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Outreach & Educational Services
Bureau of Industry and Security
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Do I Need an Export License?

Introduction to Export Controls
under the
Export Administration Regulations
(EAR, 15 CFR parts 730-774)



U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

Which Agencies Have Export Control Functions?



- State/DDTC administers defense articles export controls under the International Traffic in Arms Regulations (ITAR)
- Embassies conduct visa interviews



- BIS administers the Export Administration Regulations (EAR): dual-use and some munitions/military export controls



- Office of Foreign Assets Control (OFAC) for sanctions

Other agencies include the Nuclear Regulatory Commission and the Department of Energy.



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“Subject to the EAR”

§§ 734.2-734.5

- Items in the United States
- Some items located outside of the United States
 - U.S.-origin items wherever located
 - Certain foreign-made items, if:
 - The value of the controlled U.S. content exceeds the *de minimis* percentage
 - The foreign-product item is the direct product of certain U.S. technology or software
- Activities of U.S. and Foreign Persons (§ 734.5)
 - Certain activities of U.S. persons related to proliferation (§ 744.6)
 - Activities of U.S. or foreign persons prohibited by any order issued under the EAR.

“Subject to EAR” does ***not*** mean that a license is automatically required



What Exports are Controlled under the EAR?

- Actual shipment or transmission from the U. S. § 734.13
- “Deemed export” to foreign national in the U.S. § 734.13
- Reexports: Shipment or transmission of items from one foreign country to another foreign country, and release of technology or source code to a foreign national of another country (deemed reexport) § 734.14
- “Release” of “technology” or “software” § 734.15, including through use of “access information” § 734.19

See Scope of the EAR in part 734



New to the EAR?

Start here at:

www.bis.doc.gov

Exporter Portal

Exporter Portal

| Print |

Details

Export Control Basics
Introduction to Commerce
Department Export Controls
[Learn More >>](#)



Lists to Check
Monitor any parties of concern
[Learn More >>](#)



Decision Tree Tools
Find out more specifics
on exporting
[Learn More >>](#)



SNAP-R Login
Submit export and re-export
applications, commodity
classification requests, and more..
[Learn More >>](#)



eMail Notification
Receive important updates
straight to your email
[Learn More >>](#)



Online Training Room
Explore multimedia online training
[Learn More >>](#)



STELA Login
Track your license application
status
[Learn More >>](#)



Special Countries
Discover which countries have
unique exporting criteria
[Learn More >>](#)



EAR
Find all about Export
Administration Regulation
[Learn More >>](#)



Best Practices
Ensure your exports fully comply
with statutory & regulatory reqs
[Learn More >>](#)



Red Flags
Familiarize yourself with red flags
in export transactions
[Learn More >>](#)



BIS Calendar
Keep up-to-date on new
seminars and events
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Regulations News
Learn about recent changes to
the EAR
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needs
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BIS Forms
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FAQs
Licensing FAQs
[Learn More >>](#)



Classification Information
Classification information table
List provided by companies
[Learn More >>](#)



Basics of Licensing Requirements

What are
you
Exporting?

Where is it
Going?

