US Sublicensing FAQs

1. What is the purpose of this modification to the Guidelines?

In the past, applicants interpreted DDTC's position on U.S. Sub-licensing to mean a foreign party was simply not authorized to sub-license to U.S. Persons. Therefore foreign parties had to rely on other foreign entities to provide necessary services and defense articles to support DTC licensed programs unless the potential U.S. Sub-licensees were identified as signatories to the agreement. This modification was made to provide clarity to DDTC's position regarding foreign parties Sub-licensing to U.S. Persons.

With regard to U.S. sub-licensing:
For any U.S. Person to export (§120.17) or temporary import (§120.18) defense articles or the provision of defense services, that U.S. Person must be registered and obtain the appropriate license through the Department of State. The simple identification of a U.S. Person as a potential Sub-licensee on an agreement application does not serve as a means of licensing such exports or temporary imports.

Therefore, the identification of U.S. Sub-licensees in an agreement serves only to provide clarity to the U.S. Government as to the overall scope of the agreement. It does not serve as an authorization for additional U.S. Persons to export (§120.17) or temporary import (§120.18) defense articles or the provision of defense services.

2. Is there a requirement for the applicant to include any specific clause within the agreement application addressing the requirement for U.S. Sub-licensees to obtain separate export and/or temporary import authorizations?

No, it is the responsibility of the U.S. Sub-licensee to obtain any required authorizations.

3. Are U.S. Sub-licensees required to sign Non-Disclosure Agreements (NDA) as required by foreign sub-licensees?

No, NDAs are not required for U.S. Sub-licensees.