summary of Licensing Jurisdiction



<b>Cuba</b>	
Exports and reexports to Cuba	BIS
Financial transactions and personal travel to Cuba	OFAC
<b>Iran</b>	
Exports of CCL and EAR99 items to Iran	OFAC
Reexports of CCL items to Iran	OFAC
Reexports of EAR99 items to Iran by U.S. Person	OFAC
Exports and reexports of EAR99 items to prohibited end-uses in Iran	BIS
<b>Sudan</b>	
Exports and reexports of CCL items to Sudan	OFAC & BIS
Exports and reexports of EAR99 items to Sudan	OFAC
Exports and reexports of EAR99 items to prohibited end-uses in Sudan	BIS
<b>Syria</b>	
Exports and reexports to Syria	BIS
<b>North Korea</b>	
Exports and reexports to North Korea	BIS

**OFAC Website: <http://www.treas.gov/ofac>**



# General Prohibition 8 In Transit Shipments

- In transit shipment and items to be unladed from vessels or aircraft
- No export, reexport, transit through Albania, Armenia, Azerbaijan, Belarus, Cambodia, Cuba, Georgia, Kazakhstan, Laos, Mongolia, North Korea, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Vietnam



# General Prohibition 9

## Orders, Terms, and Conditions

- May not violate
  - Terms or conditions of a license or license exception
  - Any order under the EAR
  - Supplements No. 1 & 2 to Part 736 contain certain General and Administrative Orders (e.g. General Order 2 relating to Syria)



# General Prohibition 10

## Acting with Knowledge

- You may not proceed with transactions with knowledge that a violation has occurred or is about to occur.
- Relates to any item subject to the EAR – on the CCL or EAR99
- Exports, reexports, activities (e.g., financing, transferring, transporting, forwarding)





# Summary of “Lists to Check”

- Denied Persons List
- Entity List
- Unverified List
- General Order No. 3 of Supp. No. 1 to part 736
- Specially Designated Nationals List - Treasury Department, Office of Foreign Assets Control
- Nonproliferation Sanctions List - State Department
- Debarred Parties List - State Department

**These lists may be found on  
the BIS website  
[www.bis.doc.gov](http://www.bis.doc.gov).  
Click on  
“Lists to Check”**



# What We Covered

- General Prohibitions 1-3
- General Prohibitions 4-10
- Knowledge Definition
- U.S. Persons Definition



# Module 4

- Using License Exceptions



# Commerce Export License Requirements

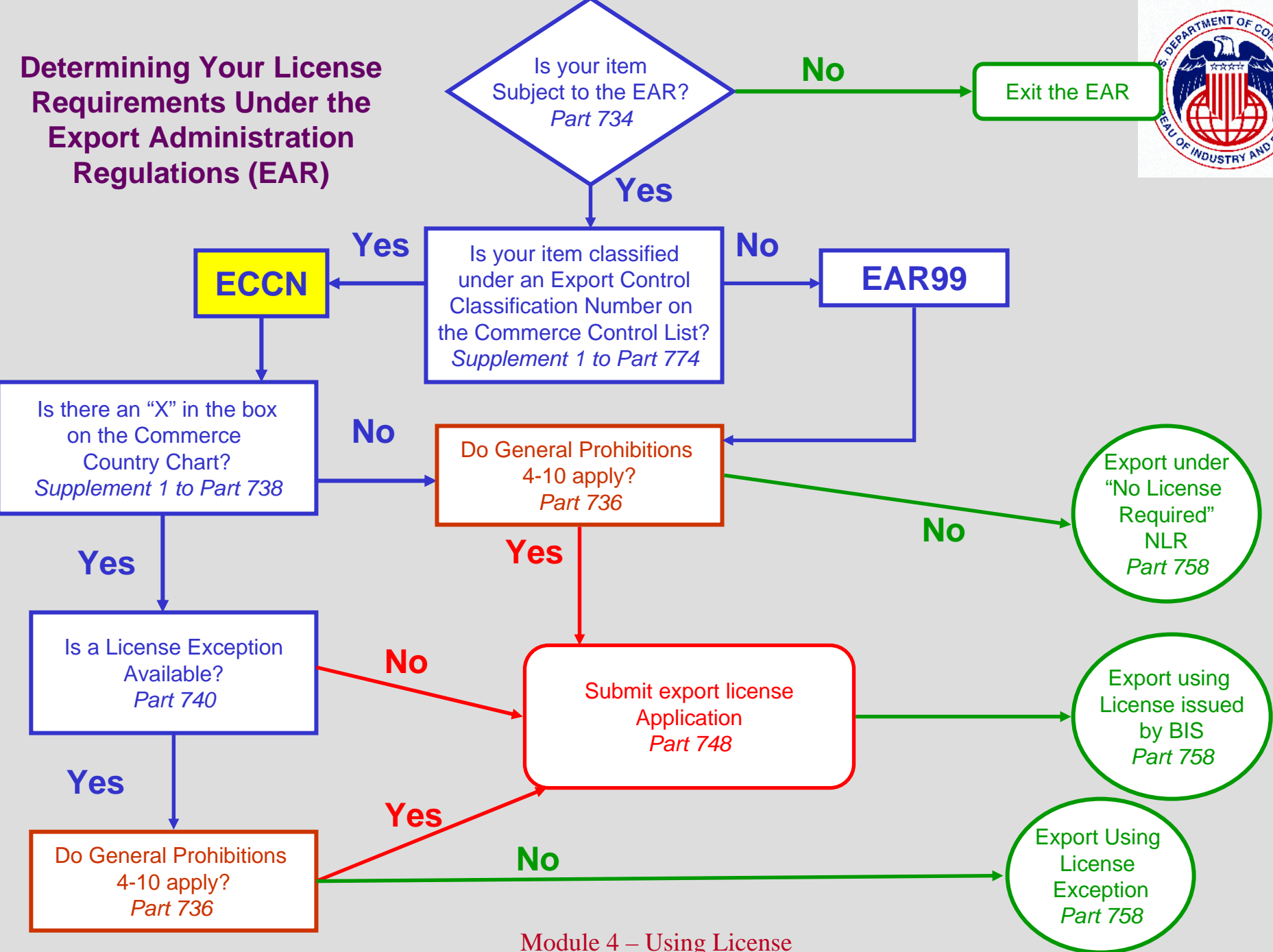
- Series of Six Modules
  - Module 1 – “The Big Picture”
  - Module 2 – Classifying your Item and Determining if you need a license
  - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
  - **Module 4 – Using License Exceptions**
  - Module 5 – License Application and Supporting Documentation
  - Module 6 – Export Clearance and Recordkeeping