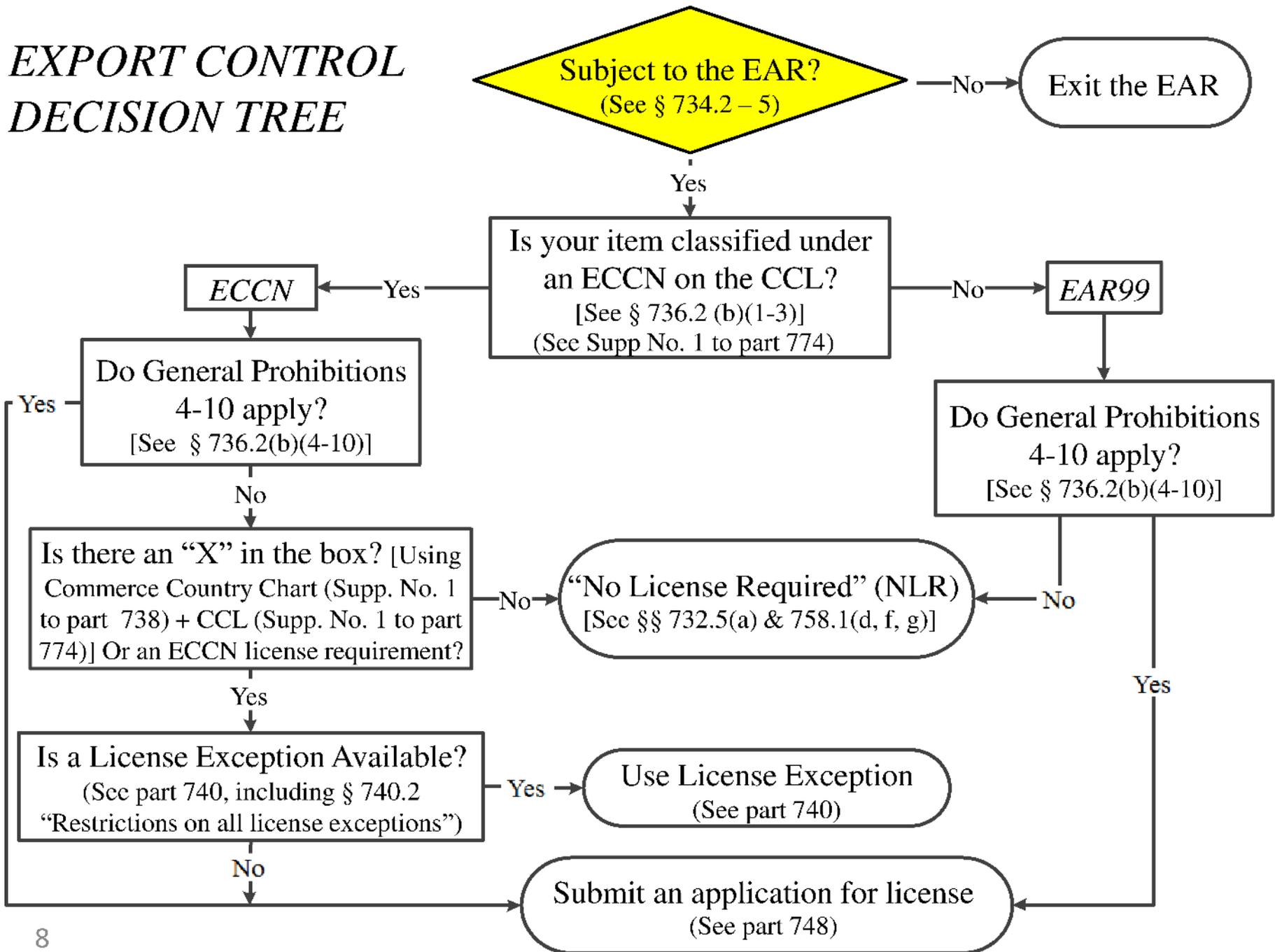
Who is
Receiving
It?

What is
the End
Use?



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EXPORT CONTROL DECISION TREE



What is an ECCN?

Export Cntrol Classification Number on the Commerce Control List (CCL)

