



Compliance with the Export Administration Regulations (EAR) in AES EEI Filings



Agenda Topics

- The Bureau of Industry and Security (BIS)
- EAR-Related AES Data Elements
- Ways to Measure EAR Compliance in AES
- Findings: Industry EAR Compliance Problems
- Preventative Measures: CCL and Country Chart
- Questions and Answers

Bureau of Industry and Security Mission

**Advance
national security,
foreign policy
and
economic
interests**

- **Develops export control policies**
- **Issues export licenses**
- **Prosecutes violators to heighten national security**
- **Develops and implements programs that ensure a technologically superior defense industrial base**



3 Types of Commerce Exports in AES

- Licensed Exports or Authorizations
 - C30, C31 or C57
- License Exceptions
 - C35 to C56
- No License Required
 - C32 and C33



Important AES Data Elements

- License Type (license, exception, NLR)
- License Number
- ECCN
- Country
- Quantity and Value
- Exporter
- Consignee
- U.S. Agent
- AES Filer
- Harmonized System (HS)/Schedule B Number

AESDirect 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**

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

Edit Section
Clear Section
View SED

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**
[Export Code Full Descriptions]

■ *Origin of Goods*

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

■ *Export License Number*

■ *ECCN*

- 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](#)



- Shipment Information
- USPPI
- Ultimate Consignee
- Intermediate Consignee
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- 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

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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]

Ways BIS Measures EAR AES Compliance

- Compare Licensed and Authorized Exports in AES with the Actual License or Authorization
 - C30, C31 and C57
- Verify that License Exception Exports in AES are Reported in Accordance with the EAR
 - C35 – C56
- Verify that “No License Required” (NLR) Exports in AES are Designated Properly
 - C32 and C33



FINDINGS: EAR Compliance

- Mismatch Between AES Data and License Data
- Improper Use of ECCNs or CCL-Based License Exceptions
- Improper Use of NLR Codes C32 and C33
- Improper NLR Designations

Mismatch Between AES Data and License Data

- ECCN on License Must Match with AES
- Country on License Must Match with AES
 - End-User, Ultimate Consignee
- Value of License Cannot be Exceeded in AES
- Licenses are not Utilized in AES

Improper Use of ECCN/License Exceptions

- ECCNs are Invalid
- ECCN is not Eligible for List-Based License Exceptions
 - C35 (LVS), C36 (GBS), C37 (CIV), C38 (TSR)
- Country is not Eligible for List-Based License Exceptions
 - C35, C36 and C38 = Country Group B
 - C37 = Country Group D:1
- LVS Exception Value Limits Exceeded
- ECCN is not Eligible for License Exception ENC
 - Only 5A002, 5B002, 5D002 and 5E002 are valid

Structure of the ECCN

1 A 202

1 CATEGORY

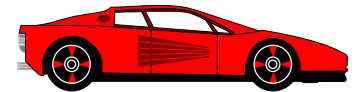
A PRODUCT GROUP

202 TYPE OF CONTROL



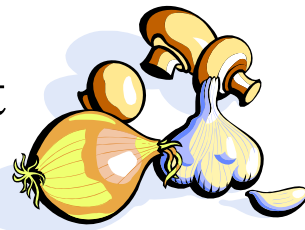
EAR99 Items

- Items that are not specifically listed on the Commerce Control List yet subject to the EAR, use the designation EAR99 in place of an ECCN.

