



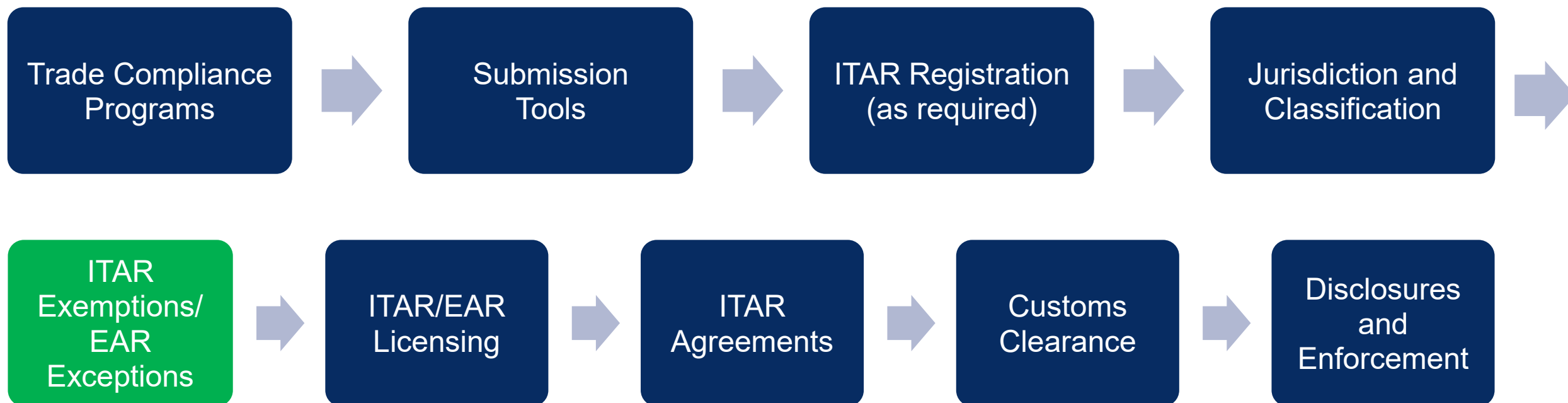
SIA – 2026 SUMMER BACK TO BASICS License Exceptions under the EAR

Joshua Richter
Senior Director, Trade Compliance
Leonardo DRS, Inc.
joshua.richter@drs.com



Conference Agenda

We are here in the transaction process!





SCENARIO REFRESHER

Our company, Anything For A Sale (AFAS), is a manufacturer of the Carmella 500 Tactical UAV. We have only done domestic sales to the U.S. government. We now want to explore the international market.

- We are expecting an RFP from the Austrian MOD for the Program for a Tactical Unmanned Aerial System
- Yesterday we learned the Jurisdiction and Classification of the Carmella 500 Tactical UAV hardware and technical data
- Today we will focus on what type of licensing is required to respond to the Austrian MOD RFP

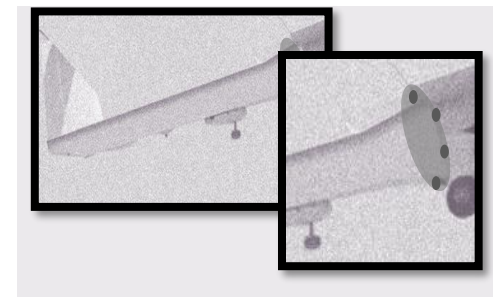
ITEMS FOR SCENARIO



Carmella 500 Tactical UAV
VIII(a)(5)



Carmella 500 Propeller
9A610.y.25



Composite Tail Section **9A610.t**



Carmella 500 Launcher
9A610.x



Micro-SAR Radar
XI(a)(3)(ii)



Carmella 500 Launch Rail
9A610.x



OVERVIEW TO BIS LICENSING

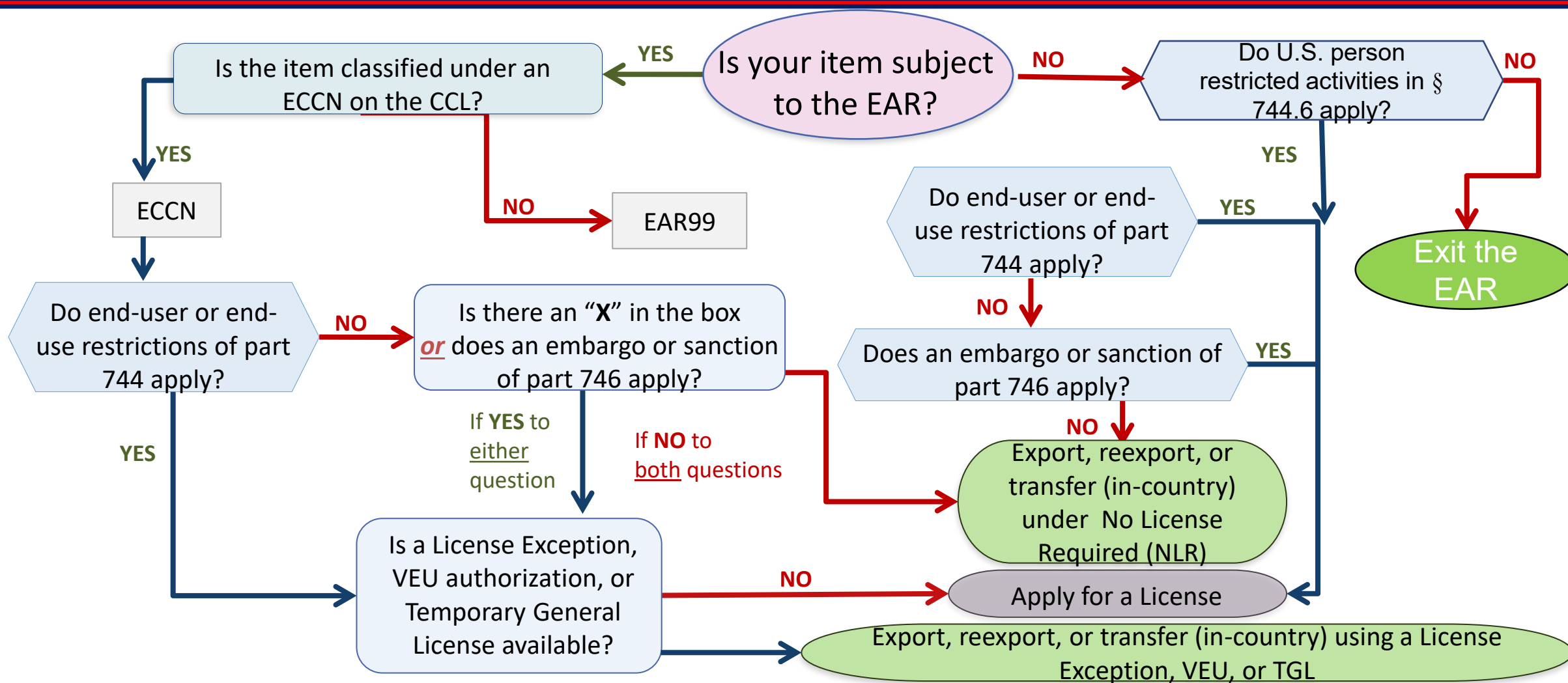
- You have determined your item is not controlled under the USML
- Is your item “Subject to the EAR”?
- Classify your item using the applicable Export Control Classification Number (ECCN)
- Is your item listed under the Commerce Control List (CCL) (start with 600-series ECCNs and 9x515)
- What is the **end use** of the item?
- Who is the **end user**?
- What is the **destination**?