1

C

350

1

- Category

C

- Product Group

350

- Type of Control

Subject to the EAR but not listed on the CCL = EAR99



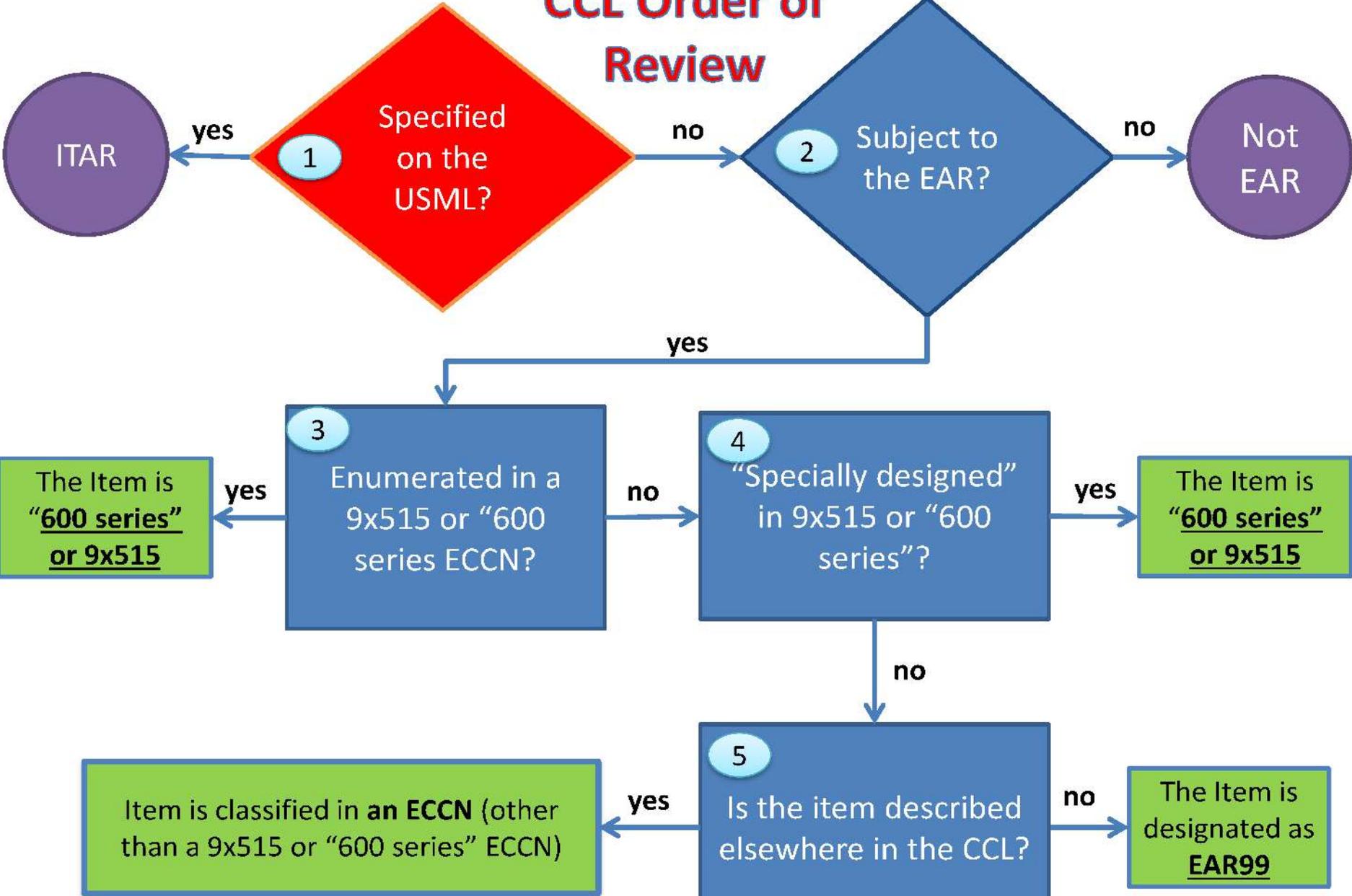
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How can you obtain the ECCN of your item?

- Ask the manufacturer, but verify . . .
- Self-classify
 - Work with company engineer or someone who knows the item
 - Follow the CCL Order of Review (Supp. No. 4 to part 774)
- Submit formal classification request to BIS



CCL Order of Review



Who may submit a commodity classification?

EAR § 748.3

- Any person, wherever located, may submit a request for a commodity classification.
- Submit electronically in SNAP-R.



How to Submit a Classification Request to BIS

- Submit using SNAP-R
- “Best guess” ECCN
- Maximum of six items per request
- Item details
 - Manufacturer
 - Model/Part number
 - Applications
 - Specifications
- Include detailed technical specifications
 - Pictorial illustration, e.g. sales brochures
 - All attachments must be in .pdf format



How to get started in SNAP-R?

- SNAP-R Online Registration at
 - <https://snapr.bis.doc.gov/registration>
- Respond to the confirmation email
- A Company Identification Number (CIN) will be assigned, and you will respond to a *second* email to create your account with administrator's privilege by choosing a Login ID and password.





