



Advanced Topics in Export Compliance: Details Affecting Aircraft Parts Transactions

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Special Topics Affecting Aircraft Parts Exports



- “Specially Designed”
- Foreign Aircraft Rule
- Russia Rule
- Licensing and License Exceptions
- Your Questions



“Specially Designed” Aircraft Parts



Many Export Classifications Use the Term “Specially Designed”

- ECCN 9A991.d
- “Parts” and “components,” “**specially designed**” for “aircraft,” n.e.s.
- ECCN 9A610.x
- “Parts,” “components,” “accessories,” and “attachments” that are “**specially designed**” for a commodity enumerated or otherwise described in ECCN 9A610 (except for 9A610.y) or a defense article enumerated or otherwise described in USML Category VIII and not elsewhere specified on the USML or in 9A610.y, 9A619.y, or 3A611.y.

“Specially Designed” – Basic Rule

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*
- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” for use in or with a commodity or defense article ‘enumerated’ or otherwise described on the CCL or the USML.

Has special properties that make it an aircraft part

Intended for use with aircraft (this will include PC, PMA, TSOA and other parts sold as approved parts)



“Specially Designed” – Explicit Jurisdiction Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*

- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” that would be controlled by paragraph (a) is not “specially designed” if it:
 - (1) Has been identified to be in an ECCN paragraph that does not contain “specially designed” as a control parameter or as an EAR99 item in a commodity jurisdiction (CJ) determination or interagency-cleared commodity classification (CCATS) pursuant to § 748.3(e);

It belongs in another ECCN



“Specially Designed” – Hardware Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*
- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” for use in or with a commodity or defense article ‘enumerated’ or otherwise described on the CCL or the USML.

(b) A “part,” “component,” “accessory,” “attachment,” or “software” that would be *controlled* by paragraph (a) is not “specially designed” if it:

- (2) Is, regardless of ‘form’ or ‘fit,’ a fastener (e.g., screw, bolt, nut, nut plate, stud, insert, clip, rivet, pin), washer, spacer, insulator, grommet, bushing, spring, wire, solder;



“Specially Designed” – Same As Something NOT on the CCL Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*
- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” for use in or with a commodity or defense article ‘enumerated’ or otherwise described on the CCL or the USML.

(b) A “part,” “component,” “accessory,” “attachment,” or “software” that would be *controlled* by paragraph (a) is not “specially designed” if it:

- (3) Has the same function, performance capabilities, and the same or ‘equivalent’ form and fit, as a commodity or software used in or with an item that:
 - (i) Is or was in “production” (*i.e.*, not in “development”); *and*
 - (ii) Is either not ‘enumerated’ on the CCL or USML, or is described in an ECCN controlled only for Anti-Terrorism (AT) reasons;



“Specially Designed” – Dual Use in Commercial Setting Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*
- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” for use in or with a commodity or defense article ‘enumerated’ or otherwise described on the CCL or the USML.

(b) A “part,” “component,” “accessory,” “attachment,” or “software” that would be *controlled* by paragraph (a) is not “specially designed” if it:

- (4) Was or is being developed with “knowledge” that it would be for use in or with commodities or software
 - (i) described in an ECCN *and*
 - (ii) also commodities or software either not ‘enumerated’ on the CCL or the USML (e.g., EAR99 commodities or software) or commodities or software described in an ECCN controlled only for Anti-Terrorism (AT) reasons;



“Specially Designed” – Non-Aircraft Parts Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; *or*

- (2) Is a “part,” “component,” “accessory,” “attachment,” or “software” that would be *controlled* by paragraph (a) is not “specially designed” if it:
 - (5) Was or is being developed as a general purpose commodity or software, i.e., with no “knowledge” for use in or with a particular commodity (e.g., an F/A–18 or HMMWV) or type of commodity (e.g., an aircraft or machine tool); *or*

Manufacturer did not intend it for use on aircraft



“Specially Designed” – EAR99 or AT-Only Exception

(a) Except for items described in (b), an “item” is “specially designed” if it:

- (1) As a result of “development” has properties peculiarly responsible for achieving or exceeding the performance levels, characteristics, or functions in the relevant ECCN or U.S. Munitions List (USML) paragraph; or

- (2) ...described on

Note that 9A991 is controlled for both AT1 and UN reasons so aircraft parts are typically outside of this exception

(b) A “part,” “component,” “accessory,” “attachment,” or “software” that would be *controlled* by paragraph (a) is not “specially designed” if it:

- (6) Was or is being developed with “knowledge” that it would be for use in or with commodities or software described
 - (i) in an ECCN controlled for AT-only reasons and also EAR99 commodities or software; or
 - (ii) exclusively for use in or with EAR99 commodities or software.