“SUBJECT TO THE EAR”: WHAT DOES IT MEAN?

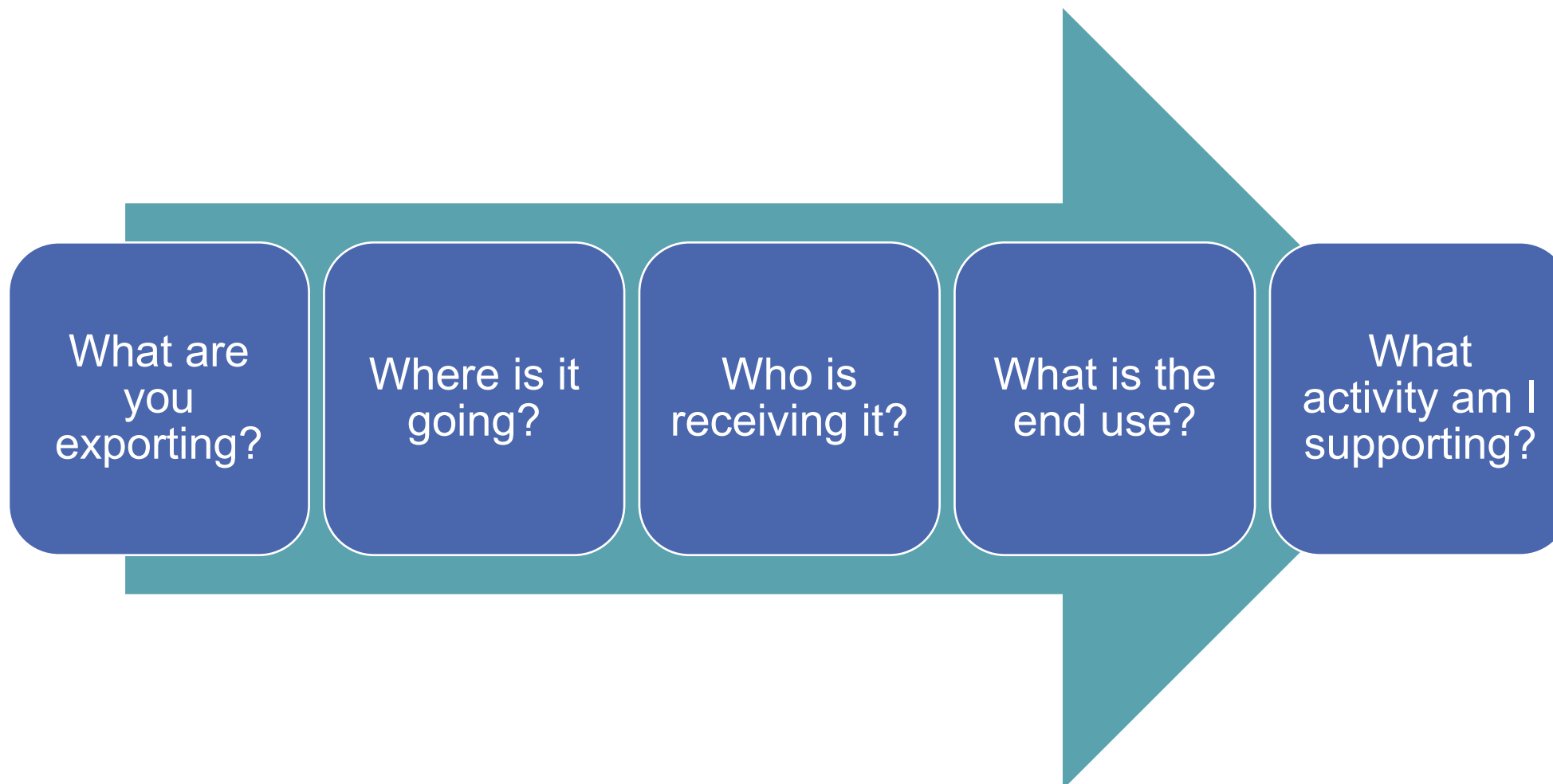
- Items and activities under the regulatory jurisdiction of the EAR
 - Most items in the United States, with few exceptions
 - Some items located outside of United States (Foreign Direct Product, *de minimis* Rules)
 - Activities of U.S. and Foreign Persons
- “Subject to the EAR” does not automatically mean that a license is required
- Items “subject to the EAR” can require an authorization based on destination/ end-user/ end-use, or may be exported “No License Required” (NLR)
- An authorization can be:
 - A license (export or reexport, which includes in-country transfer, license)
 - A license exception (in lieu of a license)

EAR LICENSE REQUIREMENT FLOWCHART





DETERMINING LICENSE REQUIREMENTS





ECCN TYPES OF CONTROL

- 000-099 – National Security
- 100-199 – Missile Technology
- 200-299 – Nuclear Nonproliferation
- 300-399 – Chemical and Biological
- 500-599 – Firearms, “Spacecraft,” and related commodities
- 600-699 – Wassenaar Arrangement Munitions List (WAML) or former U.S. Munitions List (USML)
- 910-979 – Plurilateral National Security and Regional Stability
- 980-989 – Crime Control, Short Supply
- 990-999 – Anti-terrorism, Regional Stability, UN Sanctions



EAR REASONS FOR CONTROL

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 Listening
Devices

SS = Short Supply

UN = United Nations



COMPOSITION OF ECCN ENTRIES

- Number and Heading
- License Requirements
 - Reasons For Control
 - License Requirement table & Notes
- License Exceptions (List-based)
- Special conditions for STA
- List of Items Controlled
 - Related Definitions
 - Related Controls
 - Items



HOW TO READ AN ECCN

9A610 Military Aircraft and Related Commodities, Other Than Those Enumerated in 9A991.a

(See List of Items Controlled).

