

DIRECT PRODUCT RULE

General Prohibition No. 3 - Reexport and export from abroad of foreign produced direct product of U.S. technology or software (D:1 and E:1)

- Country scope of prohibition - you may not reexport or export from abroad items subject to GP 3 to a destination in country group D:1 or E:1 (listed in part 740 supp. 1), unless authorized by a license or LE.

(1) Am I dealing with certain NS controlled technology or software that would require/could require a written assurance? (2) Is the resulting item controlled for NS reasons? (3) Is export destined to a D:1 or E:1 country?

Foreign-made items are subject to GP 3 if the item meets either conditions defining **(A) direct product of technology** or conditions defining **(B) direct product of a plant**.

(A) Direct Product of Technology or Software:

(Needs to meet both conditions)

- (1). Direct product of technology or software that requires a written assurance as a supporting document for a license as defined in part 748 Supp. 2 (o)(3)(i), or as a precondition for use of LE TSR in part 740.

NOTE to 748: If submitting a license application to export technology controlled for NS reasons to a country not listed in Country Group D:1 or E:1, upon request, you must provide BIS with a letter of assurance from the ultimate consignee assuring that they will not reexport this technology to D:1 or E:1 country.

NOTE to LE TSR (Technology and Software Under Restriction)

If only controlled for NS and TSR/yes on ECCN, then can use this to country group B, but again with written assurance that it won't be reexported to D:1 or E:1.

- (2) The produced item that is based on this technology or software is subject to national security controls as designated in the ECCN on CCL.

(B) Conditions defining direct product of a plant.

(Needs to meet both conditions)

- (1) Such plant or component is direct product of technology that requires written assurance as supporting document for a license, or as precondition for use of LE TSR.
- (2) Such foreign-made direct products of the plant or component are subject to national security controls as designated in applicable ECCN.