

## **TABLE OF CONTENTS**

### **1. OVERVIEW**

<b>Sec.</b>		<b>Page</b>
1.1	Background .....	1-1
1.2	Compliance and Enforcement .....	1-2
1.3	Legislative History .....	1-3
1.4	EAR Reform .....	1-5
1.5	Introduction to the EAR .....	1-6
1.6	Scope .....	1-6
1.7	Unilateral Controls and Multilateral Regimes .....	1-10
1.8	“Knowledge” Standard .....	1-12
1.9	Offices and Agencies Involved in Export Control and Enforcement .....	1-13
<b>Attachments</b>		
1-1	BIS’s “Know Your Customer” Guidance and Red Flags .....	1-17
1-2	Principal Government Export Control Organizations .....	1-21
1-3	Internet Guide to Export Trade Leads .....	1-27
1-4	Overlapping Membership Among Export Control Regimes .....	1-33

### **2. EXPORT LICENSING PROCESS AND PROCEDURES**

2.1	Introduction .....	2-1
2.2	Background .....	2-2
<b>License Determination</b>		
2.3	Commerce Control List .....	2-3
2.4	Commerce Country Chart .....	2-6
2.5	License Exceptions .....	2-7
2.6	Validated End-User .....	2-11
2.7	Prohibited Parties Database Screening .....	2-11
2.8	Proliferation Screening .....	2-14
2.9	High-Risk Transaction Screening .....	2-16
2.10	Other Restrictions .....	2-16
<b>Support Documents</b>		
2.11	Background .....	2-17
2.12	Import Certificates and End-User Statements .....	2-18
2.13	End-Use Statement .....	2-19
<b>Attachments</b>		
2-1	Overview of General Prohibitions .....	2-23
2-2	Overview of Countries in the Commerce Country Chart Columns .....	2-25
2-3	Overview of License Exceptions .....	2-27
2-4	Combined Country Group Matrix .....	2-35
2-5	Proliferation Screening Determination Matrix .....	2-45
2-6	Support Documents Matrix .....	2-51
2-7	Government Authorities Issuing Import or End-User Certificates .....	2-57
2-8	Sample Walk-Through to Determine Whether a License is Required .....	2-65
2-9	ECCN Structure .....	2-69
2-10	Decision Tree for Export Transactions .....	2-71

### 3. SOFTWARE, TECHNOLOGY AND ENCRYPTION LICENSING PROCESS AND PROCEDURES

Sec.		Page
3.1	Introduction .....	3-1
3.2	Software and Technology not subject to the EAR .....	3-1
3.3	Methods of "Release" .....	3-3
3.4	Foreign Person Definition .....	3-3
3.5	License Determination .....	3-4
3.6	Support Documents .....	3-12
3.7	Visits of Foreign Persons .....	3-13
3.8	Hiring of Foreign Persons .....	3-13
3.9	The Internet .....	3-14
3.10	Restrictions on Activities of U.S. Persons .....	3-15

#### Attachments

3-1	Software and Technology ECCNs Eligible under License Exceptions TSR and CIV, or CTP .....	3-19
3-2	Example of a Letter of Assurance for Software for License Exception TSR .....	3-21
3-3	Example of a Letter of Assurance for Technology for License Exception TSR .....	3-23
3-4	Example of an Importer Statement for License Exception TMP Beta Test Software .....	3-25
3-5	Decision Tree for Hiring of Foreign Persons .....	3-27
3-6	License Exception ENC Matrix .....	3-29

### 4. RE-EXPORT LICENSING PROCESS AND PROCEDURES

4.1	Introduction .....	4-1
4.2	License Determination .....	4-2
4.3	Support Documents .....	4-6

#### Special Rules for U.S. Content in Foreign-Made Items

4.4	Background .....	4-7
4.5	Focus: Commodity Manufacturers .....	4-8
4.6	U.S. Re-export License Requirement Matrix .....	4-11
4.7	Software and Technology <i>De Minimis</i> Levels .....	4-11
4.8	Manufactured Goods Produced from U.S. Technology .....	4-13

#### Attachment

4-1	Overview and Examples of License Exception APR .....	4-17
4-2	Country Group A:1 and Cooperating Countries .....	4-21
4-3	Countries Eligible for License Exception APR .....	4-23
4-4	Example of U.S. Re-export License Requirement Matrix .....	4-25