SNAP- R

Bure
U.S.

ABOUT SNAP-R
BIS HOME
SNAP-R FAQ
NEWLY RELEASED!
STELA

WARNING WARNING WARNING WARNING WARNING WARNING WARNING WARNING

USE OF THIS SYSTEM IS RESTRICTED AND MONITORED !!!

You are accessing a U.S. Government information system, which includes: 1) this computer, 2) this computer network, 3) all computers connected to this network, and 4) all devices and storage media attached to this network or to a computer on this network. You understand and consent to the following: you may access this information system for authorized use only; you have no reasonable expectation of privacy regarding any communication of data transiting or stored on this information system; at any time and for any lawful Government purpose, the Government may monitor, intercept, and search and seize any communication or data transiting or stored on this information system; and any communications or data transiting or stored on this information system may be disclosed or used for any lawful Government purpose.

WARNING WARNING WARNING WARNING WARNING WARNING WARNING WARNING

Login to SNAP-R

Login ID [?](#)

Password [?](#)

CIN (Applicant ID) [?](#)

[Register online for a SNAP-R account](#)

Privacy Act Statement

The Export Administration Act of 1979, as amended (50 U.S. C. app Sec 2401 et seq.), authorizes collection of this information. The primary use of this information is for the submission of:

- Export and Reexport License Applications,
- Commodity Classification Requests, and
- Agricultural License Exception Notifications

How to use SNAP-R?

- Access SNAP-R at:
 - <https://snapr.bis.doc.gov>
- Create and submit a new application
 - Export License
 - Reexport License
 - Agriculture License Exception Notice
 - Commodity Classification including Encryption Classification Request
- Manage license applications within company
- Receive/Respond to requests from BIS licensing officers
- Receive final license validations



SNAP-R Self Management

- Access SNAP-R Self Management at:
 - <https://snapr.bis.doc.gov/management>
- Update company information
- Manage company users including
 - Add new users
 - Terminate user access
 - Update user information



Licensing Requirements due to a Country Sanction

- Comprehensive Embargo
 - Iran – § 746.7 & § 742.8
 - Cuba – § 746.2
- Sanctioned
 - Sudan – § 742.10
 - Syria – § 746.9 & Supp. No. 1 to part 736
 - N. Korea – § 746.4 & § 742.19
 - Russian Industry Sector Sanctions – § 746.5
 - Crimea region of Ukraine – § 746.6
- UN Arms Embargo – § 746.1(b)
- Iraq – § 746.3

General Prohibition 6, part 736



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Know Your Customer: Screen

export.gov
Helping U.S. Companies Export

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Search Our Site Search

↑ Opportunities Solutions Locations FAQ Blog Connect

Home > Export Control Reform Print | E-mail Page

Export Control Reform

- ▶ ECR Home
- ▶ About
- ▶ News
- ▶ ECR Library

Areas of Reform

- ▶ Export Control List
- ▶ Licensing Policy
- ▶ IT System Modernization
- ▶ Export Control Enforcement

For Exporters

- ▶ [Consolidated Screening List](#)
- ▶ Export Licensing
- ▶ Decision Tree Tools
- ▶ Export Enforcement Coordination Center (E2C2)
- ▶ [Weekly Teleconference](#)

Provide Input

- ▶ Website Feedback



Consolidated Screening List

Below is a link to a downloadable file that consolidates export screening lists of the Departments of Commerce, State and the Treasury into one spreadsheet as an aide to industry in conducting electronic screens of potential parties to regulated transactions. In the event that a company, entity or person on the list appears to match a party potentially involved in your export transaction, additional due diligence should be conducted before proceeding. There may be a strict export prohibition, requirement for seeking a license application, evaluation of the end-use or user to ensure it does not result in an activity prohibited by any U.S. export regulations, or other restriction.