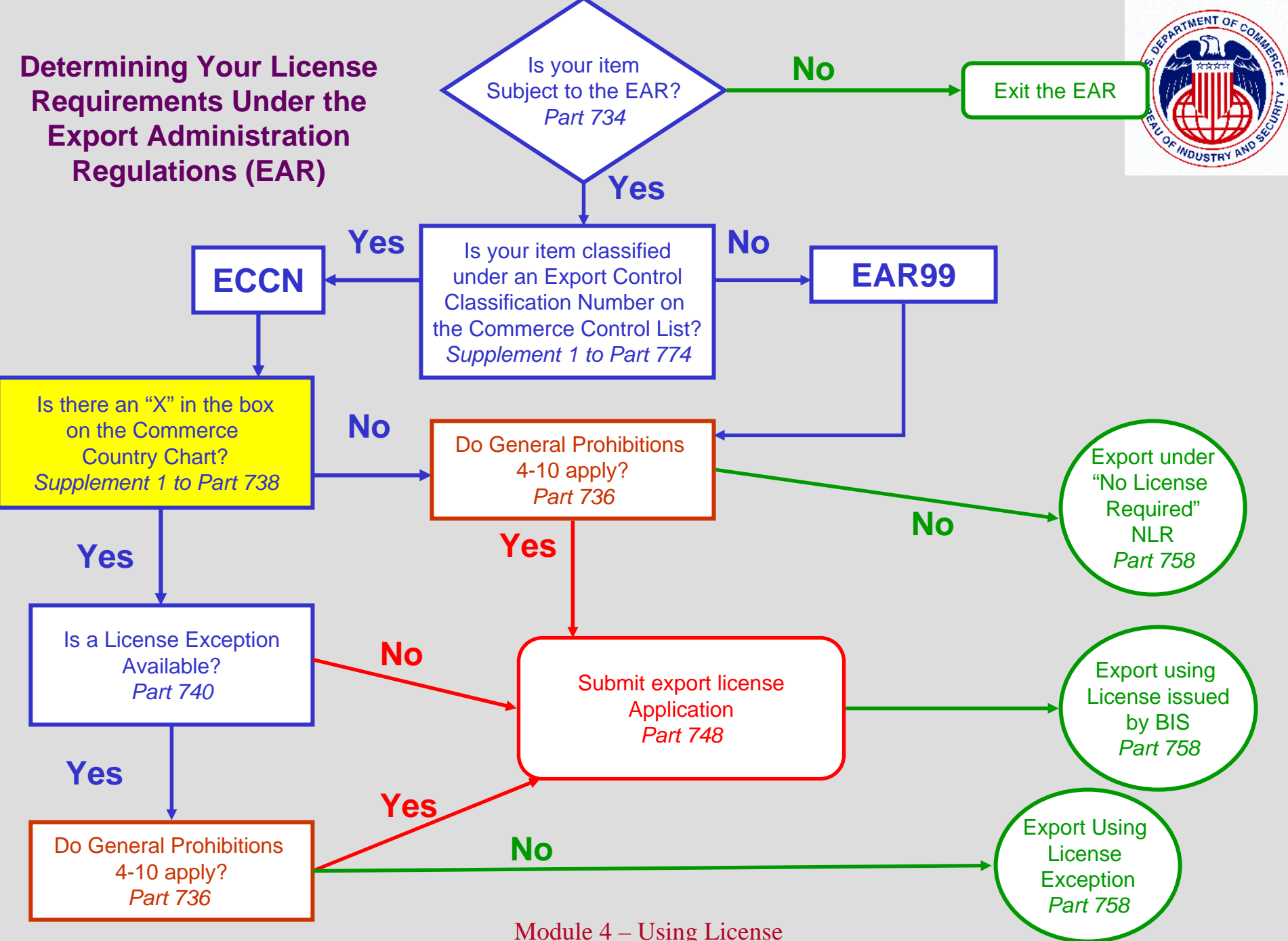
# What We Will Cover

- When to consider License Exception availability for your transaction
- Restrictions on all License Exceptions
- Country Group designations
- List-based License Exceptions
- Transaction-based License Exceptions
- General Prohibitions 4-10

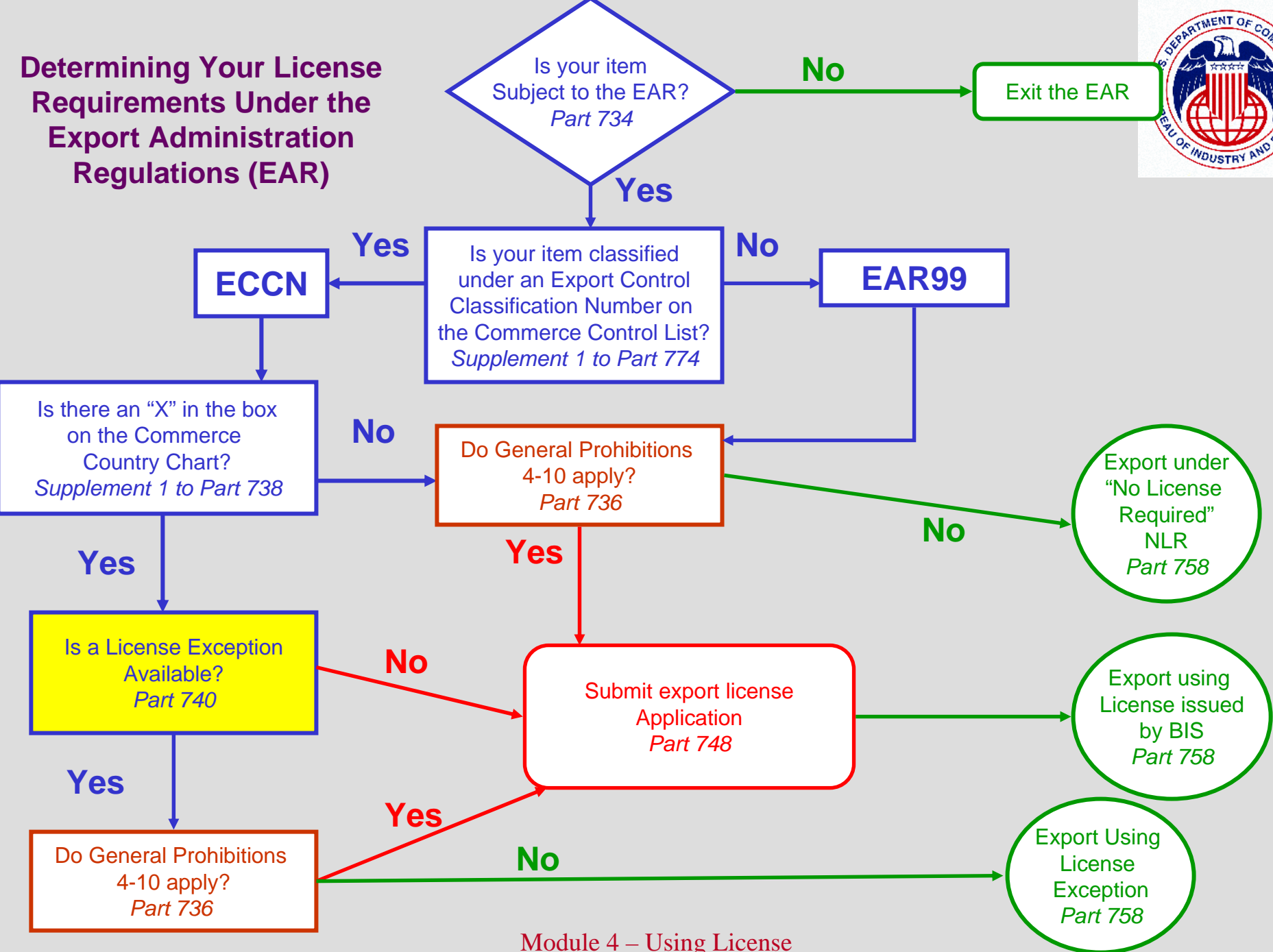
# Determining Your License Requirements Under the Export Administration Regulations (EAR)



# Determining Your License Requirements Under the Export Administration Regulations (EAR)



# Determining Your License Requirements Under the Export Administration Regulations (EAR)







# What is a License Exception?

## Part 740 of the EAR

- Authorization to export or reexport without a license
- Most exceptions have a three letter symbol used for export clearance purposes (e.g. BAG, CIV, TSR)
- Some require notification, review, and/or supporting documentation prior to use



# General Restrictions on the Use of Any License Exception – Section 740.2

License Exception eligibility is generally restricted if your item . . .