License Requirements

Reason for Control: NS, RS, MT, AT, UN

Control(s)	Country chart (see Supp. No. 1 to part 738)
NS applies to entire entry except: 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y	NS Column 1
RS applies to entire entry except: 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see § 742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y	See § 746.1(b) for UN controls



HOW TO READ AN ECCN

List Based License Exceptions See Part 740 for a Description of All License Exceptions)

LVS: \$1,500

GBS: N/A

Special Conditions for STA

STA: (1) Paragraph (c)(1) of License Exception STA (§ 740.20(c)(1) of the EAR) may not be used for any item in 9A610.a (*i.e.*, "end item" military aircraft), unless determined by BIS to be eligible for License Exception STA in accordance with § 740.20(g) (License Exception STA eligibility requests for 9x515 and "600 series" items). (2) Paragraph (c)(2) of License Exception STA (§ 740.20(c)(2) of the EAR) may not be used for any item in 9A610.

List of Items Controlled

Related Controls: (1) Military aircraft and related articles that are enumerated in USML Category VIII, and technical data (including software) directly related thereto, are subject to the ITAR. (2) See ECCN 0A919 for controls on foreign-made "military commodities" that incorporate more than a de minimis amount of U.S.-origin "600 series" controlled content. (3) See USML Category XIX and ECCN 9A619 for controls on military aircraft gas turbine engines and related items.

Related Definitions: In paragraph .y of this entry, the term 'fluid' includes liquids and gases.

Items:

a. 'Military Aircraft' "specially designed" for a military use that are not enumerated in USML paragraph VIII(a).

COMMERCE COUNTRY CHART

Countries	Chemical and 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 ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ¹⁰	X															
Austria ^{3 4}	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		
Bangladesh	X	X		X		X	X	X	X	X		X		X		



EAR Exception Scenario #1

Carmella 500 Engine Propeller

- The Carmella 500 Propellers are requiring field replacement at a rate three times the projected rate due to environmental conditions. The company has identified two test facilities to evaluate why the propellers are failing so quickly. We would like to send each facility two propellers to use in test. The propellers will be destroyed during the test.
 - We do not need to send the test facility any technical data/technology on the propellers.
- One facility is located in Japan and the other is located in Singapore.
- Additional Information:
 - Carmella 500 : USML CAT VIII(a)(5)
 - Carmella 500 Propellers: (Value: \$8,543 each)
- How can we send the propellers?





EAR Exception Scenario #1

Carmella 500 Engine Propeller

- What is the Classification of the propeller?
- What are the Reasons for Control?
- Is there a license requirement to export to Japan?
- Is there a license requirement to export to Singapore?



9A610 Military aircraft and related commodities, other than those listed in 9A991.a (see List of Items Controlled) – ECCN 9A610.y.25

Reasons for Controls: NS, RS, MT, AT, UN	Country Chart (See Suppl. 1 to part 738)
NS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	NS Column 1
RS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see §742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See §746.1(b) for UN controls

License Exceptions LVS: \$1500 GBS: N/A CIV: N/A

STA:

- (1) Paragraph (c)(1) of License Exception STA (§ 740.20(c)(1) of the EAR) may not be used for any item in 9A610.a (i.e., “end item” military aircraft), unless determined by BIS to be eligible for License Exception STA in accordance with § 740.20(g) (License Exception STA eligibility requests for “600 series” end items).
- (2) Paragraph (c)(2) of License Exception STA (§ 740.20(c)(2) of the EAR) may not be used for any item in 9A610.

What are the reasons for Control? **RS for China, Russia, Venezuela; AT for Iran, Syria and N. Korea**

Reasons for Controls

Countries	Chemical and 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
Iraq ¹	X	X	X	X	X	X	X	X	X	X		X	X			
Ireland ^{3 4}	X					X		X	X							
Israel	X	X	X	X	X	X	X	X	X	X		X		X		
Italy ³	X					X		X	X							
Jamaica	X	X		X		X	X	X	X	X	X	X		X		
Japan ³	X					X		X	X							
Jordan	X	X	X	X		X	X	X	X	X		X		X		
Kazakhstan	X	X	X			X	X	X	X	X		X	X			
Kenya	X	X		X		X	X	X	X	X		X		X		
Kiribati	X	X		X		X	X	X	X	X		X		X		
Korea, North ¹	See Sections 742.19 and 746.4 of the EAR to determine whether a license is required in order to export or reexport to this destination.															
Korea, South ^{3 4}	X					X		X	X							
Kosovo	X	X		X		X	X	X	X	X		X	X	X		
Kuwait	X	X	X	X		X	X	X	X	X		X		X		
Kyrgyzstan	X	X	X	X		X	X	X	X	X		X	X			

Is there a license requirement to export to Japan?

Reasons for Controls

Countries	Chemical and 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
Saudi Arabia	X	X	X	X		X	X	X	X	X		X		X		
Senegal	X	X		X		X	X	X	X	X		X		X		
Serbia	X	X				X	X	X	X	X		X	X	X		
Seycheles	X	X		X		X	X	X	X	X		X		X		
Sierra Leone	X	X		X		X	X	X	X	X		X		X		
Singapore	X	X		X		X	X	X	X	X		X		X		
Sint Maarten (the Dutch two-fifths of the island of Saint Martin)	X	X		X		X	X	X	X	X		X		X		
Slovakia ³	X					X		X	X							
Slovenia ³	X					X		X	X							
Solomon Islands	X	X		X		X	X	X	X	X		X		X		
Somalia ¹	X	X		X		X	X	X	X	X		X		X		

Is there a license requirement to export to Singapore?



EAR Exception Scenario #1 Answer

Carmella 500 Engine Propeller



- What is the Classification of the propeller? **9A610.y.25**
- What are the Reasons for Control? **None**
- Is there a license requirement to export to Japan?
 - **There are no list-based controls, however you still need to evaluate end-use and end-user-based controls in part 744, as well as activities in 744.6 of the EAR**
- Is there a license requirement to export to Singapore?
 - **There are no list-based controls, however you still need to evaluate end-use and end-user-based controls, as well as activities of the EAR**
- Because it is a military aircraft you would look at § 744.21, which controls military end users/uses.
- You'll screen your end user against the consolidated screening list.
- You'll look over § 744.6 to determine if your activity aligns with any of the end uses/users there.
- If none of the end use/user or activity controls apply, then you would export under the “no license required” (NLR) designation on your clearance documents.