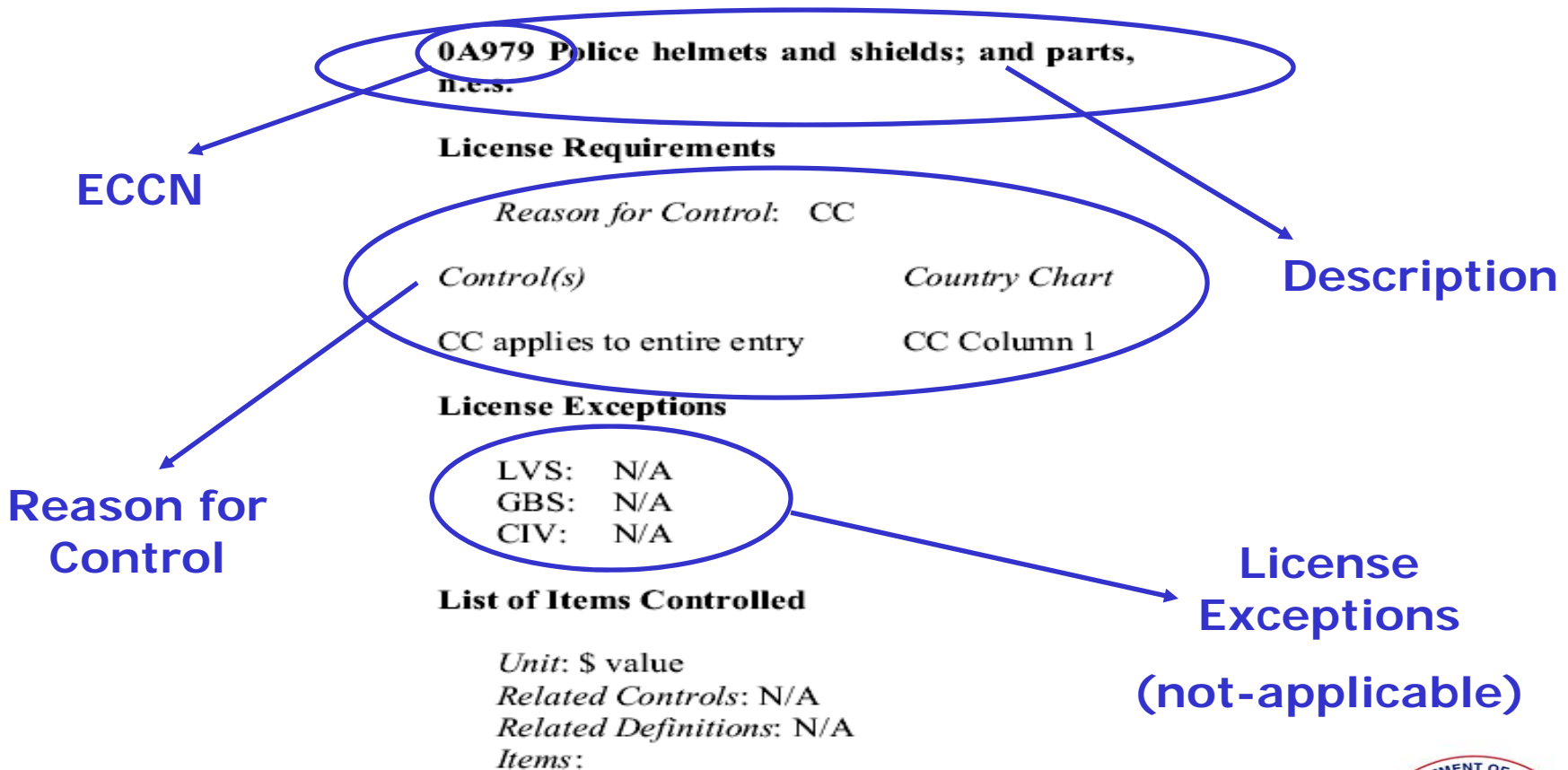


- This designation may be found at the end of every category of the CCL:

“EAR99: Items subject to the EAR that are not elsewhere specified in this CCL Category or in any other category in the CCL are designated by the “basket or catch-all” entry *EAR99*.”



Is the ECCN Eligible for a License Exception?



Is the ECCN Eligible for a License Exception?

3A001 Electronic components and specially designed components therefor, as follows (see List of Items Controlled).

License Exceptions

LVS: N/A for MT or NP

Yes for:

\$1500: 3A001.c

\$3000: 3A001.b.1, b.2, b.3, b.9, .d, .e,
.f, and .g

\$5000: 3A001.a (except a.1.a and
a.5.a when controlled for MT), and
b.4 to b.7

GBS: Yes for 3A001.a.1.b, a.2 to a.12
(except .a.5.a when controlled for
MT), b.2, b.8 (except for TWTAs
exceeding 18 GHz), b.9., and .g.

CIV: Yes for 3A001.a.3, a.4, a.7, and a.11.

Description

List-Based
License
Exceptions



Is the Country Eligible for a License Exception?