Prior to taking any further actions, users are to consult the requirements of the specific list on which the company, entity or person is identified by reviewing the webpage of the agency responsible for such list. The links below will connect you to the specific webpage where additional information about how to use each specific list is contained. These links are also embedded into the file for each listed entity to direct you to the proper website for information about how to resolve the issue. Note that the column on the attached file, which is titled "Source List", indicates which specific consolidated screening list is the source for each entry on the spreadsheet. Blank data fields in the file are not applicable to the consolidated screening list in the "Source List" column.

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- [Denied Persons List](#) - Individuals and entities that have been denied export privileges. Any dealings with a party on this list that would violate the terms of its denial order are prohibited.
- [Unverified List](#) - End-users who BIS has been unable to verify in prior transactions. The presence of a party on this list in a transaction is a "Red Flag" that should be resolved before proceeding with the transaction.
- [Entity List](#) - Parties whose presence in a transaction can trigger a license requirement supplemental to those elsewhere in the Export Administration Regulations (EAR). The list specifies the license requirements and policy that apply to each listed party.

export.gov/legal-considerations

Licensing Requirements due to end use/end user controls

- End-use/end-user controls are in part 744 of the EAR.
 - Prohibited end-uses
 - Restrictions on certain ‘military end uses’ in the PRC or for a ‘military end use’ or ‘military end user’ in Russia or Venezuela (§ 744.21)
 - Supplement No. 2 to part 744 – List of Items Subject to the Military End-Use License Requirement of § 744.21

General Prohibition 5, part 736



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License Exceptions

EAR part 740

- First, make sure you are “subject to the EAR”, §§ 734.2-734.5.
- Then, make sure you **do** need a license.
- Only then, look to see if there is a License Exception available.
- Read all the restrictions in § 740.2 to make sure none applies to your transaction.
- Read the license exception you are using carefully to make sure you meet all the conditions.



What is a License Exception?

part 740

- An authorization that allows you to export, reexport, or transfer (in-country) under stated conditions, items subject to the EAR that would otherwise require a license.
- The ITAR has “exemptions”. The EAR exception mechanism is different.
- Two types in the EAR, list-based and transaction-based.



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When can't you use a License Exception?

§ 740.2

- Authorization has been suspended or revoked
- Export subject to a general prohibition that is not eligible for license exceptions.
- Surreptitious Interception Devices
- Crime Control items to most destinations
- Most Missile Technology control items
- Embargoed destinations, in most instances



List-based License Exceptions

Found in your
item's
ECCN

6A004 Optical equipment and "components," as follows (see List of Items Controlled).

License Requirements

Reason for Control:

NS, AT

Control(s)

Country Chart

*(See Supp. No.
1 to part 738).*

NS applies to entire entry

NS Column 2

AT applies to entire entry

AT Column 1

Reporting Requirements

See § 743.1 of the EAR for reporting requirements for exports under License Exceptions, and Validated End User authorizations.

List Based License Exceptions (See Part 740 for a description of all license exceptions)

LVS: \$3000

GBS: Yes for 6A004.a.1, a.2, a.4, b, and d.2.

CIV: Yes for 6A004.a.1, a.2, a.4, b, and d.2.

Special Conditions for STA

STA: Paragraph (c)(2) of License Exception STA may not be used to ship any commodity in 6A004.c or .d to any of the destinations listed in Country Group A:6 (See Supplement No.1 to part 740 of the EAR).

License Exception STA § 740.20 for “600 Series”

- STA may only be used to export or reexport 600 series items if:
 - For ultimate end user that is the USG or government of country in Country Group A:5;
 - For development, production, or servicing of an item in A:5 or the United States that is:
 - Ultimately to be used by the USG or government of country in Country Group A:5; or
 - Sent to a person in the United States; or
 - USG has otherwise authorized its use.



License Exception STA § 740.20 for “600 Series”

- License Exception STA: additional requirements for 600 series items only
 - Non-U.S. parties must have been previously approved on a State or Commerce license
 - Consignee statement must also address ultimate end user restrictions for 600 series items and agree to end use check
 - Eligibility request required for end items in 0A606.a, 8A609.a, 8A620.a or .b, or 9A610.a
 - May not be used for “600 series major defense equipment” where value exceeds \$25,000,000.