TEN GENERAL PROHIBITIONS: EAR PART 736

1	Export and reexport of controlled items to listed countries
2	Reexport and export from abroad of foreign-made items incorporating more than a <i>de minimis</i> amount of controlled U.S. content
3	Reexport and export from abroad of the foreign-produced direct product of U.S. technology and software
4	Engaging in actions prohibited by a denial order
5	Export or reexport to prohibited end uses or end users
6	Export or reexport to embargoed destinations
7	Support of Proliferation Activities
8	In-transit shipments and items to be unladen from vessels or aircraft
9	Violation of any order, terms, and conditions
10	Proceeding with transactions with knowledge that a violation has occurred or is about to occur



CONSOLIDATED USG SCREENING LIST

www.trade.gov/consolidated-screening-list

- Includes the “Lists to Check”:
 - Denied Persons
 - Entity List
 - Unverified List
 - Military End User (MEU) List
 - OFAC Lists
 - Nonproliferation Sanctions
 - Debarred List

General Prohibitions
4 & 5
**Know Your Customer:
Screen**
export.gov/legal-considerations



SEARCH THE CONSOLIDATED SCREENING LIST

Search the Consolidated Screening List

Search all [the screening lists](#) at one time by filling in the search boxes below.

If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

Keyword

Search for words in the name, alternative names (aliases), title of the entity, and additional remarks regarding the entity.

Name

Search for an entity's name or one of its alternative names.

Fuzzy Name

When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first.

Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ.

For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

Address

Search for the street address, city, province, and postal code of an entity.

Sources

Choose which of the screening lists that you want to search.

Countries

Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.



LICENSE REQUIREMENTS UNDER THE EAR FOR A SANCTIONED COUNTRY

- Comprehensive Embargo
 - Cuba – § 746.2
 - Iran – § 746.7 and § 742.8
- Sanctioned
 - North Korea – § 746.4 and § 742.19
 - Crimea region of Ukraine, the so-called Donetsk People's Republic (DNR) and Luhansk People's Republics (LNR) regions of Ukraine ("Covered Regions of Ukraine") – § 746.6
 - Russia/Belarus Sanctions – § 746.8
 - Syria – § 746.9 and Supp. No. 1 to part 736

General Prohibition 6 – Embargoed destination or otherwise subject to controls in Part 746



LICENSE REQUIREMENTS UNDER THE EAR FOR A SANCTIONED COUNTRY

- UN Arms Embargo
 - Currently in § 746.1(b) (2) the countries subject to United Nations Security Council arms embargoes are: Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, and Sudan.
 - Note: This control is different from the list of **U.S.** Arms Embargoed countries in Country Group D:5, EAR part 740 Supp. 1. Burma and Russia are sanctioned there.
- Iraq – § 746.3

General Prohibition 6 – Embargoed destination or otherwise subject to controls in Part 746



WHAT ARE THE NONPROLIFERATION CONTROL POLICIES? EAR PART 744

- Certain nuclear end-uses (§ 744.2)
 - i.e., nuclear explosive activities, unsafeguarded facilities, nuclear fuel activities
- Design, development, production or use of certain rocket system or unmanned air vehicle (§ 744.3)
- Design, development, production, stockpiling or use of chemical or biological weapons, in or by any country or destination, worldwide (§ 744.4)

General Prohibition 5



LICENSE REQUIREMENT DUE TO . . . SUPPORT PROLIFERATION ACTIVITIES EAR § 744.6

- U.S. person may not support an export, reexport or transfer (in-country) related to a proliferation activity
 - Support includes facilitating a shipment or transfer, or performing any contract, service or employment that may benefit the end uses or end users
 - includes shipment, transmission, or transfer (in-country) of items not subject to the EAR
 - includes, but is not limited to: ordering, buying, removing, concealing, storing, using, selling, loaning, disposing, servicing, financing, or transporting, freight forwarding, or conducting negotiations in furtherance of
 - for nuclear, includes in any country not listed in Supplement no. 3 to part 744
 - for “missile” end uses, includes Cuba in addition to D:4
 - For “advanced node integrated circuits”, semiconductor manufacturing equipment, Category 3 items
 - **applies even when the items at issue are not subject to the EAR.** Beyond proliferation, adds a license requirement on the activities of U.S. persons in connection with foreign military intelligence services as defined in § 744.22 for all items subject to the EAR (including EAR99) to Belarus, Burma, Cambodia, China, Russia, Venezuela, E:1, or E:2

General Prohibition 7



‘MILITARY END USES’ OR ‘MILITARY END USERS’ (MEU) EAR § 744.21

- Military end use or military end users controlled in two tiers of countries: Burma, Cambodia, Nicaragua, the PRC, or Venezuela (§ 744.21(a)(1)), or Russia and Belarus (§ 744.21(a)(2))
- The ‘military end user’ controls scope for Burma, Cambodia, the PRC, Nicaragua, and Venezuela is for any item subject to the EAR listed in Supp. No. 2 if exporter has “knowledge” the item is intended for military end use. Also Burmese, Cambodian, Chinese, Nicaraguan, and Venezuelan ‘military end users’ wherever located in the world.
 - License review policy is presumption of denial for these countries.
 - **Wherever located controls** limited to only those ‘military end users’ identified on:
 - Burmese, Cambodian, Chinese, Nicaraguan, and Venezuelan - the MEU list, Supp. 7.
 - Russia/Belarus identified on the Entity List under supplement no. 4 to part 744 with a footnote 3 designation.
 - Supplement No. 7 to part 744 – ‘Military End-user’ (MEU) List – otherwise not an exhaustive list. Entities not listed are still subject to § 744.21 if they are military end users or a military end use is involved.