3A001 Electronic components and specially designed components therefor, as follows (see List of Items Controlled).

License Exceptions

LVS: N/A for MT or NP

Yes for:

\$1500: 3A001.c

\$3000: 3A001.b.1, b.2, b.3, b.9, .d, .e, .f, and .g

\$5000: 3A001.a (except a.1.a and a.5.a when controlled for MT), and b.4 to b.7

GBS: Yes for 3A001.a.1.b, a.2 to a.12 (except .a.5.a when controlled for MT), b.2, b.8 (except for TWTAs exceeding 18 GHz), b.9., and .g.

CIV: Yes for 3A001.a.3, a.4, a.7, and a.11.

ECCN

Description

List-Based License Exceptions



Country Groups for License Exceptions

- Supplement No. 1 to Part 740
- Country Groups Eligible for List-Based License Exceptions
 - LVS, GBS, TSR – Limited to Country Group B
 - C35, C36 and C38
 - CIV – Limited to Country Group D:1
 - C37

Exceeding the LVS Value Limit

3A001 Electronic components and specially designed components therefor, as follows (see List of Items Controlled).

License Exceptions

LVS: N/A for MT or NP

Yes for:

\$1500: 3A001.c

\$3000: 3A001.b.1, b.2, b.3, b.9, .d, .e, .f, and .g

\$5000: 3A001.a (except a.1.a and a.5.a when controlled for MT), and b.4 to b.7

GBS: Yes for 3A001.a.1.b, a.2 to a.12 (except .a.5.a when controlled for MT), b.2, b.8 (except for TWTAs exceeding 18 GHz), b.9., and .g.

CIV: Yes for 3A001.a.3, a.4, a.7, and a.11.

Description

List-Based License Exceptions



Is ECCN Eligible for License Exception ENC–C50?

License Exception ENC authorizes export and reexport of software and commodities and components therefor that are classified under ECCNs 5A002 a.1, a.2, a.5, a.6 or a.9, 5B002, 5D002, and technology that is classified under ECCN 5E002. This License Exception ENC does not authorize export or reexport to, or provision of any service in any country listed in Country Group E:1 in Supplement No. 1 to part 740 of the EAR, or release of source code or technology to any national of a country listed in Country Group E:1. Reexports and transfers under License Exception ENC are subject to the criteria set forth in paragraph (c) of this section. Paragraph (d) of this section sets forth information about review requests required by this section. Paragraph (e) sets forth reporting required by this section.

Is the “NLR” Designation Used Properly?