- Is classified under ECCNs 5A980 and 5D980
- Is controlled to its destination for Crime Control and detection (CC) reasons.
- Is controlled for Missile Technology (MT) reasons
- Is a “space qualified” item
- Is an explosive or detonator detection item classified under ECCNs 2A983, 2D983, 2E983
- Is a QRS11 sensor under ECCN 7A994



# Scope of License Exceptions

## Country Groups - Supplement 1, Part 740

Group A: Regime  
Members

Group B: Less Restricted

Group D: Countries of  
Concern

Group E: Terrorist  
Supporting





# “List-Based” License Exceptions

## Availability Based on **ECCN** in **CCL**

- LVS/Limited Value Shipments (section 740.3)
- GBS/Shipments to B Countries (section 740.4)
- CIV/Civil End Users (section 740.5)
- TSR/Technology and Software Restricted (section 740.6)
- APP/Computers (section 740.7)



**3B002 Test equipment, specially designed for testing finished or unfinished semiconductor devices, as follows (see List of Items Controlled) and specially designed components and accessories therefor.**

### **License Requirements**

*Reasons for Control:* NS, AT

*Control(s)*                      *Country Chart*

NS applies to entire entry    NS Column 2

AT applies to entire entry    AT Column 1

### **License Exceptions**

LVS: \$500

GBS: Yes

CIV: N/A

### **List of Items Controlled**

*Unit:* Number

*Related Controls:* See also 3B992

*Related Definitions:* N/A

*Items:*

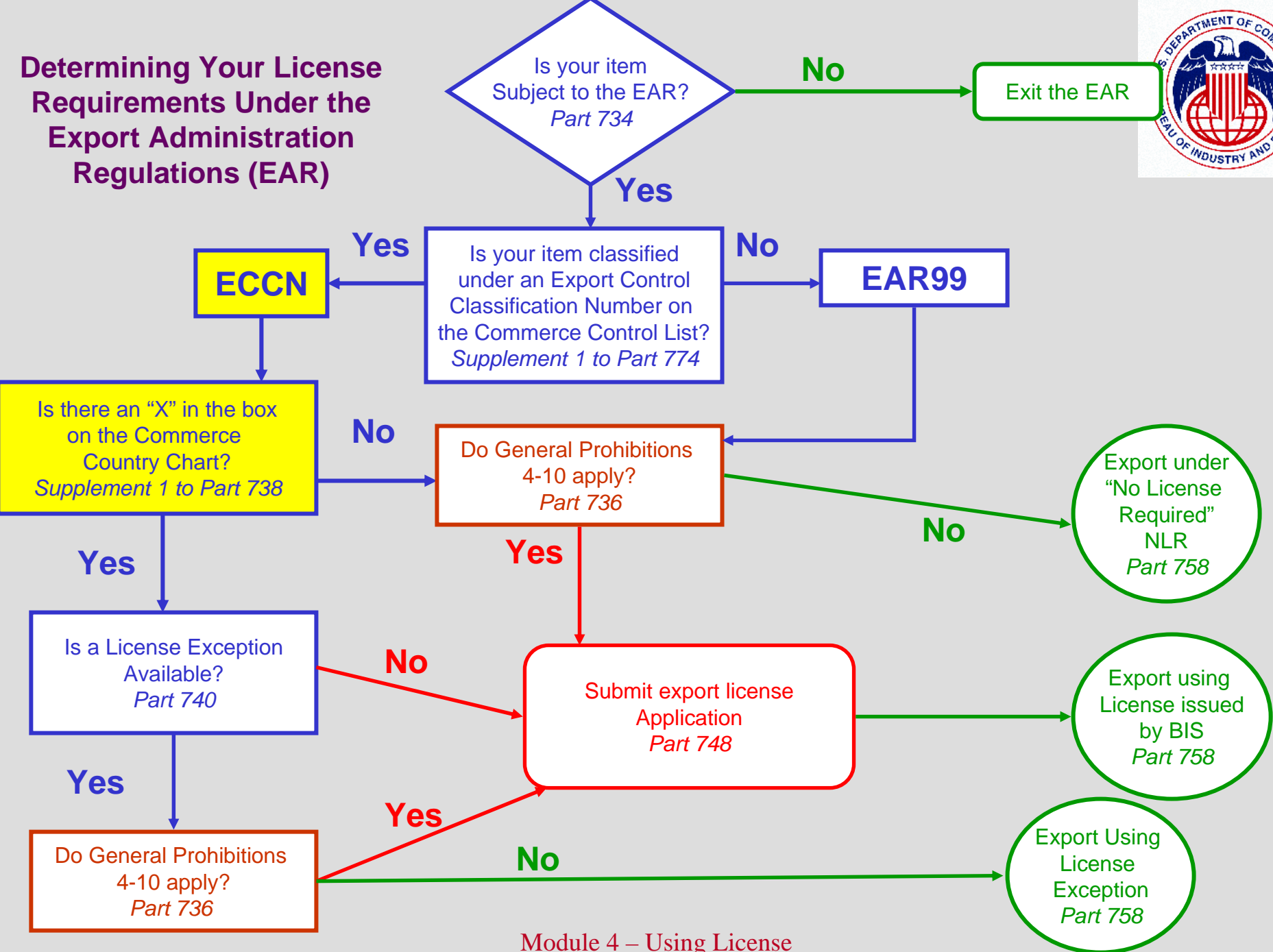
- a. For testing S-parameters of transistor devices at frequencies exceeding 31.9 GHz;
- b. [RESERVED]
- c. For testing microwave integrated circuits controlled by 3A001.b.2.