General Prohibition 5



‘MILITARY-INTELLIGENCE’ END USES OR END USERS IN BELARUS, BURMA, CAMBODIA, THE PRC, RUSSIA, VENEZUELA, E:1 OR E:2 (EAR § 744.22)

- General prohibition against the export, reexport, or transfer (in-country) any item subject to the EAR without a license from BIS if, at the time of the export, reexport, or transfer (in-country), you have “knowledge” that the item is intended, entirely or in part, for a ‘military-intelligence end use’; or a ‘military-intelligence end user’ **anywhere in the world** of one of these countries.
 - For ‘military-intelligence end users’ of these countries wherever located, § 744.22(f)(2) is an exhaustive listing. The list is illustrative only for inside these named countries.
 - Terms in single quotes are defined in the section.
- No license exception except one sub-paragraph of GOV is available; presumption of denial for license applications.

General Prohibition 7



OTHER END-USE CONTROL POLICIES

- Maritime nuclear propulsion (§ 744.5)
- Certain foreign aircraft or vessels (§ 744.7)
- Microprocessors and associated software and technology to military end uses and users to Country Group D:1 (§ 744.17)
- “Supercomputer” and semiconductor end use (§ 744.23)

General Prohibition 5



GENERAL PROHIBITION 10 – EAR §736.2(B)(10)

- Proceeding with transactions with knowledge that a violation has occurred or is about to occur (Knowledge Violation to Occur)
 - You may not sell, transfer, export, reexport, finance, order, buy, remove, conceal, store, use, loan, dispose of, transport, forward, or otherwise service, in whole or in part, any item subject to the EAR and exported or to be exported with knowledge that a violation of the Export Administration Regulations, the Export Administration Act or any order, license, License Exception, or other authorization issued thereunder has occurred, is about to occur, or is intended to occur in connection with the item. Nor may you rely upon any license or License Exception after notice to you of the suspension or revocation of that license or exception. There are no License Exceptions to this General Prohibition Ten in part 740 of the EAR.

General Prohibition 10

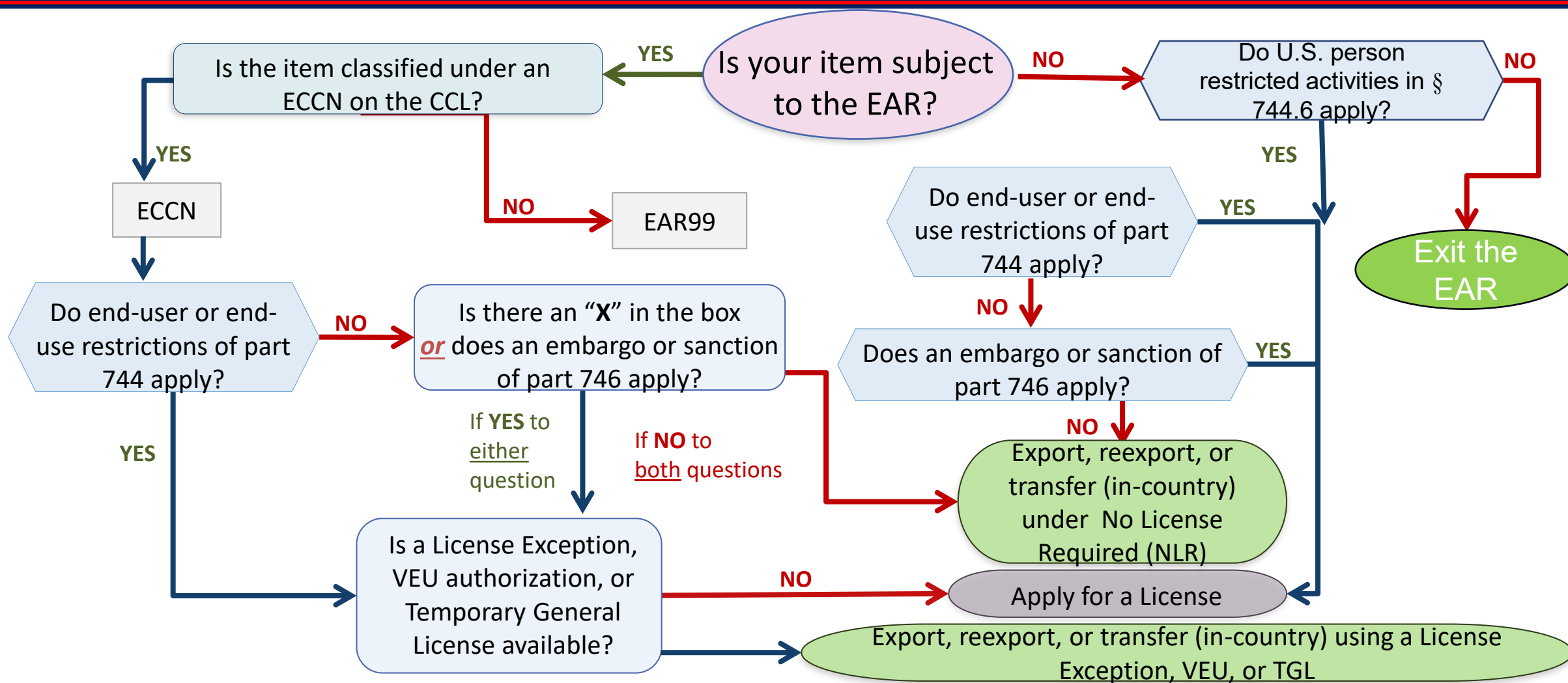


**YOU HAVE DETERMINED YOUR ITEM REQUIRES A LICENSE... WHAT IS
THE NEXT STEP?**

Is a License Exception Available?



EAR LICENSE REQUIREMENT FLOWCHART





LICENSE EXCEPTIONS – EAR PART 740

- Make sure your transaction requires a license before you look for a License Exception
 - If your transaction does not require an export license (“No License Required”) to your destination and end user for the intended end use, it is NLR for AES declaration purposes (NLR is *not* a License Exception)
- Ensure your transaction meets all criteria:
 1. Check the ECCN for restrictions
 2. Check 740.2 for general license exception restrictions
 3. Check specific exception
 4. All license requirements must be overcome by the license exception
- If more than one License Exception is available for your transaction, use the least restrictive.



COUNTRY GROUPS – SUPPLEMENT 1 TO EAR PART §740

- Group A: Regime Members and Partners
- Group B: Less Restricted
- Group D: Countries of Concern
- Group E: Terrorist Supporting





WHEN IS USE OF A LICENSE EXCEPTION RESTRICTED?