License Exception STA § 740.20 for 9x515 items

- 9x515 generally eligible for STA for Country Group A:5
 - Unlike 600 series, ultimate government end use is not required
 - Prior Consignee Statement requirements generally the same as for non-600 series items, but statement must allow for USG end-use check
 - Certain spacecraft in 9A515.a require eligibility request
 - Software in 9D515.b, .d, or .e and technology in 9E515.b, .d, or .e are not eligible for STA



License Exception STA § 740.20

	600 Series Items	9x515 Items	Other EAR Items
Ultimate government end use required?	Yes	No	No
Always limited to Country Group A:5?	Yes	Yes	No
Eligibility request required?	Yes, for end items in 0A606.a, 8A609.a, 8A620.a or .b, or 9A610.a	Yes, for certain spacecraft in 9A515.a	No
Must the foreign parties have been on a previously approved license?	Yes	No	No
Does Prior Consignee Statement require agreement to permit USG end-use check?	Yes, if the consignee is not the government of an A:5 country	Yes, if the consignee is not the government of an A:5 country	No



STA Decision Tree Tool

- Will help you make sure you are prepared to meet the compliance requirements of License Exception STA
- available at:
<http://www.bis.doc.gov/index.php/2012-03-30-17-54-11/2013-02-15-13-50-21>



Transaction Based License Exceptions

- TMP – Temporary Imports, Exports & Reexports
- RPL – Service & Replacement of Parts & Equipment
- TSU – Technology & Software Unrestricted
- BAG – Baggage
- APR – Additional Permissive Reexports



If you *do* need a license . . .

- Apply early. Processing time is normally about 40 days.
- Estimate the amount of business you might do for the same item(s) with the same party(ies) over 4 years and apply for that.
 - Licenses are normally valid for 4 years, and no purchase order or contract is required to apply.



What support documentation do I need for my license application?

- Support document requirements are found in EAR §§ 748.9–748.13 and 740.2
 - PRC End User-Statement: applies to certain applications for items destined for China (note: China is subject to a U.S. arms embargo)
 - Statement by Ultimate Consignee and Purchaser: applies to “600 Series Major Defense Equipment”
 - FC Import Certificate: applies to certain dual-use firearms and related items destined for member states of the Organization of American States
 - Hong Kong import or export license, as applicable.
- Unless informed otherwise, applicant may submit application prior to receipt of copy of support document.
- However, cannot ship under an approved license until receipt of copy of support document.



When is a Statement by Ultimate Consignee and Purchaser required?

§ 748.11

- Now required ONLY for exports, reexports, and transfers (in-country) of “600 Series Major Defense Equipment”
- Of course, BIS may still always request the BIS-711 if we so determine.
- Form BIS-711 (available on line – radio button on the Exporter Portal page) or letter on company letterhead



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What is the status of my license application?

- Accepted
- Held Without Action (HWA)
- Pending
 - with one of the reviewing agencies: DoD, DoE, State
- Returned Without Action (RWA)
- Approved/Denied



Track your license application – STELA



The screenshot displays the BIS website header with the logo and the text "Bureau of Industry and Security U.S. Department of Commerce Where Industry and Security Intersect". A search bar is located in the top right corner. Below the header is a navigation menu with options: Home, About BIS, Regulations, Licensing, Enforcement, Compliance & Training, Policy Guidance, Add'l Programs, Reform, and Data. The "Licensing" section is expanded, showing a list of sub-sections: Licensing, Simplified Network, Application Process Redesign (SNAP-R), Track Your Application (STELA), Commerce Control List Classification, Reexports and Offshore Transactions, Validated End User Program, and FAQs. The "Track Your Application (STELA)" section is highlighted, featuring a speech bubble icon and the text: "Track Your Application (STELA) | Print | To better serve the exporting community, BIS has launched an on-line version of its System for Tracking Export License Applications (STELA). You may now check the status of your export/reexport license applications, classification requests, and AGR notifications at <https://snapr.bis.doc.gov/stela>. Applicants must input their BIS assigned application control number(s) (ACN)."