Specially Designed - Summary

- This sort of language typically includes most aircraft parts BUT pay special attention to:
 - The hardware exception
 - Things produced for other industries and then used on aircraft (like certain entertainment devices)
 - Things produced as commercial items used in multiple industries but then subsequently used on aircraft (like general use hardware that is not on the “hardware” list ... for example a lawnmower spark plug that is also used in an older reciprocating engine)
- Each of these may fall into an exception that renders the article NOT “specially designed”



Foreign Aircraft Rule



Scope

- This rule applies to articles destined for foreign aircraft
 - Aircraft registered in any foreign country
 - **Example:** article sold to a foreign operator for their end use with only non-US registered aircraft in their fleet – **foreign aircraft**
 - Even if it is purchased “for stock”
 - **Example:** article sold to a foreign operator for their end use with only US registered aircraft in their fleet – **not foreign aircraft**
- This rule applies to export, re-exports and transfers in-country
 - Clarified at 88 F.R. 12175, 12179 (2023)



Articles for Foreign Aircraft

General Rule for Foreign Aircraft (15 C.F.R. § 744.7)

- In addition to the normal license requirements, we may not export an aircraft article subject to the export administration regulations for use on a foreign aircraft, unless a License Exception or NLR permits the shipment to be made:
 - To the country in which the aircraft is located, and
 - To the country in which the aircraft is registered, and
 - To the country, including a national thereof, which is currently controlling, leasing, or chartering the aircraft.
- Treat each as a destination and check on the Commerce Country Chart (15 C.F.R. Part 738, Supplement 1)



Who Are We Checking?

- The country in which the aircraft is located
 - Consider where the export is going. If it is going to a maintenance facility for installation, and the aircraft will join the part in that location, then that is the destination that must be assessed
- The country in which the aircraft is registered
 - Get the registry details and if the registry is available on-line then confirm the registry details
- The country, including a national thereof, which is currently controlling, leasing, or chartering the aircraft.
 - If this is an air carrier, then use the state that issued the operating certificate
 - If this is a private operator, then use the nationality of the operator
 - An owner exerts control, so consider checking the owner's nationality too



Why is this Important?

- Theme for the Day: There are Serious Efforts at Sanctions Diversion
- Checking 744.7 compliance helps to identify efforts to circumvent BIS-issued sanctions programs
- This is slightly more than what I see some companies doing; it is (obviously) required by the regulations



Russia-Belarus



The New Russia-Rule (Belarus, too)

- 15 C.F.R. § 746.8
- Restricted Items cannot be exported to Russia or Belarus without a license
 - “Restricted Items” means anything classified in *any* ECCN on the CCL
 - This encompasses most aircraft parts
 - If an aircraft part is not restricted under the BIS rules then it is probably restricted under someone else’s rules
- ***Be wary of intermediaries who might accept in a third country for the benefit of a forbidden target***
- The Russia Rule also limits availability of license exceptions



Can I Use a License Exception?

- There are a limited set of license exceptions that can be used for transactions subject to § 746.8, and the ones most useful for exporting aircraft parts are:
 - GOV (for supporting U.S. government operations)
 - AVS (for exporting aircraft parts)
 - Excluding any aircraft registered in, owned by, controlled by, or under charter or lease to Russia or to a national of Russia (or any other D:1 nation)
 - You may be able to export an aircraft part to Russia to support a non-Russian aircraft that was AOG at a Russian airport

Note: RPL is not available for exports restricted under the Russia Rule



Combining the General Rule (§ 744.7) with the New Russia Rule (§ 746.8):

- We may not export an aircraft part subject to the EAR for use on a foreign aircraft,

- If the aircraft is located in Russia, or
- If the aircraft is registered in Russia, or
- If the aircraft is controlled, leased, or chartered by Russia or a national of Russia;

unless the export is covered by a license or a license exception.