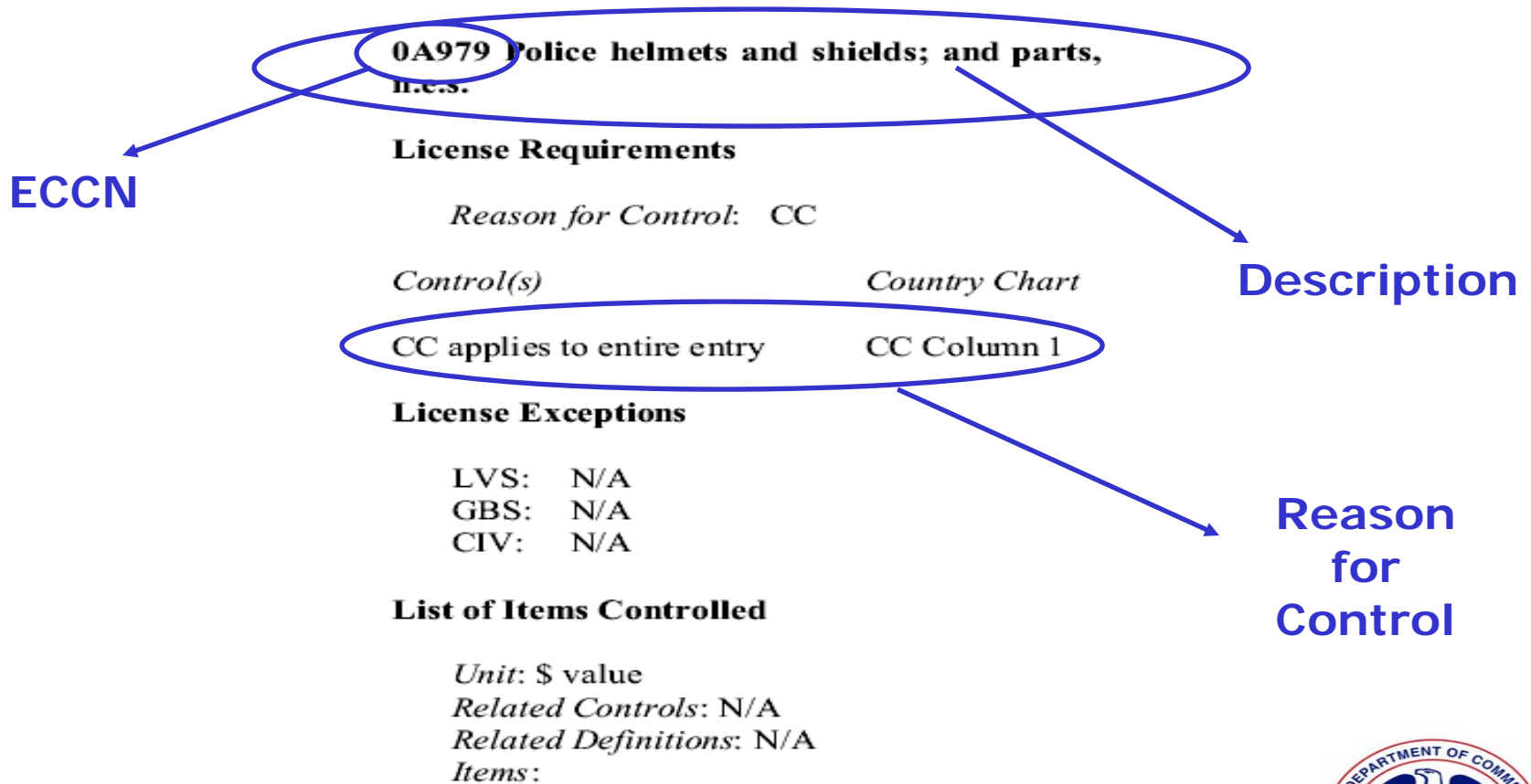
- Valid Use of C32
 - ECCN with control other than or in addition to Anti-Terrorism
- Valid Use of C33
 - ECCN with Anti-Terrorism control only, or
 - EAR99, or
 - Destined to Puerto Rico or the Virgin Islands
- Verify NLR Claim - Review ECCN and Country

