



Introduction to Export Compliance

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Presented by

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What is an Export?

- Actual shipment or transmission of items out of the U.S.
 - Includes software
 - Includes technology (e.g. technical data and other visible information)
 - Can include technical documents, like CMMs or service bulletins, in some cases
 - Includes repaired items that are being returned!
- Deemed export
 - Any release in the United States of “technology” or source code to a foreign person
 - “Deemed” exported to the country of citizenship or permanent residency
- Transit through a country is considered an export to that destination, too
- **NOTE:** *Re-exports (beyond the US) and in-country transfers are also typically regulated*

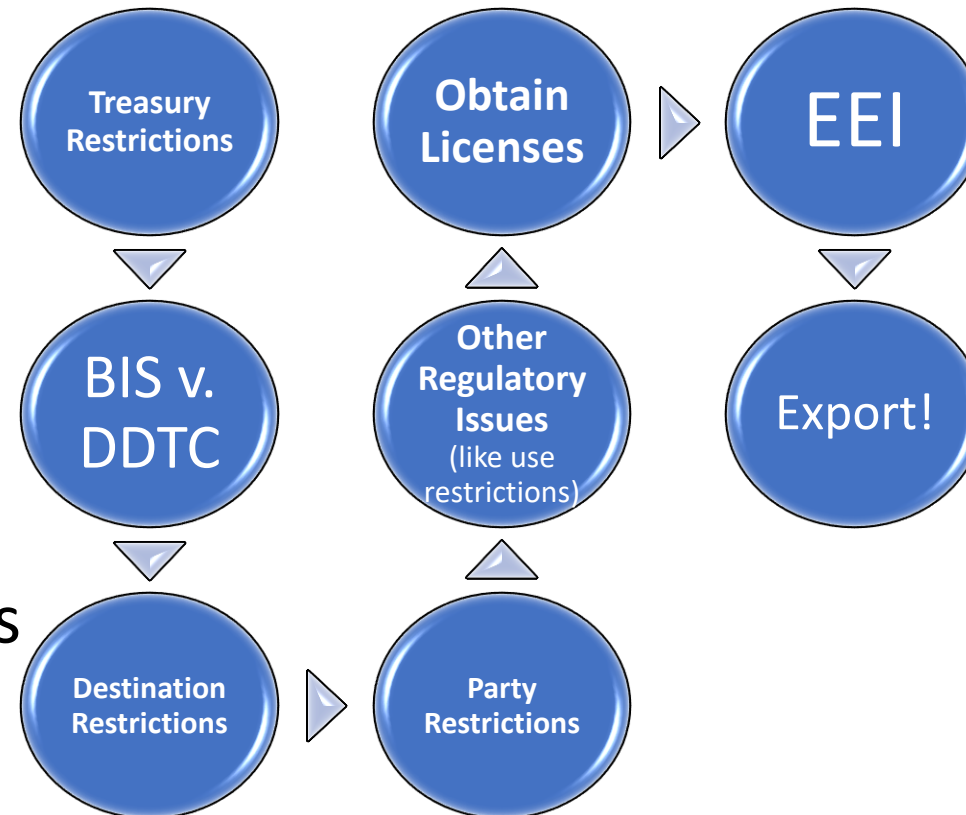


Three Important Export Regulators in the US

- **BIS – Bureau of Industry and Security**
 - Commerce Department office responsible for the regulation of most exports
- **DDTC – Directorate of Defense Trade Controls**
 - State Department office responsible for the regulation of exports of defense-related articles
- **OFAC - Office of Foreign Asset Control**
 - Treasury Department office responsible for certain additional export controls meant to advance particular interests of the United States

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions
- Identify other regulatory issues
- Obtain licenses as necessary
- Document the transaction





First, Can I Transact Business Here At All?

Are there General Treasury
Restrictions that Regulate
Transfer of Assets?



OFAC Lists

- **Sanctions Programs List:**

- <https://ofac.treasury.gov/sanctions-programs-and-country-information>
- Typically directed at countries, but may also serve more targeted purposes e.g., Counter Terrorism.