- Most exports to Russia cannot be licensed ... it is *possible* for “safety of flight” (aircraft parts) transactions to be licensed on a case-by-case basis



Combining the General Rule (§ 744.7) with the New Russia Rule (§ 746.8):

• We may not export an aircraft part subject to the EAR for use on a foreign aircraft,

- If the aircraft is located in Russia, or
- If the aircraft is registered in Russia, or
- If the aircraft is controlled, leased, or chartered by Russia or a national of Russia;

Includes a Russian-registered aircraft that is serviced outside of Russia

unless the export is covered by a license or a license exception.

- Most exports to Russia cannot be licensed ... it is *possible* for “safety of flight” (aircraft parts) transactions to be licensed on a case-by-case basis



Combining the General Rule (§ 744.7) with the New Russia Rule (§ 746.8):

• We may not export an aircraft part subject to the EAR for use on a foreign aircraft,

- If the aircraft is located in Russia, or
- If the aircraft is registered in Russia,
- If the aircraft is controlled, leased, or chartered by Russia or a national of Russia;

Includes Russian-owned aircraft as well as aircraft operated by Russian airlines

unless the export is covered by a license or a license exception.

• Most exports to Russia cannot be licensed ... it is *possible* for “safety of flight” (aircraft parts) transactions to be licensed on a case-by-case basis



Temporary Denial Orders



Temporary Denial Orders – Pay Special Attention

- Aeroflot
- Aviastar
- Azur Air
- Belavia Belarusian Airlines
- Nordwind Airlines
- Pobeda Airlines
- Rossiya Airlines
- Siberian Airlines (S7)
- UTair Aviation



Temporary Denial Orders – Extended Application Can Include Imports

- It is important to read the entire TDO
- *Acquisition of parts from TDO parties can be illegal*
 - Typically tied to exports due to the limits of BIS jurisdiction
 - Parts previously exported
 - Parts subsequently exported
 - Parts intended to be exported
 - There is an opportunity to obtain a license to support flight safety, but even then, the license is needed
- Providing services to TDO parties can be illegal
 - This can include maintenance on parts owned by a TDO party



Example: Azur Air

- *Azur Air, Sharypovo Airport, 404/1 Kozhevnikovskiy Lane, Moscow, Russia; Order Temporarily Denying Export Privileges, 87 F.R. 21614 (April 12, 2022)*
- No person may, directly or indirectly, do any of the following:
 - Export to or on behalf of Azur any item subject to the EAR *except directly related to safety of flight and licensed by BIS;*
 - Facilitate Azur obtaining any item subject to the EAR;
 - ***Acquire (or facilitate) from Azur any item subject to the EAR***
 - Service any item subject to the EAR that will be exported and which is owned, possessed or controlled by Azur.
- Also applies to successors or assigns, agents, or employees
- *Any other person, firm, corporation, or business organization related to Azur by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order*



Export Compliance and the Russian Sanctions

- **We continue to recognize numerous efforts to circumvent the Russian sanctions programs**
 - We have discussed with members a number of transactions that are problematic, including those where the members are affirmatively misled about the destination
 - Conversations with DHS revealed that they are investigating multiple freight forwarders
- Export training and education continues to be a priority for MARPA
 - This includes other sanctions programs, as well



Performing Due Diligence

- Check out the lists
- Check out the ownership of your export customer
 - If an OFAC-sanctioned party controls the business , then the sanctions may flow down to the business
 - If the OFAC-sanctioned owners own 50% or more of the business, then there is a presumption of control (and sanctions may flow down to the business)
 - BIS-sanctioned ownership may reflect a red flag that must be cleared (e.g. to ensure no diversion to the sanctioned party)
- **For air carriers, be prepared to share data to support a 15 CFR 744.7 analysis!**



Due Diligence Resources

- Whois lookup (<https://lookup.icann.org>) for websites
- Publicly available civil aircraft registration databases (*not every registry is available*) typically identify the aircraft and owner
- Several databases show flight information and you can look up aircraft by registration number and serial number
- Check social media for the company officers
- If you identify a red flag (a fact that suggests a potential export violation) then you must clear it. Consider talking to your customer to gather sufficient facts.
- *I recently had an issue with a registration number that seemed bogus. I asked for a picture of the target aircraft. The number given was not the registration number (it was a flight operation number)! I was able to identify the registration number from the picture and perform due diligence around that information*



Russia General License 40B

- Russia general license 40B permits exporting aircraft parts to certain Russian manufacturers/lessors for their civil aircraft registered outside of Russia
 - Read it carefully before you use it
- This is a general OFAC license, so it authorizes transactions without the filing of a license application with OFAC



Licensing and License Exceptions



Do You Need a BIS License?