Reasons for Control

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



Proper Use of NLR-C32



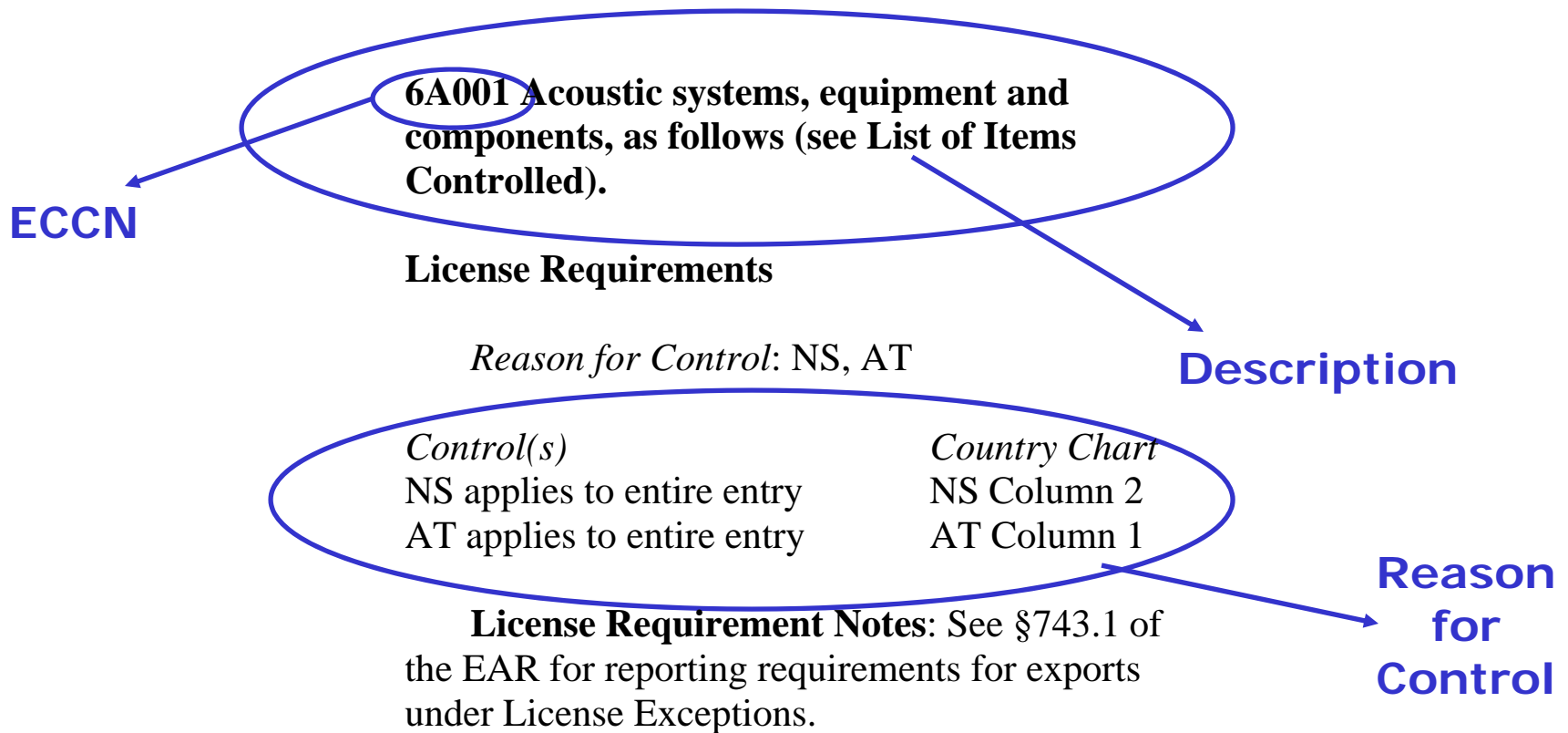
The list of items controlled is contained in the ECCN heading.

CCL Country Chart

Reason for Control

Country	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB1	CB2	CB3	NP1	NP2	NS1	NS2	MT1	RS1	RS2	FC1	CC1	CC2	CC3	AT1	AT2
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	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	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		
Barbados	X	X		X		X	X	X	X	X	X	X		X		
Belarus	X	X	X			X	X	X	X	X		X	X			
Belgium	X					X		X	X							

Proper Use of NLR-C32



CCL Country Chart

Country	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB1	CB2	CB3	NP1	NP2	NS1	NS2	MT1	RS1	RS2	FC1	CC1	CC2	CC3	AT1	AT2
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	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X			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	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		
Barbados	X	X		X		X	X	X	X	X	X	X		X		
Belarus	X	X	X			X	X	X	X	X		X	X			
Belgium	X					X		X	X							

Reason for Control



Proper Use of NLR-C33

**3A991 Electronic devices and components
not controlled by 3A001.**

License Requirements

ECCN

Reason for Control: AT

Description

Control(s)
AT applies to entire entry

Country Chart
AT Column 1

**Reason for
Control**

License Requirements Notes:

See 744.17 of the EAR for additional license requirements for commodities classified as 3A991.a.1.

License Exceptions

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



CCL Country Chart

Reason for Control

Country	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB1	CB2	CB3	NP1	NP2	NS1	NS2	MT1	RS1	RS2	FC1	CC1	CC2	CC3	AT1	AT2
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	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	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		
Barbados	X	X		X		X	X	X	X	X	X	X		X		
Belarus	X	X	X			X	X	X	X	X		X	X			
Belgium	X					X		X	X							



Is an Export License Required?

- **X** in the box
 - License
 - License Exception

- No **X** in the box or EAR99
 - NLR - No License Required

Improper Classification Results

- Delays in exporting
- Violation(s) of the EAR
- Penalties





Contact Information

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Washington, DC 20230
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202-482-5361 (fax)**





Contact Information

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U.S. Department of Commerce

Office of Exporter Services

202-482-4811

Website: www.bis.doc.gov