# Examples of “Transaction-Based” License Exceptions

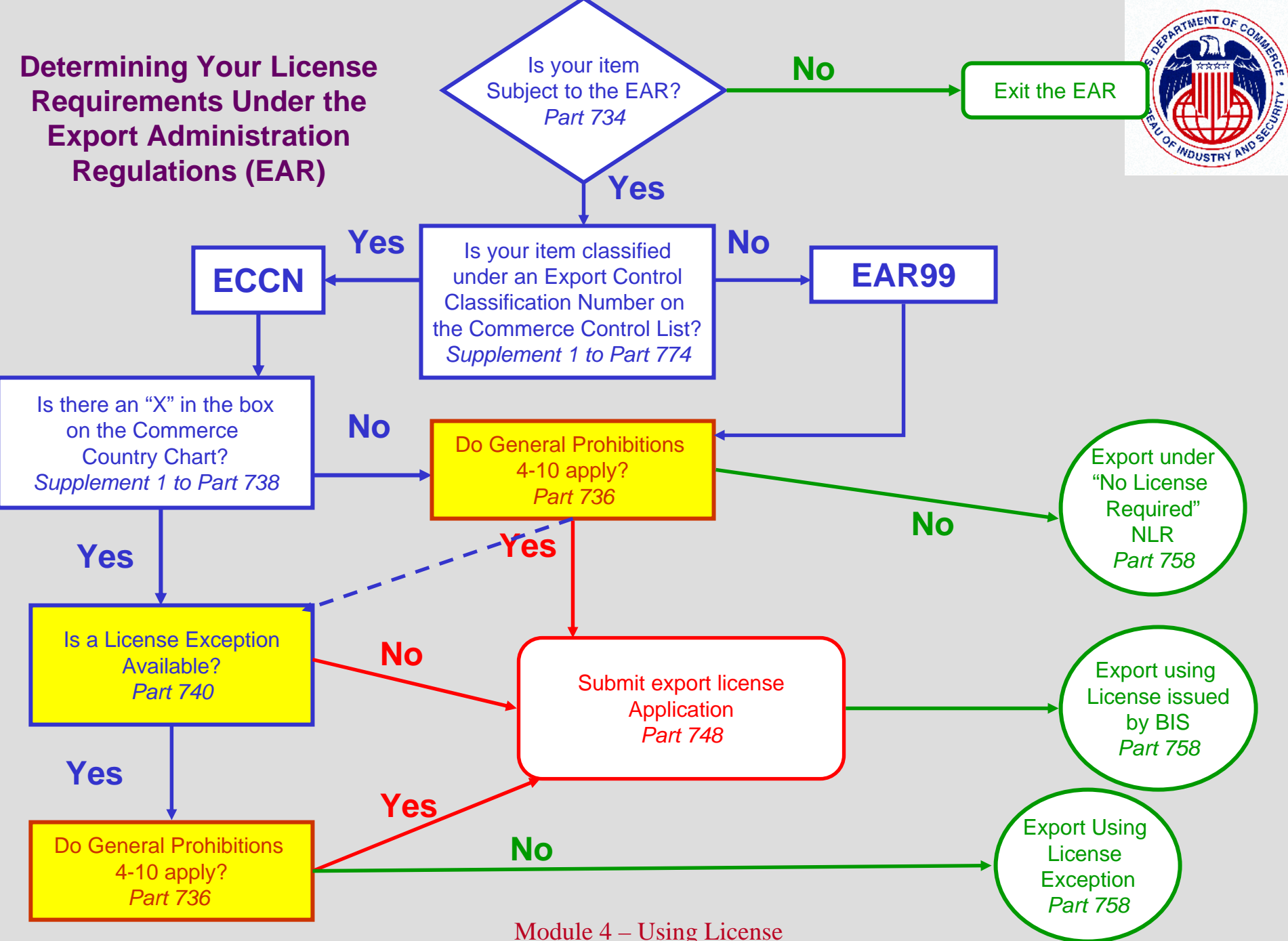


- **TMP**/Temporary Imports, Exports and Reexports (section 740.9)
- **RPL**/Service & Replacement of Parts & Equipment (section 740.10)
- **GOV**/Governments, Intl. Organizations and Intl. Inspections (section 740.11)
- **TSU**/Technology and Software unrestricted (section 740.13)