- If the regulations say you cannot export, then you don't have to take this as an absolute prohibition
 - Destination-based restriction
 - Party-based restriction
 - Use-based restriction
 - Special sanctions program
- BIS Licenses:
 - A relatively small percentage of total US exports and re-exports require a BIS license
 - Licenses can be used to overcome exclusions
- Apply for licenses using SNAP-R



Licensing Tips: Ultimate Consignee

- You will need a completed BIS-711
- It should be signed by the Ultimate Consignee (block 6)
- The Ultimate Consignee is the principal party in interest located abroad who receives the exported or reexported items
 - Could be a distributor/reseller
 - Could be a repair station
 - Could be an operator
 - If the party who orders the article is having it drop-shipped to another location, then that party is not the ultimate consignee
- The ultimate consignee is not a forwarding agent or other intermediary, but may be the end-user

15 C.F.R. §§ 30.1, 748.5(e).

FORM BIS-711 FORM APPROVED UNDER OMB CONTROL NO. 0694-0021		U.S. DEPARTMENT OF COMMERCE BUREAU OF INDUSTRY AND SECURITY <small>Information furnished hereunder is subject to the provisions of the Sections 4012(b)(7) and 4014(b)(1)(B) of the Export Control Reform Act (ECRA) and its associated disclosure is prohibited by law.</small>		DATE RECEIVED (Leave Blank)	
STATEMENT BY ULTIMATE CONSIGNEE AND PURCHASER					
1. ULTIMATE CONSIGNEE			CITY		
ADDRESS LINE 1			COUNTRY		
ADDRESS LINE 2			POSTAL CODE	TELEPHONE OR FAX	
2. DISPOSITION OR USE OF ITEMS BY ULTIMATE CONSIGNEE NAMED IN BLOCK 1 <small>We certify that the items: (left mouse click in the appropriate box below)</small>					
A. <input type="checkbox"/> Will be used by us (as capital equipment) in the form in which received in a manufacturing process in the country named in Block 1 and will not be reexported or incorporated into an end product.					
B. <input type="checkbox"/> Will be processed or incorporated by us into the following product (s) _____ to be manufactured in the country named in Block 1 for distribution in _____					
C. <input type="checkbox"/> Will be resold by us in the form in which received in the country named in Block 1 for use or consumption therein. The specific end-use by my customer will be _____					
D. <input type="checkbox"/> Will be reexported by us in the form in which received to _____					
E. <input type="checkbox"/> Other (describe fully) _____					
<small>NOTE: If BOX (D) is checked, acceptance of this form by the Bureau of Industry and Security as a supporting document for license applications shall not be construed as an authorization to reexport the items to which the form applies unless specific approval has been obtained from the Bureau of Industry and Security for such export.</small>					
3. NATURE OF BUSINESS OF ULTIMATE CONSIGNEE NAMED IN BLOCK 1					
A. The nature of our usual business is _____					
B. Our business relationship with the U.S. exporter is _____					
and we have had this business relationship for _____ year(s).					
4. ADDITIONAL INFORMATION					
5. ASSISTANCE IN PREPARING STATEMENT					
STATEMENT OF ULTIMATE CONSIGNEE AND PURCHASER <small>We certify that all of the facts contained in this statement are true and correct to the best of our knowledge and we do not know of any additional facts which are inconsistent with the above statement. We shall promptly send a supplemental statement to the U.S. Exporter, disclosing any change of facts or intentions set forth in this statement which occurs after the statement has been prepared and forwarded, except as specifically authorized by the U.S. Export Administration Regulations (15 CFR parts 730-774), or by prior written approval of the Bureau of Industry and Security, we will not reexport, resell, or otherwise dispose of any items approved on a license supported by this statement (1) to any country not approved for export as brought to our attention by means of a bill of lading, commercial invoice, or any other means, or (2) to any person if we know that it will result directly or indirectly, in disposition of the items contrary to the representations made in this statement or contrary to Export Administration Regulations.</small>					
6. SIGNATURE OF OFFICIAL OF ULTIMATE CONSIGNEE			7. NAME OF PURCHASER		
NAME OF OFFICIAL			SIGNATURE OF PURCHASER		
TITLE OF OFFICIAL			NAME OF OFFICIAL		
DATE (mm/dd/yyyy)			TITLE OF OFFICIAL		
CERTIFICATION FOR USE OF U.S. EXPORTER - We certify that no corrections, additions, or alterations were made on this form by us after the form was signed by the (ultimate consignee/purchaser).			DATE (mm/dd/yyyy)		
8. NAME OF EXPORTER			SIGNATURE OF PERSON AUTHORIZED TO CERTIFY FOR EXPORTER		
NAME OF PERSON SIGNING THIS DOCUMENT			TITLE OF PERSON SIGNING THIS DOCUMENT		DATE (mm/dd/yyyy)
<small>We acknowledge that the making of any false statements or concealment of any material fact in connection with this statement may result in imprisonment or fine, or both and denial, in whole or in part, of participation in U.S. exports and reexports.</small>					
<small>Public reporting burden for this collection of information is estimated to average 15 minutes per response plus one minute for reviewing instructions, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Commerce, Washington, DC 20230, and to the Office of Management and Budget Paperwork Reduction Project (0694-0021), Washington, D.C. 20503. Notwithstanding any other provision of law, no person is obligated to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number.</small>					