### 5. FORMS PREPARATION

5.1	Introduction .....	5-1
5.2	Preparation of Forms .....	5-2

#### Attachments

##### BIS-748P — Multipurpose Application

5-1	Blank Form .....	5-5
5-2	Instruction Sheet from Official Form .....	5-7
5-3	General Preparation Instructions for Exports .....	5-15

**5. FORMS PREPARATION (cont.)**

<b>Sec.</b>	<b>Page</b>
<b>BIS-748P — Multipurpose Application (cont.)</b>	
5-4 Example of Completed Form for Exports .....	5-25
5-5 General Preparation Instructions for Re-exports .....	5-27
5-6 Example of Completed Form for Re-exports .....	5-39
5-7 Unique License Application Requirements .....	5-41
<b>BIS-748P–A — Item Appendix</b>	
5-8 Blank Form .....	5-43
5-9 General Preparation Instructions .....	5-45
5-10 Example of Completed Form .....	5-49
<b>BIS-748P–B — End-User Appendix</b>	
5-11 Blank Form .....	5-51
5-12 General Preparation Instructions .....	5-53
5-13 Example of Completed Form .....	5-55
<b>BIS-711 — Statement by Ultimate Consignee and Purchaser</b>	
5-14 Blank Form .....	5-57
5-15 Instructions from the EAR .....	5-59
5-16 General Preparation Instructions .....	5-61
5-17 Example of Completed Form .....	5-67
<b>Letter Format — Statement by Ultimate Consignee and Purchaser</b>	
5-18 Instructions from the EAR .....	5-69
5-19 General Preparation Instructions .....	5-71
5-20 Example of Completed Letter .....	5-75
<b>BIS-645P — International Import Certificate</b>	
5-21 Blank Form .....	5-77
5-22 Instruction Sheet from Official Form .....	5-79
5-23 General Preparation Instructions .....	5-81
5-24 Example of Completed Form .....	5-85

**6. ELECTRONIC LICENSING**

6.1 Introduction .....	6-1
6.2 Background .....	6-1
6.3 Systems Requirements .....	6-1
6.4 Applying to Use SNAP-R or ELAIN .....	6-2
6.5 Company and Personal Identification Numbers .....	6-2
6.6 Electronic Submissions .....	6-3
6.7 Log Requirements .....	6-4
6.8 Updating .....	6-4
6.9 Third-Party Submissions .....	6-4
<b>Attachments</b>	
6-1 Sample Electronic Submission Letter .....	6-9
6-2 Sample Third-Party Submission Letter .....	6-11
6-3 Sample Power of Attorney Form for Third-Party Submission .....	6-15

## 7. BIS PROCESSING OF LICENSE APPLICATIONS

Sec.		Page
7.1	Introduction .....	7-1
7.2	Background .....	7-1
7.3	Pre-Screening & Initial Review .....	7-2
7.4	Enforcement Screening .....	7-3
7.5	Interagency Review Process .....	7-3
7.6	Escalation Process .....	7-4
7.7	Hold Without Action .....	7-5
7.8	Rights to an Appeal .....	7-6
7.9	Emergency Processing .....	7-6
7.10	Delivery Verification .....	7-7
7.11	“Replacement” License Requests .....	7-7
<b>General Correspondence</b>		
7.12	Keeping Track of Your Application .....	7-8
7.13	Advisory Opinions .....	7-8
7.14	Classification Requests .....	7-9
<b>Attachments</b>		
7-1	Where Your Application Will Be Referred .....	7-13
7-2	Licensing Process Flow Chart .....	7-15
7-3	Licensing/Escalation Process Time Chart .....	7-17
7-4	Sample Advisory Opinion Letter .....	7-19
7-5	BIS-748P—Multipurpose Application—General Preparation Instructions for Classification Requests .....	7-21
7-6	BIS-748P—Multipurpose Application—Example of Completed Form for Classification Request .....	7-27

## 8. EXPORT CLEARANCE/DOCUMENTATION

8.1	Introduction .....	8-1
8.2	A Word to Freight Forwarders .....	8-1
8.3	Routed Transactions .....	8-3
8.4	Shipper’s Export Declaration .....	8-4
8.5	SED Exemptions .....	8-6
8.6	Automated Export System .....	8-7
8.7	Destination Control Statement .....	8-7
8.8	Shipping Tolerances .....	8-8
8.9	Customs Clearance .....	8-8
<b>Attachments</b>		
8-1	Where to Obtain SED Information .....	8-13
8-2	SED Responsibilities of Exporter, Forwarder, and Carrier .....	8-15
8-3	Blank SED Form .....	8-17
8-4	Correct Way to Complete SED .....	8-19
8-5	General Preparation Instructions for SED .....	8-37
8-6	Example of a Completed SED .....	8-43
8-7	Certified AES Software/Service Vendors .....	8-45
8-8	AES Letter of Intent Form — Commodity Data (SED) .....	8-51
8-9	Letter of Intent Instruction for AES Option 4 .....	8-57
8-10	Customs Answers to AES Frequently Asked Questions .....	8-65
8-11	Example of a Destination Control Statement .....	8-67

