

International Credit Executives *Export Compliance*

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Export Regulations Overview

- Export Administration Regulations (EAR)
- International Traffic in Arms Regulations (ITAR)
- Foreign Trade Regulations (FTR)







Bureau of Industry and Security (BIS)

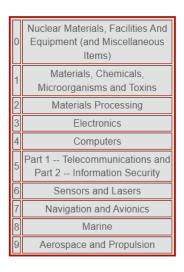
Implements and enforces the Export Administration Regulations (EAR

What are you exporting?
Where are you exporting?
Who will receive your item?
What is the end-use of your item?

http://www.bis.doc.gov/



What are you exporting?



- Commerce Control List (CCL)
- Export Control Classification Number (ECCN)
- License exceptions
- EAR99 subject to EAR but not on the CCL

http://www.bis.doc.gov/

Where are you exporting?

- •Commerce Country Chart if you have an ECCN
- Treasury, Office of Foreign Assets Control (OFAC)
 Cuba, Iran, North Korea, Syria
 Belarus and Russia
 Others

http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx

Where are you exporting?

Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuolear Nonproliferati on		National Security		Missile Tech			Firearms Convention		Crime Control		Anti- Terrorism	
_	C8 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	oc 1	CC 2	CC 3	AT 1	AT 2
Afghanistan	Х	X	X	Х		Х	X	X	Х	X		Х		Х		
Albania ^{2,3}	Х	X		Х		Х	X	Х	Х	Х						
Algeria	Х	X		Х		Х	X	Х	Х	X		Х		Х		
Andorra	Х	Х		Х		Х	X	Х	Х	Х		X		X		
Angola	Х	X		Х		Х	X	X	Х	X		Х		X		
Antigua & Barbuda	Х	X		Х		Х	X	X	Х	Х	X	X		X		
Argentina	Х					Х		X	Х		X	Х		X		
Armenia	Х	Х	X	Х		Х	X	Х	Х	Х		X	Х			
Aruba	Х	X		Х		Х	X	Х	Х	Х		X		X		
Australia ³	Х					Х		Х	Х							

https://bis.doc.gov/index.php/regulations/export-administration-regulations-ear

Who will receive your item?

- "Lists to check"
 Denied Persons List
 Entity List
 Unverified List
 Military End User List (Burma, Cambodia, China, Venezuela)
 Specially Designated Nationals (SDN OFAC)
 Debarred List (State Department)
 Nonproliferation Sanctions
- Consolidated Screening List
- GTM Software

http://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern

Red Flags/Know your customer

- Decide whether there are "red flags"
- If there are red flags, inquire
- Do not self-blind
- Employees need to know how to handle "red flags"
- Reevaluate all the information after the inquiry
- Refrain from the transaction or advise BIS and wait



 Examples: Missing end-user or end-use information, unusual payment or shipping terms, buyer does not want routine installation support, final destination is a freight forwarder's address

EAR Part 732, https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear



Export Compliance Guidelines

The Elements of an Effective Export Compliance Program

Key Elements:

- 1) Management Commitment
- 2) Risk Assessment
- 3) Export Authorization
- 4) Recordkeeping
- 5) Training
- 6) Audits
- 7) Handling Export Violations/ Taking Corrective Actions
- 8) Export Compliance Manual

https://www.bis.doc.gov/index.php/compliance-a-training/export-management-a-compliance/compliance/property-management-a-compliance/compliance/property-management-a-compliance/property-management-a

State Department

- Directorate of Defense Trade Controls (DDTC)
 International Traffic in Arms Regulations (ITAR)
- Controls the export and temporary import of defense articles and defense services covered by the United States Munitions List (USML).
- All USML exports require a license from the State Department, and a manufacturer of a USML item, even if not an exporter, must register with DDTC.



https://www.pmddtc.state.gov/

Census – Foreign Trade Regulations

- Mandatory Automated Export System (AES) Filing for All Shipments Requiring Electronic Export Information (EEI)
- Automated Commercial Environment (ACE) single window
- Schedule B Numbers



https://www.census.gov/foreign-trade/index.html

Incoterms® 2020

Each rule must be followed by a named place and reference the version used Example: FCA Wisconsin Valve Co., 123 Main Street, Milwaukee, WI Incoterms 2020

Any mode(s) of transport

- EXW Ex Works
- FCA Free Carrier
- CPT Carriage Paid to
- CIP Carriage and Insurance Paid to
- DAP Delivered at Place
- DPU Delivered at Place Unloaded
- DDP Delivered Duty Paid

Sea and Inland Waterway Transport only

- FAS Free Alongside Ship
- FOB Free On Board
- CFR Cost and Freight
- CIF Cost Insurance and Freight



https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/

Upcoming WCTC Courses

Export Compliance workshop, 9:00 am - 3:00 pm, December 15

Global Logistics, Tuesdays 6:00-8:50 pm, October 24-December 12

Export Compliance, Tuesdays 6:00-8:50 pm, January 23-March 12

Import Compliance, Tuesdays 6:00-8:50 pm, March 26-May14

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