# Determining Your License Requirements Under the Export Administration Regulations (EAR)

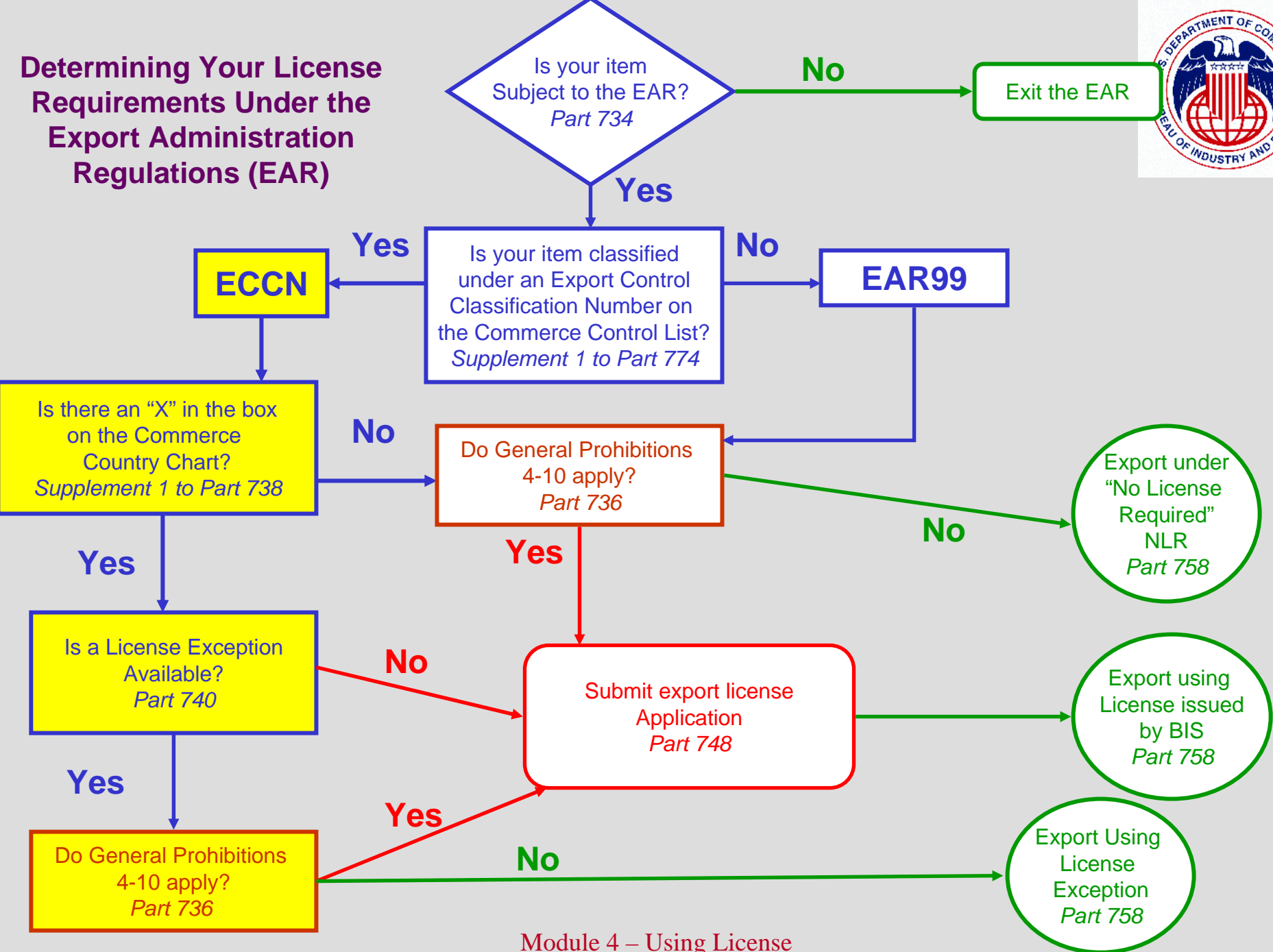


# Determining Your License Requirements Under the Export Administration Regulations (EAR)

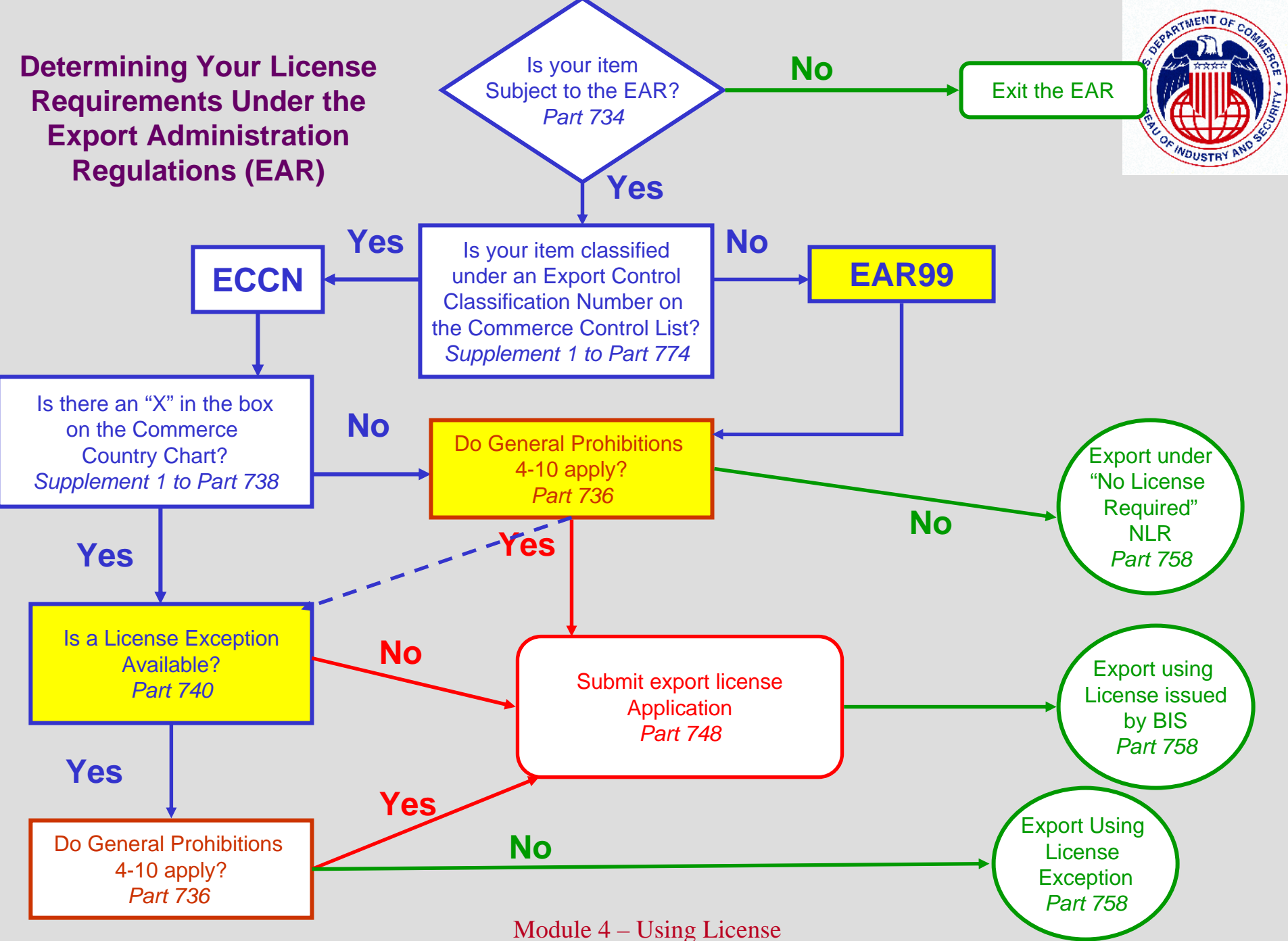




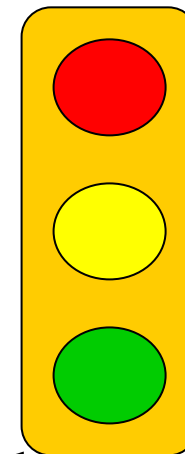
# Determining Your License Requirements Under the Export Administration Regulations (EAR)



# Determining Your License Requirements Under the Export Administration Regulations (EAR)



# General Prohibitions 4-10 and License Exceptions – Section 740.1



- GP 8 – Intransit Shipments
- GP 5 – Exports or reexports to prohibited end-users and end-uses
- GP 6 – Exports or reexports to embargoed destinations
- GP 4 – Denial Orders
- GP 7 – U.S. Person Support of Proliferation Activities
- GP 9 – Violations of any order, terms or conditions
- GP10 – Proceeding with transactions with knowledge that a violation has occurred or is about to occur



# Things to Remember

- Consider License Exception only after determining that a license is required for your transaction
- Review General Restrictions in Section 740.2 and be sure use of License Exception is not precluded by General Prohibitions 4 through 10.
- Understand and comply with all the terms and conditions that apply to the specific License Exception,
- Sometimes more than one License Exception may apply – use least restrictive!
- A summary of all License Exceptions is available on the BIS website at [www.bis.doc](http://www.bis.doc) under the (Note - to be identified) link



# Module 5

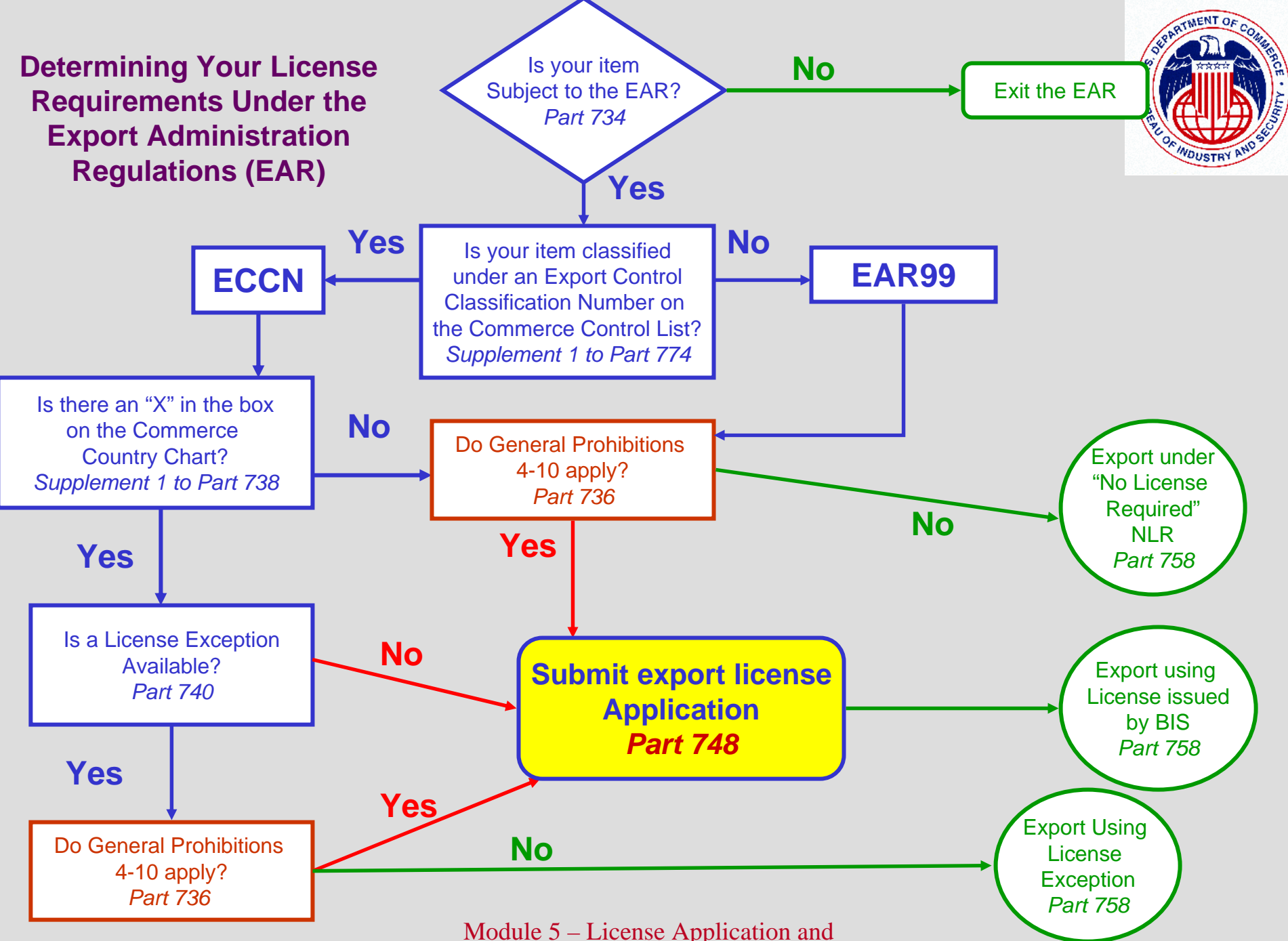
- License Application
- Supporting Documentation