- **Specially Designated Nationals List:**

- <https://sanctionssearch.ofac.treas.gov/> [Search Engine]
- <https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>

- **Sectoral Sanctions List**

- <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>

- These lists change, and entities can move from one list to another, so do the search every time!



OFAC

Office of Foreign Assets Control

Sanctions List Search

Specially Designated Nationals and Blocked Persons list ("SDN List") and all other sanctions lists administered by OFAC, including the Foreign Sanctions Evaders List, the Non-SDN Iran Sanctions Act List, the Sectoral Sanctions Identifications List, the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions and the Non-SDN Palestinian Legislative Council List. Given the number of lists that now reside in the Sanctions List Search tool, it is strongly recommended that users pay close attention to the program codes associated with each returned record. These program codes indicate how a true hit on a returned value should be treated. The Sanctions List Search tool uses approximate string matching to identify possible matches between word or character strings as entered into Sanctions List Search, and any name or name component as it appears on the SDN List and/or the various other sanctions lists. Sanctions List Search has a slider-bar that may be used to set a threshold (i.e., a confidence rating) for the closeness of any potential match returned as a result of a user's search. Sanctions List Search will detect certain misspellings or other incorrectly entered text, and will return near, or proximate, matches, based on the confidence rating set by the user via the slider-bar. OFAC does not provide recommendations with regard to the appropriateness of any specific confidence rating. Sanctions List Search is one tool offered to assist users in utilizing the SDN List and/or the various other sanctions lists; use of Sanctions List Search is not a substitute for undertaking appropriate due diligence. The use of Sanctions List Search does not limit any criminal or civil liability for any act undertaken as a result of, or in reliance on, such use.

[Download the SDN List](#)

[Sanctions List Search: Rules for use](#)

[Visit The OFAC Website](#)

[Download the Consolidated Non-SDN List](#)

[Program Code Key](#)

Lookup 📄

<p>Type: <input type="text" value="All"/></p> <p>Name: <input type="text"/></p> <p>ID # / Digital Currency Address: <input type="text"/></p> <p>Program: <input type="text" value="All"/> <div style="border: 1px solid gray; padding: 2px; font-size: small;"> 561-Related BALKANS BALKANS-EO14033 </div> </p> <p>Minimum Name Score: <input type="range" value="100"/> 100</p>	<p>Address: <input type="text"/></p> <p>City: <input type="text"/></p> <p>State/Province*: <input type="text"/></p> <p>Country: <input type="text" value="All"/></p> <p>List: <input type="text" value="All"/></p> <p style="text-align: right;"> <input type="button" value="Search"/> <input type="button" value="Reset"/> </p>
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Lookup Results: 📄

Name	Address	Type	Program(s)	List	Score

* U.S. states are abbreviated on the SDN and Non-SDN lists. To search for a specific U.S. state, please use the two letter U.S. Postal Service abbreviation.

SDN List last updated on: 5/11/2026 3:01:26 PM
Non-SDN List last updated on: 5/18/2026 12:55:03 PM

<https://sanctionssearch.ofac.treas.gov/>





Consolidated Screening List

- Commerce, State, and Treasury lists

<https://www.trade.gov/data-visualization/csl-search>

- “Best Practice” – if you can automate your CRM system so that it automatically checks daily against the consolidated list, then you will know when business partners are added to the system and can manage those relationships
- If you have problems using the consolidated list, then use the individual lists

Please note that lists and regulations are updated frequently by the government, and should be checked for each transaction



Search website... [Search]

Search all the screening lists at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

Name

Search for an entity's name or one of its alternative names.

[Search box with red 'x' icon]

Fuzzy Name

When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ.

For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

Off [Dropdown arrow]

Address

Search for the street address, city, province, and postal code of an entity.

[Search box]

Sources

Choose which of the screening lists that you want to search.

Select... [Dropdown arrow]

Countries

Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.