Licensing Tips: Understand the Purpose of the Limits

- Understand why the prohibitions exist and address the concerns in your application
 - Make sure your license request does not fly in the face of US policy
- If you anticipate multiple shipments then apply for them together
- Let BIS know all of the facts
 - If you are seeking a license for a component that has been seized by the US government then disclose this
 - If the article was already illegally exported then consider a voluntary disclosure rather than a license application
- Example:
 - Support for a humanitarian aid aircraft might be permitted when the general rule prohibits support of civil aviation in a destination



Licensing Tips: Appeals

- If BIS intends to deny your license application, then they will inform you
- You then have 20 days to respond to forestall denial
- If you respond then BIS will let you know whether your additional information was sufficient within 45 days
- If BIS remains silent then after 45 days from the notification, the denial becomes final, and you have another 45 days to appeal

15 C.F.R. § 750.6



Exceptions to the License Process

- Obtaining a license takes time
- This is inconsistent with AOG service
- There are certain exceptions that can sidestep licensing requirements and can be very useful for AOG situations
- **My favorites are RPL (replacement of parts) and AVS (aircraft parts under certain fact scenarios)**
- *Exceptions can be complicated!*
 - *Some factors, like control under “MT,” the new Russia Rule, or having a 600-series ECCN, can restrict license use*



Sometimes You Cannot Use a License Exception for an Aircraft Part

- License exceptions are not available for certain aircraft parts
- Missile Technology (MT) controlled parts restrict exception-use
 - Except that parts under ECCNs 6A008, 7A001, 7A002, 7A004, 7A101, 7A102, 7A103, 7A104, 7A105, or 9A515, may be exported as part of a manned aircraft, or a replacement part for such an aircraft, under license exceptions RPL and AVS
 - *Example:* IRUs are typically ECCN 7A103



Destinations May Inhibit License Exception Use

- License exceptions are not available for certain destinations *unless* a license exception is specifically listed in the country provisions in 15 C.F.R. part 746
 - AVS and RPL do not apply for sanctioned nation aircraft, but AVS has a limited use for supporting non-Russian/non-Belarusian aircraft: **Belarus** and **Russia**
 - You may have limited access to AVS but not RPL: **Cuba**
 - Limited access to AVS (*does not include aircraft parts*) but not RPL: **Iran, North Korea, Syria, Crimea region of Ukraine**
 - Limits license exceptions but permits RPL and AVS: **Iraq**

15 C.F.R. Part 746



Defense Aircraft Parts May Inhibit License Exception Use

- License exceptions are not available for certain defense aircraft parts
 - Defense items whose ECCN is in the format **nx6nn**, e.g. 9A610
- You can use RPL to export “600 series” items to destinations other than those identified in Country Group D:5 (and E:1) but there are special recordkeeping requirements (15 C.F.R. § 740.10(c))
 - Country Group D:5 is currently Afghanistan, Belarus, Burma, Cambodia, Central African Republic, China, Congo (DR), Cuba, Cyprus, Eritrea, Haiti, Iran, Iraq, North Korea, Lebanon, Libya, Russia, Somalia, South Sudan, Sudan, Venezuela, Zimbabwe (15 C.F.R. Part 740, supplement 1 (as of 25 May 2023))
- You may NOT use AVS to export “600 series” items to destinations that require a license