# Commerce Export License Requirements

- Series of Six Modules
  - Module 1 – “The Big Picture”
  - Module 2 – Classifying your Item and Determining if you need a license
  - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
  - Module 4 – Using License Exceptions
  - Module 5 – License Application and Supporting Documentation
  - Module 6 – Export Clearance and Recordkeeping

# Determining Your License Requirements Under the Export Administration Regulations (EAR)





# What We Will Cover

- The on-line application submission system – SNAP-R (Simplified Network Application Process Redesign)
- Key Information on Application
- Required Support Documentation
- Snapshot of license process





# On-Line Application Submission – SNAP-R

- SNAP-R is BIS's on-line electronic application submission system available at no-cost.
- Features include:
  - Built-in system edits
  - Direct submission via the internet
  - Attachment of support documents
  - Messaging between Licensing Officer and exporter
  - Printable copy of export license once issued
- BIS published a proposed rule in October 2007 to make SNAP-R mandatory.



# How to Get Started with SNAP-R

**Request Your Company ID number (CIN) & Personal Identification (PIN) number from BIS:**

- 1) Go to <http://www.bis.doc.gov/SNAP/pinsnapr.htm>.
- 2) Cut and paste the “Company PIN Certification letter” onto your company letterhead.
- 3) Fill out the required information and fax to BIS at (202) 219-9179 or (202) 219-9182.



# How to Get Started with SNAP-R (continued)

- 4) Wait for BIS will contact you by phone with your CIN and PIN (approximately five business days).
- 5) Log into SNAP-R at <https://snapr.bis.doc.gov/> using your CIN and PIN
- 6) Set up your SNAP-R account.
- 7) Fill out and submit a License Application (or Commodity Classification request) online.



# Assistance with SNAP-R

- SNAP-R Users manual:

[http://www.bis.doc.gov/snapr/snapr\\_exporter\\_user\\_manual.pdf](http://www.bis.doc.gov/snapr/snapr_exporter_user_manual.pdf)

- SNAP-R Webinar video:

<http://www.bis.doc.gov/snap/index.htm>



# Key Information on the Application

- Who are the Parties to Transaction?
- What is being exported or reexported?
- What is the end-use?
- Is all Support Documentation provided?



# Parties to the Transaction

(Section 748.5 of the EAR)

- Applicant
- Purchaser
- Intermediate Consignee
- Ultimate Consignee
- End-user(s)



# What is Being Exported?

- Provide a Complete Description of Item(s)
- Describe in terms of the ECCN parameters
- Provide Technical Specifications



# What is the End-Use?

- Be Specific
- Anticipate questions and concerns



# Unique License Application Requirements

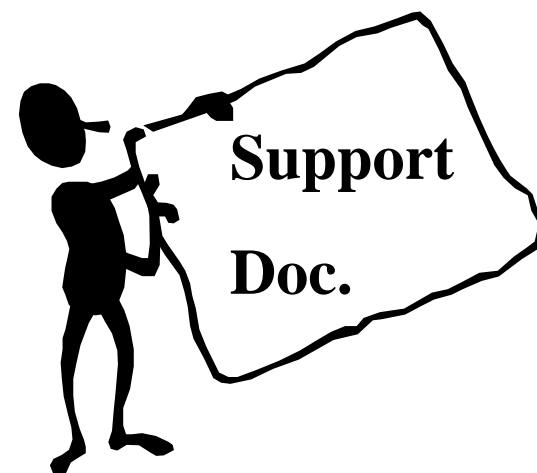


- Additional Requirements for certain items or types of transactions
- Found in Supplement No. 2 to Part 748



# Support Documentation

- Documentation that may be required to support the export license application
- International Import Certificate/End-User Statement (Section 748.10)
  - or
- BIS-711, Statement by Ultimate Consignee and Purchaser (Section 748.11)



# Exemptions for Support Document

## (Section 748.9(a) of EAR)



- Not required:
  - For many destinations in the Western Hemisphere (except for ECCNs 0A984, 0A986, 0A987)
  - In most cases when ultimate consignee or purchaser is government or government agency
  - Applications submitted by relief agency
  - Temporary exports
  - Short supply items
  - Software or technology
  - Encryption items



# Import Certificates/End-User Statements (Sections 748.9 & 748.10 of the EAR)

- Required for:
  - National Security (NS) controlled commodities (except 5A002, 5B002)
  - For all controlled items to the PRC, not just NS controlled items
- Issued by importing country's government
  - Part 748, supplement 4
- The threshold dollar amount is \$50,000 in most cases.



# BIS 711: Statement by Ultimate Consignee and Purchaser

## (Section 748.11 of the EAR)

- Use when an Import Certificate or End-User Statement is NOT required
- Form BIS 711 (available on line) or letter
- Completed by ultimate consignee and/or purchaser
- Not required for application value \$5000 or under
- Copy submitted with application for certain countries, otherwise kept on file by applicant



# License Application Review

- Review by BIS
- Review by Other Agencies
- Approval with Conditions, Return Without Action, Denial
- Validity Period two years
- Check the status of your pending license application by calling 202-482-2752.