EAR § 740.2

- Authorization has been suspended or revoked
- Item is 9x515 or “600 series” and destined for Country Group D:5 (parts of GOV, TMP, or BAG may be available)
- Export subject to a General Prohibition that is not eligible for License Exceptions.
- Electronic Surveillance Equipment
- Crime control items to most destinations
- Most Missile Technology control items
- Embargoed destinations, in most instances



LICENSE EXCEPTIONS AVAILABLE FOR “600 SERIES” ECCNs

LVS § 740.3	Low value shipments (\$1500 for most 600 series commodity ECCNs)
TMP § 740.9	Temporary exports (tools of trade, exhibition/demonstration, certain exports to U.S. person’s facility abroad); certain returns of items temporarily in the United States, temporary exports of personal protective equipment
RPL § 740.10	One-for-one replacement/parts/components; return repaired or replaced items
GOV § 740.11 (b) or (c)	USG personnel and agencies, including contractor support personnel; certain shipments for or on behalf of USG and DoD-directed shipments; NATO agencies and Cooperating Governments
TSU § 740.13 (a), (b), (f), and (g)	Operation technology/software; sales technology; technology/ source code in the United States to <i>bona fide</i> , full time regular employees of U.S. universities; copies of technology previously authorized
BAG § 740.14	Certain personal protective equipment with U.S. person’s baggage or effects
STA § 740.20 (c)(1)	600 series for Country Group A:5 (see restrictions)



LVS – LIMITED VALUE EAR § 740.3

- Low value shipments of commodities (dollar value varies per ECCN, e.g., \$500, \$1500, \$3000)
- Country Group B
- The total value of exports per calendar year to the same ultimate or intermediate consignee of commodities classified under a single ECCN may not exceed 12 times the LVS value limit for that ECCN.

NO splitting orders!



TMP – TEMPORARY IMPORTS, EXPORTS, REEXPORTS, TRANSFERS EAR § 740.9

- Scope includes exports to a U.S. person's subsidiary, affiliate, or facility abroad
- Temporary exports, reexports, and transfers (in-country) § 740.9(a)
 - Tools of trade, including technology by US persons
 - Exhibition/demonstration, personal protective equipment, U.S. facility/affiliate, kits of replacement parts, inspection/calibration
- Temporarily in the U.S. § 740.9(b)
 - Return of foreign origin items, in-transit, demos/exhibitions
- Beta Test Software § 740.9(c)



RPL – SERVICING & REPLACEMENT OF PARTS & EQUIPMENT EAR § 740.10

- a) One-for-one replacement of parts, components, accessories, attachments
 - allows “600 series” parts to repair EAR or ITAR items under certain conditions
- b) Servicing & replacement of commodities and software
 - Servicing of commodities and software sent to U.S. or foreign party
 - Replacements for defective or unacceptable U.S.-origin equipment
- c) Special recordkeeping for “600 series” and certain ECCNs

NO ENHANCEMENTS!
No 9x515 or 600 series to D:5



GOV – GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS EAR § 740.11

Exports and Reexports for:

- U.S. government agencies or personnel, including ‘contractor support personnel’
- Agencies of cooperating governments and their diplomatic and consular missions, and NATO
- IAEA, OPCW, ISS
- Includes exports, reexports, and transfers (in-country) made for or on behalf of a department or agency of the U.S. Government, or when DoD-directed
 - § 740.11(b)(iii) and (iv). (iv) does not specify at what level DoD must direct the export, reexport or transfer



TSU – TECHNOLOGY AND SOFTWARE UNRESTRICTED

EAR § 740.13

- Operation technology and software
 - Minimum necessary for installation, operation, maintenance, repair of lawfully exported/reexported items (under a license, a License Exception, or NLR)
- Sales technology to any destination
- Software update that was lawfully exported/reexported – no enhancements
- Mass market software (General Software Note) to any destination, except E:1
 - excluding certain high-level encryption
- Allows releases of technology and source code in the U.S. to *bona fide*, full time regular employees of U.S. universities



BAG – BAGGAGE EAR § 740.14

- Items owned by the individual for personal use
 - tools of trade, personal effects, household effects, shotguns, firearms, vehicles
 - U.S. person, as defined in § 740.14(b)(4)(i), may temporarily take technology out of the U.S.
- Also available to USG personnel, including for:
 - “600 series” items limited to certain personal protective equipment (1A613.c body armor and .d helmet, and 1A607.f chemical or biological agent protective gear and one additional 1A607.x filter canister) with U.S. person’s baggage or effects



ITAR *EXEMPTIONS* TO EAR LICENSE *EXCEPTIONS*

ITAR Exemption	EAR License Exception
§ 123.4	RPL, TMP
§ 123.16(b)(2)	LVS
§ 123.16(b)(5)	TMP
§ 123.16(b)(9)	TMP
§ § 123.16(b)(6) and 123.17	TMP
§ 123.19	TMP
§ 125.4(b)(1)	GOV
§ 125.4(b)(3)	GOV
§ 125.4(b)(4)	TSU
§ 125.4(b)(5)	TSU
§ 125.4(b)(10)	TSU
§ 126.4	GOV
§ 126.6(a)	GOV



EAR Exception Scenario #2

Carmella 500 Launcher

- Our product performance in Afghanistan and Austria has really opened up our marketing activities, and to capitalize on that momentum, we want to send a launcher to the Singapore Trade Show to put on display for all to see.
- The trade show will last for seven days, and we anticipate the launcher being in country for no more that two weeks.
- The launcher will be located in a secure facility and controlled by our AFAS employees who will serve as the ultimate consignee
- Additional Information:
 - Carmella 500 : USML CAT VIII(a)(5)
 - Carmella 500 Launcher: 9A610.x
 - Carmella 500 Launch Rail: (Value: \$2,575 each)
- How can we send the launcher?





EAR Exception Scenario #2

Carmella 500 Launcher

- What is the Classification of the Launcher?
- What are the reasons for control?
- Is there a license requirement to export to Singapore?
- What if any exceptions are available to support this export to Singapore?

STA

LVS

GOV

TMP

RPL

TSU



9A610 Military aircraft and related commodities, other than those listed in 9A991.a (see List of Items Controlled) – ECCN 9A610.x

Reasons for Controls: NS, RS, MT, AT, UN	Country Chart (See Suppl. 1 to part 738)
NS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	NS Column 1
RS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see §742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See §746.1(b) for UN controls

License Exceptions LVS: \$1500 GBS: N/A CIV: N/A

STA:

- (1) Paragraph (c)(1) of License Exception STA (§ 740.20(c)(1) of the EAR) may not be used for any item in 9A610.a (i.e., “end item” military aircraft), unless determined by BIS to be eligible for License Exception STA in accordance with § 740.20(g) (License Exception STA eligibility requests for “600 series” end items).
- (2) Paragraph (c)(2) of License Exception STA (§ 740.20(c)(2) of the EAR) may not be used for any item in 9A610.