**9. RECORDKEEPING AND COMPLIANCE ISSUES**

<b>Sec.</b>		<b>Page</b>
9.1	Introduction .....	9-1
9.2	Background .....	9-1
9.3	Maintenance and Inspection of Records .....	9-2
9.4	Violations of the EAR .....	9-3
9.5	Sanctions and Penalties .....	9-5
9.6	Compliance with Restrictive Trade Practices or Boycotts Regulations .....	9-5
9.7	Internal Compliance Programs .....	9-6
<b>Attachments</b>		
9-1	BIS Enforcement Field Offices .....	9-11
9-2	Records To Be Retained .....	9-13
9-3	Records Exempt From Recordkeeping Requirements .....	9-15
9-4	Blank BIS-621P Report of Request for Restrictive Trade Practice or Boycott— Single Transaction .....	9-17
9-5	Elements of an Internal Compliance Program .....	9-19
9-6	Sample Nuclear End-Use Checklist .....	9-21
9-7	Sample Missile Technology End-Use Checklist .....	9-25
9-8	Sample Chemical/Biological Weapons End-Use Checklist .....	9-27
9-9	Sample High-Risk Transaction Checklist .....	9-31

**10. SPECIAL COMPREHENSIVE LICENSE PROCESS AND PROCEDURES**

10.1	Introduction .....	10-1
10.2	Background .....	10-2
10.3	Eligibility .....	10-2
10.4	Pre-Application Consultation .....	10-3
10.5	Internal Control Program .....	10-3
10.6	License Submission .....	10-4
10.7	Export Clearance & Direct Shipments .....	10-5
10.8	Special Recordkeeping Requirements .....	10-6
10.9	Systems Reviews .....	10-7
10.10	Amending Your SCL .....	10-8
<b>Attachments</b>		
10-1	Proper Packaging of SCL Submission .....	10-13
10-2	Example of Completed SED Form for Direct Shipment to Consignee’s Customer ...	10-15
<b>Form BIS-748P — Multipurpose Application</b>		
10-3	Instructions from the EAR for SCL .....	10-17
10-4	General Preparation Instructions for New SCL Applications .....	10-19
10-5	Example of Completed Form for SCL .....	10-25
<b>Form BIS-748P–A — Item Appendix</b>		
10-6	Instructions from the EAR for SCL .....	10-27
10-7	General Preparation Instructions for SCL .....	10-29
10-8	Example of Completed Form for SCL .....	10-33

**10. SPECIAL COMPREHENSIVE LICENSE PROCESS AND PROCEDURES (cont.)**

Sec.		Page
<b>Form BIS-752 — Statement by Consignee in Support of Special Comprehensive License</b>		
10-9	Blank Form .....	10-35
10-10	Instructions from the EAR .....	10-37
10-11	General Preparation Instructions .....	10-39
10-12	Example of Completed Form .....	10-47
<b>Form BIS-752-A — Re-Export Territories</b>		
10-13	Blank Form .....	10-49
10-14	Instruction from the EAR .....	10-51
10-15	General Preparation Instructions .....	10-53
10-16	Example of Completed Form .....	10-55
<b>Form BIS-748P-B — End-User Appendix</b>		
10-17	Instructions from the EAR for SCL .....	10-57
10-18	General Preparation Instructions for SCL .....	10-59
10-19	Example of Completed Form for SCL .....	10-61

**11. PRE-SHIPMENT AND POST-SHIPMENT REPORTS**

11.1	Introduction .....	11-1
11.2	Wassenaar Reports .....	11-1
11.3	High Performance Computers .....	11-3
11.4	Validated End-User .....	11-3
11.5	Installed Base .....	11-3
11.6	Encryption Reports .....	11-4
11.7	Other Reporting Requirements .....	11-5
<b>Attachments</b>		
11-1	ECCNs Requiring Wassenaar Reporting .....	11-9
11-2	Sample Wassenaar Report .....	11-15
11-3	Sample Encryption Report .....	11-17

**INDEX**