# Module 6

- Export Clearance
- Destination Control Statements
- Responsibilities of Parties
- Recordkeeping Requirements



# Commerce Export License Requirements

- Series of Six Modules
  - Module 1 – “The Big Picture”
  - Module 2 – Classifying your Item and Determining if you need a license
  - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
  - Module 4 – Using License Exceptions
  - Module 5 – License Application and Supporting Documentation
  - **Module 6 – Export Clearance and Recordkeeping**



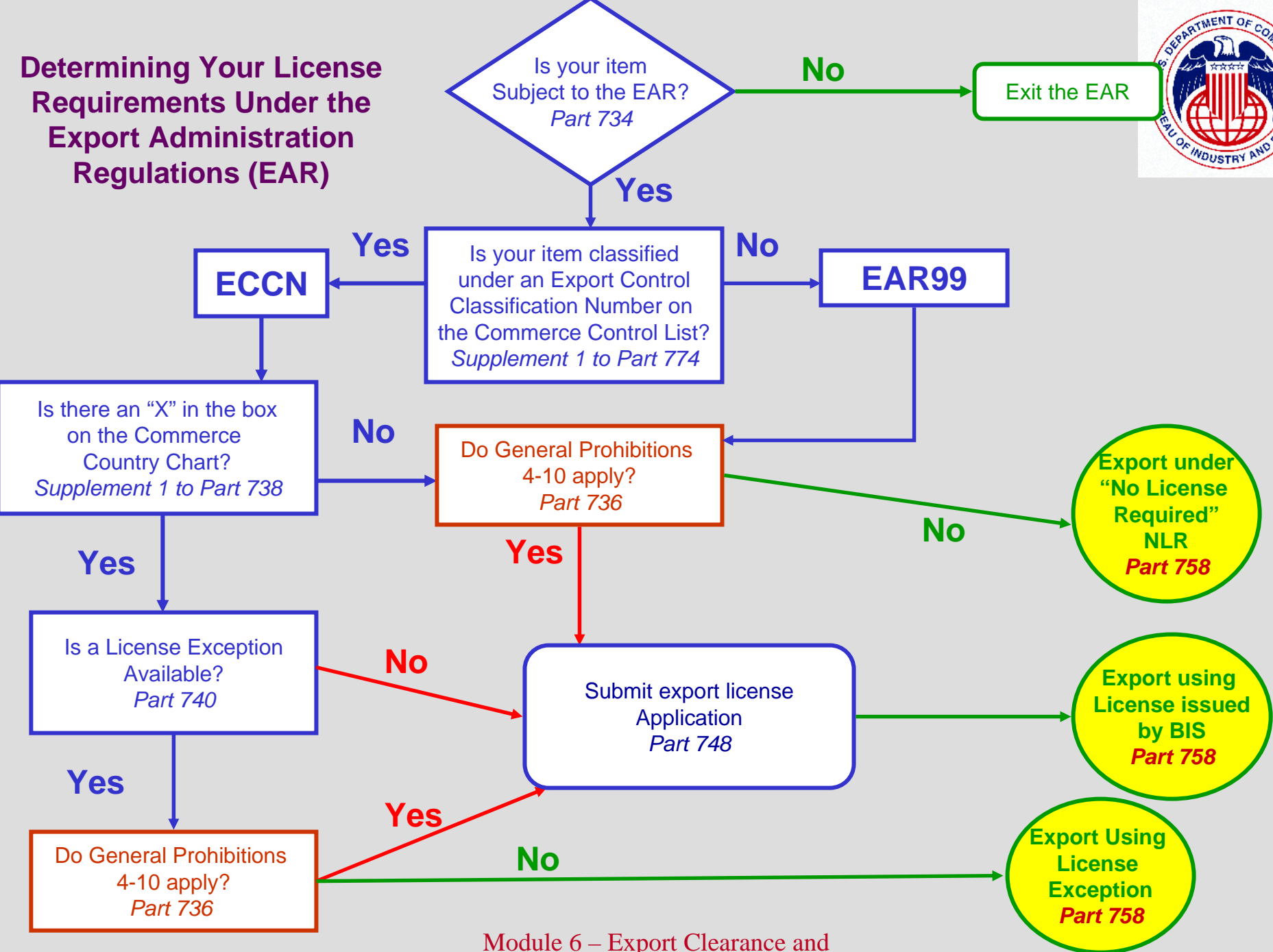


# Topics of Discussion

- Automated Export System (AES) Record
- Destination Control Statement
- Responsibilities of Parties
- Recordkeeping



# Determining Your License Requirements Under the Export Administration Regulations (EAR)





# Automated Export System (AES) Record Part 758

- What is it?
  - Statement to U.S. Government
- What is it used for?
  - Export Control Document (BIS)
  - Statistics (Census)



# AES Record

## When is it required?

- Required for:
  - All shipments requiring an export license
  - All Validated End-user (VEU) shipments
  - All shipments to Cuba, Iran, N. Korea, Sudan, Syria
  - All commodities and mass market software shipped under NLR or a License Exception, when valued over \$2,500 per Schedule B number
  - Certain transshipments through Canada

- Shipment Information
- USPPI
- Ultimate Consignee
- Intermediate Consignee
- Freight Forwarder
- Equipment Details
- Add Line Item
- Line Item 1

Edit Section

Clear Section

View SED

**AESEDirect Assistant**

- To return to the **Shipment Viewer**, click 'View Shipment'
- To **edit another section**, select the section in the scrollbox, and click 'Edit Shipment'
- To **delete this section**, Click 'Clear Section', and then return to the Shipment Viewer, or Edit another section
- Label Colors: ♦ **Mandatory**, ■ **Conditional**, ● **Optional**

**SED: Line Item 1** [Help]

■ *Schedule B or HTS Number (L)* [Help]

[Census Table] [Invalid HTS]

♦ **Commodity Description**

● **Marks & Numbers**

---

■ *1st Quantity*  ■ *Units for 1st Quantity* None Selected ▼

■ *2nd Quantity*

♦ **Value in Whole US Dollars**

♦ **Gross Weight in Whole Kilograms**

[Unit Conversion Factor]

---

♦ **Export Code** None Selected

[Export Code Full Descriptions]

■ *Origin of Goods* Not Selected ▼

---

♦ **License Type** [Help] Select License Type... ▼

[License Code Full Descriptions]

■ *Export License Number*

■ *ECCN*

**License Type Codes:**

**Export Licenses: C30 or C31**

**License Exceptions: C35 – C57**

**NLR: C32 or C33**

**Options**

Main Menu

**Shipments:**

- [Create](#)
- [Retrieve](#)
- [Reporting](#)
- [Delete](#)

**Profiles:**

- [USPPIs](#)
- [Consignees](#)
- [Forwarders](#)

**Templates:**

- [Delete](#)

**EDI Upload:**

- [Upload](#)

**Archive:**

- [Retrieve](#)
- [Reporting](#)

**Links:**

- [AESEDirect](#)
- [AES Codes](#)
- [Privacy Policy](#)



- Shipment Information
- USPPI
- Ultimate Consignee
- Intermediate Consignee
- Freight Forwarder
- Equipment Details
- Add Line Item
- Line Item 1

**Options**

[Main Menu](#)

**Shipments:**

- [Create](#)
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- [Consignees](#)
- [Forwarders](#)

**Templates:**

- [Delete](#)

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- [Upload](#)

**Archive:**

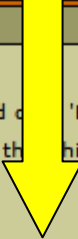
- [Retrieve](#)
- [Reporting](#)