What are the reasons for Control apply to 9A610.x? NS:1, RS:1, AT:1, UN

Which reasons for Control apply to Singapore for 9A610.x? NS:1, RS:1

Reasons for Controls

Countries	Chemical and 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
Saudi Arabia	X	X	X	X		X	X	X	X	X		X		X		
Senegal	X	X		X		X	X	X	X	X		X		X		
Serbia	X	X				X	X	X	X	X		X	X	X		
Seycheles	X	X		X		X	X	X	X	X		X		X		
Sierra Leone	X	X		X		X	X	X	X	X		X		X		
Singapore	X	X		X		X	X	X	X	X		X		X		
Sint Maarten (the Dutch two-fifths of the island of Saint Martin)	X	X		X		X	X	X	X	X		X		X		
Slovakia ³	X					X		X	X							
Slovenia ³	X					X		X	X							
Solomon Islands	X	X		X		X	X	X	X	X		X		X		
Somalia ¹	X	X		X		X	X	X	X	X		X		X		

Is there a license requirement to export to Singapore?



EAR Exception Scenario #2

Carmella 500 Launcher

- What is the Classification of the Launcher? **9A610.x**
- What are the reasons for control? **NS and RS**
- Is there a license requirement to export to Singapore? **Yes**
- What if any exceptions are available to support this export to Singapore?

STA

LVS

GOV

TMP

RPL

TSU

740.9(a)(5) Exhibition and demonstration. ... authorizes exports, reexports, and transfers (in-country) of commodities and software for exhibition or demonstration in all destinations except Country Group E:1

- Exporter maintains ownership of the commodities...
- The exporter, an employee of the exporter, or the exporter's designated sales representative retains "effective control"...
- May not be used when abroad for more than the minimum extent required
- May not be exhibited or demonstrated at any one site for longer than 120 days...
- The export documentation must show the exporter as ultimate consignee....



CREATION OF LICENSE EXCEPTION STA

- To build an efficient supply chain and enhance interoperability between the United States and close allies for items controlled on the Commerce Control List (CCL) to destinations that pose relatively low risk of unauthorized uses
 - STA can replace multiple licenses
 - STA is quicker than the licensing process. STA can support the immediate export of eligible items and reexports or transfers (in-country) if the compliance and record keeping requirements are satisfied
 - STA allows for the shipment of unlimited value, whereas with a license a new one must be obtained once its value is exhausted



AUTHORIZING PARAGRAPHS IN STA

- For all items subject to the EAR...
- BUT must be pre-authorized for specific ECCN
- Review limitations under 740.20(b)(2) and applicable ECCN

§ 740.20(c)(1) Country Group A:5

- All reasons for control that apply to transaction must be authorized to use STA
 - **NS, CB, NP, RS, CC, or SI**
- Available for exports or reexports to Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, and UK.

§ 740.20(c)(2) Country Group A:6 – **NOT available for 600 series or 9x515 items**

- Authorizes items controlled for **NS reasons only**
- Available for exports or reexports to Albania, Cyprus, Israel, Malta, Mexico, Singapore, South Africa, and Taiwan
- Country A:6 includes the countries in A:5

Important tip: countries that cannot receive items under STA may still be able to use STA to reexport to STA-eligible destinations



STA – STRATEGIC TRADE AUTHORIZATION EAR §740.20

Limitations:

- Cannot overcome license requirements in Part 744 (end use/user) or Part 746 (embargoes/sanctions)
- Cannot overcome: EI, SS, SL, MT, or CW
- Cannot be used for items subject to another agency's jurisdiction, e.g., DDTC, NRC, DOE
- Many specific ECCN limitations, see list in 740.20(b)(2)
- See also STA limitations specifically in the ECCNs



STA – STRATEGIC TRADE AUTHORIZATION EAR §740.20

Requirements specific to “600 series”:

- Only to Country Group A:5
- **Ultimately** to be used by government agencies of A:5, USG or an end use/user authorized by USG
- Prior USG permission to use STA for certain ECCNs, see (g): 0A606.a, 8A609.a, 8A620.a or .b, or 9A610.a; party “vetting”
- May not be used for “600 series major defense equipment” where value exceeds \$25,000,000



STA – STRATEGIC TRADE AUTHORIZATION

EAR §740.20

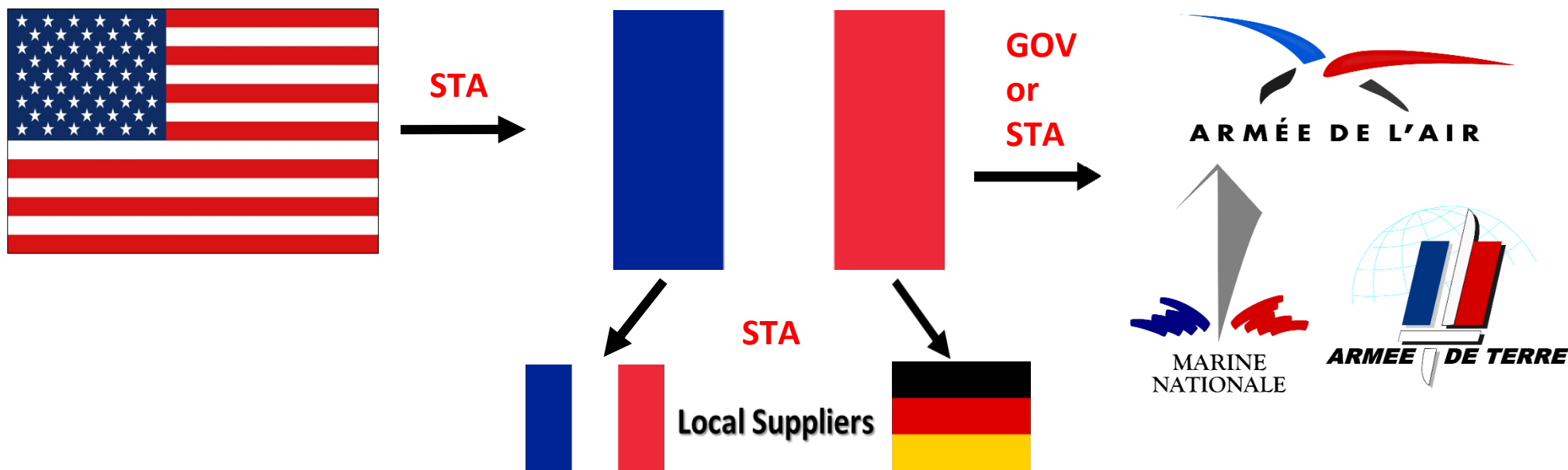
	600 Series Items	9x515 Items	Other EAR Items
Ultimate government end use required?	Yes, unless to be sent back to person in U.S. or for end-use otherwise authorized by USG	No	No
Always limited to Country Group A:5?	Yes	Yes	No
Eligibility request required?	Yes, for end items in 0A606.a, 8A609.a, 8A620.a 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 IN ACTION

