

Element 3: Record Keeping

OBJECTIVE: To ensure export control documents are maintained in an accurate and consistent manner and are available for inspection as required by the EAR.

PROCEDURE: The company's ability to monitor the effectiveness of an export control system depends on the maintenance of complete and accurate records. This element provides a system to ensure that records are maintained in accordance with the EAR.

The individual responsible for export control should determine where and how records are to be maintained and develop a filing method that will allow for the most control and accessibility. Consideration should be given to the development of centralized record keeping systems, in which records required under the EAR are quickly identifiable. Departments involved in export activities should be well informed of proper procedures for the maintenance of documents. Regardless of the type of filing system developed, all records must be made available to Department of Commerce personnel as required in [Section 762.7 of the EAR](#).

Types of records to be maintained will depend on the nature of the company's activities and how items are controlled for export under the EAR. The retention period for records is 5 years from the date of the export, reexport, or any other termination of the transaction as defined in [Section 762.6 of the EAR](#).

An EMS should include both a description of the process for record maintenance (including locations and personnel responsible) and a list of records to be maintained.

Finally, in addition to retention of records, specific logs should be implemented to enhance record keeping and ensure that the terms of certain license exceptions are met and are used correctly.

Two examples of where you might want to implement a log for enhanced record keeping are described below:

Temporary imports, exports, and reexports (TMP)

License Exception TMP authorizes the export of commodities and software for temporary use abroad. Companies should establish a process to ensure that all shipments are processed in accordance with [Section 740.9](#) of the EAR. Accordingly, a log should be maintained to track shipments in order to ensure all destinations are authorized by the EAR and all items are either returned within one year or transferred according to the provisions of the EAR. Recording of the United States Customs reentry numbers may be useful in situations where items are returned to the exporter. Again, specific personnel should be assigned this responsibility.

Shipments of limited value (LVS)

License Exceptions LVS authorizes the export and reexport in a single shipment of eligible commodities with limited value destined for [Country Group B \(See Supplement No. 1 to Part 740.\)](#). Companies should establish a process to ensure that shipments do not exceed LVS limits and are in compliance with [Section 740.3](#) of the EAR. A log is recommended to ensure that LVS is not used more than 12 times for a particular ECCN in a calendar year to the same ultimate or intermediate consignee.

TRANSACTION FILES

The company with an established EMS should maintain a filing system that allows for review of conformity of documents, i.e., invoices, delivery notes, and Air Waybills. [Part 762.5](#) describes various record formats that you may use instead of maintaining original records.