**Links:**

- [AESEDirect](#)
- [AES Codes](#)
- [Privacy Policy](#)

**AESEDirect Assistant**

- To return to the **Shipment Viewer**, click 'View Shipment'
- To **edit another section**, select the section in the scrollbox, and click 'Edit Shipment'
- To **delete this section**, Click 'Clear Section', and then return to the Shipment Viewer, or Edit another section
- Label Colors: ♦ **Mandatory**, ■ *Conditional*, ● *Optional*



**SED: Line Item 1**

- *Schedule B or HTS Number (L)* [\[Help\]](#)
- ♦ **Commodity Description**
- **Marks & Numbers**
- *1st Quantity*
- *2nd Quantity*
- ♦ **Value in Whole US Dollars**
- ♦ **Gross Weight in Whole Kilograms**
- ♦ **Export Code**
- *Origin of Goods*
- ♦ **License Type** [\[Help\]](#)
- *Export License Number*
- *ECCN*

**Select License Type...** [\[Help\]](#)

--- BIS ---

- C33: NLR (No License Required - All Others)
- C30: Licenses - BIS Regulations
- C31: SCL (Special Comprehensive License)
- C32: NLR Items on the C C L having a reason for control
- C35: LVS (Limited Value Shipments)
- C36: GBS (Shipments to B Countries)
- C37: CIV (Civil End Users)
- C38: TSR (Restricted Technology and Software)
- C40: TMP (Temporary Imports, Exports and Reexports)
- C41: RPL (Servicing and Replacement of Parts And Equipment)
- C42: GOV (Government and International Organizations)
- C43: GFT (Gift parcels and Humanitarian Donations)
- C44: TSU (Technology and Software - Unrestricted)
- C45: BAG (Baggage)
- C46: AVS (Aircraft and Vessels)
- C47: APR (Additional Permissive Reexports)
- C48: KMI (Key Management Infrastructure)
- C49: TAPS (Trans Alaska Pipeline Oil Exports)
- C50: ENC (Encryption Commodities and Software)
- C51: AGR (Agricultural Commodities, Part 740.18)
- C53: APP (Computers)
- C54: SS-WRC (Western Red Cedar)
- C55: SS-SAMPLE (Oil)
- C56: SS-SPR (Oil)
- C57: VEU (Validated End User)
- NRC ---
- N01: NRC Specific Export License (FORM 250/250A)
- N02: NRC General Export License (CFR Citation)

Select License Type...

[\[License Code Full Descriptions\]](#)

- Shipment Information
- USPPI
- Ultimate Consignee
- Intermediate Consignee
- Freight Forwarder
- Equipment Details
- Add Line Item
- Line Item 1

- Edit Section
- Clear Section
- View SED

Options

Main Menu

- Shipments:
- Create
  - Retrieve
  - Reporting
  - Delete

- Profiles:
- USPPIs
  - Consignees
  - Forwarders

- Templates:
- Delete

- EDI Upload:
- Upload

- Archive:
- Retrieve
  - Reporting

- Links:
- AESEDirect
  - AES Codes
  - Privacy Policy



AESEDirect Assistant

- To return to the **Shipment Viewer**, click 'View Shipment'
- To **edit another section**, select the section in the scrollbox, and click 'Edit Shipment'
- To **delete this section**, Click 'Clear Section', and then return to the Shipment Viewer, or Edit another section
- Label Colors: ♦ **Mandatory**, ■ **Conditional**, ● **Optional**

SED: Line Item 1

[Help]

■ *Schedule B or HTS Number (L)* [Help]   
 [Census Table] [Invalid HTS]

♦ **Commodity Description**

● **Marks & Numbers**

---

■ *1st Quantity*  ■ *Units for 1st Quantity*

■ *2nd Quantity*  ■ *Units for 2nd Quantity*

♦ **Value in Whole US Dollars**

♦ **Gross Weight in Whole Kilograms**   
 [Unit Conversion Factors]

---

♦ **Export Code**

■ *Origin of Goods*

---

♦ **License Type** [Help]   
 [License Code]

■ *Export License Number*

■ *ECCN*

**Export License Number  
 License Exception Symbol  
 or NLR**

Shipment Information  
USPPI  
Ultimate Consignee  
Intermediate Consignee  
Freight Forwarder  
Equipment Details  
Add Line Item  
Line Item 1

Edit Section  
Clear Section  
View SED

Options

Main Menu  
Shipments:  
Create  
Retrieve  
Reporting  
Delete  
Profiles:  
USPPIs  
Consignees  
Forwarders  
Templates:  
Delete  
EDI Upload:  
Upload  
Archive:  
Retrieve  
Reporting  
Links:  
AESDirect  
AES Codes  
Privacy Policy

AESEDirect Assistant

- To return to the **Shipment Viewer**, click 'View Shipment'
- To **edit another section**, select the section in the scrollbox, and click 'Edit Shipment'
- To **delete this section**, click 'Delete Section'
- Label Colors: ♦ M

SED: Line Item 1

Schedule B or HTS Number

Commodity Description

Marks & Numbers

1st Quantity

2nd Quantity

Value in Whole US Dollars

Gross Weight in Whole Kilograms

[Unit Conversion Factors]

Export Code

None Selected

[Export Code Full Descriptions]

Origin of Goods

Not Selected

License Type [Help]

Select License Type...

[License Code Full Descriptions]

Export License Number

ECCN

ECCN

**Required for:**

- BIS licenses (C30 and C31)
- License Exceptions, except TMP
- NLR controlled for other than AT (C32)

**Optional for:**

- NLR (C33) and TMP (C40)







# Automated Export System (AES) and Foreign Trade Statistics Regulations (FTSR)

[www.census.gov/AES](http://www.census.gov/AES)

AES Support Line: 800-549-0595 x1

E-mail: [ASKAES@census.gov](mailto:ASKAES@census.gov)

Foreign Trade Statistics Regulations: 800-549-0595 x3

E-mail: [FTDREGs@census.gov](mailto:FTDREGs@census.gov)



# Destination Control Statement

## §758.6

“These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited”.

- What should it be on?
  - Invoice and Air Waybill, Bill of Lading or Other export control document that accompanies shipment
- When is it required?
  - Generally required for all exports of all items on the Commerce Control List



# Responsibilities of Parties

## §758.3

- All parties that participate in transactions subject to the EAR must comply with the EAR.

**Manufacturer**  
Manufacture  
**Buyer**

**seller**

**Broker**  
**Forwarder**



# Recordkeeping

## Part 762

- Retention Period
  - 5 years
- Who keeps records
  - Principal or agent who participates in transaction
- What to keep
  - Export control documents and related documents listed in §762.2 and part 772
- Format
  - Original, or reproductions that meet standards of legibility and readability requirements in §762.5

# Export Clearance Summary



- AES record
- Destination Control Statements
- Responsibilities of parties
- Recordkeeping requirements.

# Commerce Export License Requirements



- Series of Six Modules
  - Module 1 – “The Big Picture”
  - Module 2 – Classifying your Item and Determining if you need a license
  - Module 3 – General Prohibitions including Prohibited End-users and End-uses & Activities
  - Module 4 – Using License Exceptions
  - Module 5 – License Application and Supporting Documentation
  - Module 6 – Export Clearance and Recordkeeping