U.S. Company to export 600 Series military items, tooling equipment, and related technology (engineering drawings, production manuals, etc.) to a defense contractor in France to assist with production of structural components for military aircraft (fighter jet, cargo transport, etc.) for end-use by French Armed Forces.

**U.S. Company exports items
via License Exception STA**

**Defense Contractor in France utilizes items
in production process to support French MOD**





STA – STRATEGIC TRADE AUTHORIZATION EAR §740.20

- Conditions for **all ECCNs**:
 - Requirement to furnish ECCN to consignee and all subsequent consignees
 - Prior Consignee Statement, see (d)(2)(i) –(vi)
- Conditions for **600 series**, all of the above, plus:
 - (d)(2)(vii) summarizes the 600 series limitations
 - (d)(2)(viii) USG end use check



Other STA Tips

- You may receive a follow-up call or email from BIS after using ANY license exception (not just STA which is a common misconception).....Don't Panic!
- Conduct routine internal audits of your exports to assess compliance with the EAR
- Self-correct AES EEI filing errors (common errors – ECCN, destination, license type)
- For your STA internal audits, check for:
 - Appropriate ultimate end user (A:5, USG, person located in the U.S.)
 - Must receive written consignee statement **prior** to shipping
 - Must provide written notification to consignee of STA shipment
 - Be clear about whether it is the ENTIRE shipment or just part of the shipment is subject to STA



STA REQUIREMENTS: SNAPSHOT BY PARTY

	Exporter/Transferor/Reexporter	Consignee
1	Provide ECCN(s) to consignee	
2		Provide written consignee statement to Exporter/Transferor/Reexporter
3	Obtain written consignee statement from consignee prior to shipping	
4	Notify consignee in writing that shipment (or specific items within a shipment) is (are) under STA	
5	Keep records showing which shipments belong to each consignee statement	Maintain written consignee statement and records pertaining to subsequent reexport or transfer



EAR Exception Scenario #3

Carmella 500 Launcher Rail

- Our sale and delivery of the Carmella 500 TUAV to the AMoD (gov't end-user) was a success. The AMoD has now decided that in order to best prepare for contingencies, they would like a minimum of five Launcher Rails on-hand at all times in case any might fail. The five rails will be obtained by T3 as part of their contract with the AMoD to provide sustainment
- T3 is an Austrian Company (civilian gov't contractor);
- Additional Information:
 - Carmella 500 : USML CAT VIII(a)(5)
 - Carmella 500 Launcher: 9A610.x
 - Carmella 500 Launch Rail: (Value: \$2,575 each)
- How can we send the rails?



EAR Exception Scenario #3 Carmella 500 Launcher Rail

- What is the Classification of the Launch Rail?
- What are the reasons for control?
- Is there a license requirement to export to Austria?
- What if any exceptions are available to support this export to Austria?

STA

LVS

GOV

TMP

RPL

TSU



9A610 Military aircraft and related commodities, other than those listed in 9A991.a (see List of Items Controlled) – **ECCN 9A610.x**

Reasons for Controls: NS, RS, MT, AT, UN	Country Chart (See Suppl. 1 to part 738)
NS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	NS Column 1
RS applies to entire entry except : 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see §742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See §746.1(b) for UN controls

License Exceptions LVS: \$1500 GBS: N/A CIV: N/A

STA:

(1) Paragraph (c)(1) of License Exception STA (§ 740.20(c)(1) of the EAR) may not be used for any item in 9A610.a (i.e., “end item” military aircraft), unless determined by BIS to be eligible for License Exception STA in accordance with § 740.20(g) (License Exception STA eligibility requests for “600 series” end items).

(2) Paragraph (c)(2) of License Exception STA (§ 740.20(c)(2) of the EAR) may not be used for any item in 9A610.

What are the reasons for Control apply to 9A610.x? **NS:1, RS:1, AT:1, UN**

Which reasons for Control apply to **Austria for 9A610.x? **NS:1, RS:1****

Reasons for Control

Countries	Chemical and 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 ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ¹⁰	X															
Austria ^{3 4}	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		
Bangladesh	X	X		X		X	X	X	X	X		X		X		

Is there a license requirement to export to Austria?



License Exception STA Country Groups A:5 and A:6

STA Country Group A:5:

Argentina	Australia	Austria	Belgium	Bulgaria
Canada	Croatia	Czech Republic	Denmark	Estonia
Finland	France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy	Japan
Latvia	Lithuania	Luxembourg	Netherlands	New Zealand
Norway	Poland	Portugal	Romania	Slovakia
Slovenia	South Korea	Spain	Sweden	Switzerland
Turkey	United Kingdom			

STA Country Group A:6:

Albania	Cyprus	Israel	Malta
Mexico	Singapore	South Africa	Taiwan



EAR Exception Scenario #3 Answer

Carmella 500 Launcher Rail

- What is the Classification of the Launch rail? **9A610.x**
- What are the reasons for Control? **NS and RS**
- Is there a license requirement to export to Austria? **Yes**
- What if any exceptions are available to support this export to Austria?
STA LVS GOV TMP RPL TSU
- Why not GOV? **T3 is a civilian ultimate consignee**
- Some Additional STA Use Requirements?
 - The *ultimate* end user...
 - Requirement to furnish Export Control Classification Number
 - Prior Consignee Statement
 - Notification to consignee of STA shipment



SUMMARY: LICENSE EXCEPTIONS

- Make sure your transaction requires a license (i.e., there is an “X” in the box, or some other licensing requirement) before reviewing the License Exceptions.
- Before going to a specific license exception, make sure there are no general restrictions under the ECCN or in part 740.2.
- Each exception is unique, make sure you meet of all of the criteria.



QUESTIONS & ANSWERS