BIS License Exceptions: Replacement of Parts (RPL)

- One-for one replacement of parts or servicing and replacement of equipment, *e.g. exchange agreements, warranty replacements, replacement of worn parts*
 - *RPL does not permit articles to be held as spares for future use*
 - Aircraft/part must have been legally exported in the first place - you must confirm the appropriate authority for the original transaction if you were not the aircraft exporter
 - If it was originally exported under license, then you must check the original license to make sure that there are no restrictions on replacement parts exports!
 - SAME part number – no improvements/upgrades/changes to basic design characteristics
 - Obtain the core or confirm its destruction (get a certificate of destruction)

15 C.F.R. § 740.10(a)



BIS License Exceptions: Servicing of Parts (RPL)

- If an item is returned to the US for inspection, testing, calibration or repair (including overhaul and reconditioning) then you can return it to the foreign consignee under RPL
 - No improvements or changes to basic characteristics
 - Only applies to group D:1 nations (except China) if you were the original licensed exporter and end-use has not changed
 - Does not apply to group E:1 nations
 - See country group listings at: http://www.bis.doc.gov/index.php/forms-documents/doc_download/944-740-sup-1

15 C.F.R. § 740.10(b)



Using RPL

- If the original item was shipped without a license (assuming the item was legally exported), and the rules subsequently changed (so a license is now required), then you can still use RPL to replace or service that item (as long as RPL applies)



BIS License Exceptions: Civil Aircraft (AVS)

If the aircraft on which the part is to be installed is identified, then you should consider the following (based on the 744.7 analysis that we previously discussed):

- The country in which the aircraft is located, and
 - The country in which the aircraft is registered, or will be registered in the case of an aircraft being manufactured, and
 - The country, including a national thereof, which currently owns, controls, leases, and/or charters the aircraft (*you may need to identify both the owner and the operator*)
-
- The conditions of AVS typically require you to know the aircraft on which the part is to be installed, or sometimes the operator's fleet information



BIS License Exceptions: Civil Aircraft (AVS)

No License Required!

- Exports of equipment and spare parts for
 - Permanent use on an aircraft of any registry
 - Except an aircraft registered in a forbidden country, or owned or controlled by, or under charter or lease to, a forbidden country or a national of a forbidden country
 - The specific aircraft must be identified so you can verify its eligibility
 - Forbidden countries are Cuba and those in group D:1

15 C.F.R. § 740.15(b)



BIS License Exceptions (AVS)

No License Required!

- Exports of equipment and spare parts to U.S. or Canadian airlines' installations or agents
 - Intended for maintenance, repair, or operation of US/Canadian-registered aircraft (but the specific aircraft need not be identified at the time of order)
 - Must not be located in (category D1) forbidden country
 - Ordered by the airline and sent to its own installation or agent

15 C.F.R. § 740.15(c)(2)



BIS License Exceptions (AVS)

No License Required!

- Exports to a specific U.S. or Canadian registered aircraft for AOG
 - Intended for maintenance, repair, or operation of US/Canadian-registered aircraft *in extreme need*
 - Aircraft must be at an airport NOT in Cuba nor a category D:1 forbidden country (except China)
 - AES record must be filed *unless* article exported by a US air carrier for their own use
- Includes foreign air carrier aircraft of US or Canadian registry

15 C.F.R. § 740.15(c)(1)



Don't Forget the "Paperwork"

- Place a destination control statement on your commercial invoice
- Electronic Export Information
 - Must be filed on-line: <https://ace.cbp.dhs.gov>
 - You will get an International Transaction Number (ITN)
 - Comes in your responsive email – also found in ACE Shipment Manager
 - ITN goes on 1st page of the commercial loading document (e.g. air waybill, bill of lading)
 - There is a limited exception for non-licensed commodities valued at less than \$2,500 (*per schedule B number*)
 - If you use an export exception, then you must file EEI and declare the exception!
- Document retention period is five years
- If you are shipping through a freight forwarder, then absent a special *agency* agreement, you are usually expected to file the EEI



Thank You!

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