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Licensing

- Licensing
- Simplified Network
- Application Process Redesign (SNAP-R)
- Track Your Application (STELA)
- Commerce Control List Classification
- Reexports and Offshore Transactions
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- FAQs

Track Your Application (STELA) | Print |

To better serve the exporting community, BIS has launched an on-line version of its System for Tracking Export License Applications (STELA). You may now check the status of your export/reexport license applications, classification requests, and AGR notifications at <https://snapr.bis.doc.gov/stela>. Applicants must input their BIS assigned application control number(s) (ACN).

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Tips for the Commerce Control List

- The Order of Review requires you to first confirm your item is not controlled under the International Traffic in Arms Regulations (ITAR).
- There is an Alphabetical Index to the Commerce Control List (CCL) – only on the BIS website; not exhaustive
- Licensing requirements beyond the CCL: based on destinations, parties to the transaction, activities, and knowledge of the end-use/end-user.
 - Check licensing requirements for sanctioned countries: General Prohibition 6, EAR part 736.
 - See “Know Your Customer” and “Red Flags” guidance (EAR part 732, Supplement 3)
 - Check licensing requirements based on end-use/end-user: General Prohibition 5, EAR part 736 and part 744.



Using an Export License

- Customs and Border Protection hosts the system for filing your required Electronic Export Information (EEI) in their Automated Commercial Environment (ACE), as required under the Bureau of the Census Foreign Trade Regulations (FTR), and the Census Automated Export System (AES).
- Contact Census for help:

www.census.gov/trade

(800) 549-0595



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Destination Control Statement

§ 758.6

- To prevent items licensed for export from being diverted while in transit or thereafter.

“These items are controlled by the U.S. Government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.”



Destination Control Statement

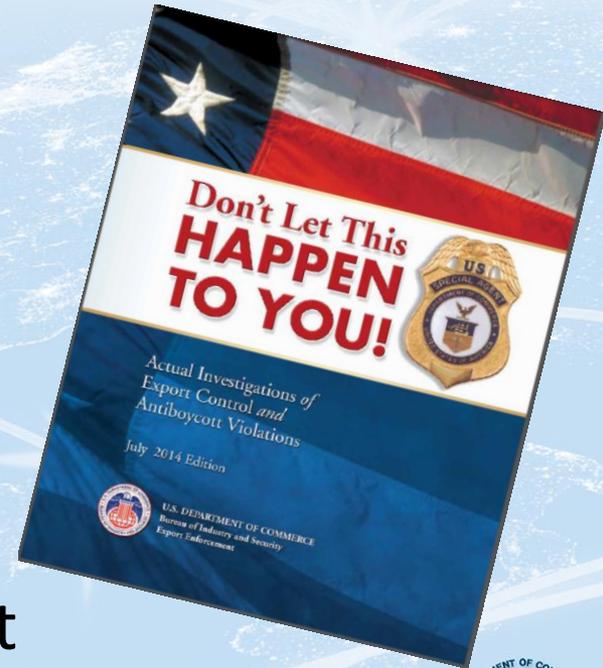
§ 758.6

- On what document should it be included?
 - Commercial invoice
- What must be included?
 - Statement
 - For 9_515 and “600 series”, ECCN also required
- When is it required?
 - For all exports of items on the Commerce Control List, except for EAR99 items or items exported under License Exceptions GFT or BAG.



Export Enforcement

- Civil Penalties
 - Fines up to \$250,000 per violation or twice the amount of the transaction;
 - Denial of export privileges
- Criminal Penalties
 - Fines up to \$1 million
 - Up to 20 years imprisonment



If you suspect a potential illegal export call
800-424-2980

Contact Information

- Office of Exporter Services:

Washington, D.C.

Counseling: (202) 482-4811
e-mail: ECDOEXS@bis.doc.gov

Western Regional Office, Irvine, CA

Counseling: (949) 660-0144

Northern California Branch, San Jose, CA

Counseling: (408) 998-8806

- Encryption Help Line: (202) 482-0707
- Export Enforcement Hotline: 1 (800) 424-2980

www.bis.doc.gov

www.export.gov/Legal-Considerations



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