Select... [Dropdown arrow]

Search

Complete Consolidated Screening List





Sample Sanctioned Parties

as of May 25, 2025

- A Level Aero Systems
- Aero Continent
- Aero Courier Cargo
- Aero Express Intercontinental
- Aero Sky One
- Aeroatlantico
- Aerocaribbean Airlines
- Aerocomercial Alas De Colombia
- Aeromax
- Aeronautica Condor
- Aerospace Industries Organization
- Aerospace Research Institute
- Aerovias Atlantico Ltda
- AFAGIR
- Air Alanna
- Air Koryo
- Aircraft Avionics Parts and Support Ltd
- Airfix Aviation OY
- Al-Naser Airlines
- Avia Group LLC
- Avia Import
- Avia Trust FZE
- Aviacon Air Cargo
- Aviation Capital Solutions, Ltd
- Blue Sky Aviation
- Butembo Airlines
- Capacitacion Aeronautica Profesional
- Caspian Airlines
- Cham Wings Airlines
- Cubana Airlines
- Dart Airlines
- Dena Airways
- Empresa Cubana de Aviacion
- Fars Air Cargo Airline
- Hors Airlines Ltd
- Intercontinental de Aviacion
- Int'l Airline Consulting
- Iran Air
- Kyrgyz Trans Avia Airlines
- Mahan Air
- Mantenimiento, Aeronautica, Transporte, Y Servicios Aereos
- Pouya Airlines
- Sky Blue Airlines
- Syrian Air Force Intelligence
- Syrian Airlines
- TAE Avia
- Yasair Cargo Airline



Sectoral Sanctions and Specially Designated Nationals (SDNs) Lists

- Persons on the Sectoral Sanctions List or the Specially Designated Nationals (SDNs) List are blocked
- Blocked:
 - a U.S. person may not procure goods, services, or technology from, or engage in transactions with, a blocked person directly or indirectly (including through a third-party intermediary)
 - This typically means no exports and no imports with blocked parties
 - It also means no acceptance of funds from (or payments to) a blocked party
 - *In all cases, an OFAC license can help overcome these impediments*



Can I sell to a Subsidiary?

- **ISSUE: The parent company is on the OFAC sanctions list, but the subsidiary is not. Can I sell to the subsidiary?**
- If a blocked person owns or controls another entity, then that entity is blocked as well
 - Example: Rostec was sanctioned under the Ukraine/Russia related sanctions in 2014. They own most of United Engine Corp. United Engine Corp. was not on the OFAC sanctions list, but it was still treated as a blocked party because of the ownership.
 - **NOTE:** *United Engine Corp. was added two years later; United Engine Corp. is also on the BIS entity and MEU lists.*
- If two or more blocked persons own 50% or more of another entity, then the owned entity is also blocked (*substantial control is assumed*)



OFAC Sanctions Programs by Country

Current as of May 18, 2026

- Afghanistan
 - Balkans
 - Belarus
 - Burma (Myanmar)
 - Central African Republic
 - China (incl. Hong Kong)
 - Congo (Dem. Rep.)
 - Cuba
 - Ethiopia
 - “The International Criminal Court”
 - Iran
 - Iraq
 - Lebanon
 - Libya
 - Mali
 - Nicaragua
 - North Korea
 - Russia
 - Somalia
 - Sudan and Darfur
 - South Sudan
 - Syria (*changed to Assad and related parties in 2025*)
 - Ukraine/Crimea/Russia
 - Venezuela
 - Yemen
- Most of these programs authorize sanctions against person and/or entities, which is why it is so important to check for sanctioned business partners*



Exception: Treasury Licenses

- A general OFAC license authorizes certain transactions without the filing of an application with OFAC
 - Example: Russia general license 40B permits exporting aircraft parts to certain Russian manufacturers/lessors for their civil aircraft registered outside of Russia
- A specific OFAC license is issued on a case-by-case basis, and authorizes an activity that would otherwise be prohibited by the embargo or sanctions program
 - Example: 31 C.F.R. § 560.528 permits licenses on a case-by-case basis to support safety of civil aviation

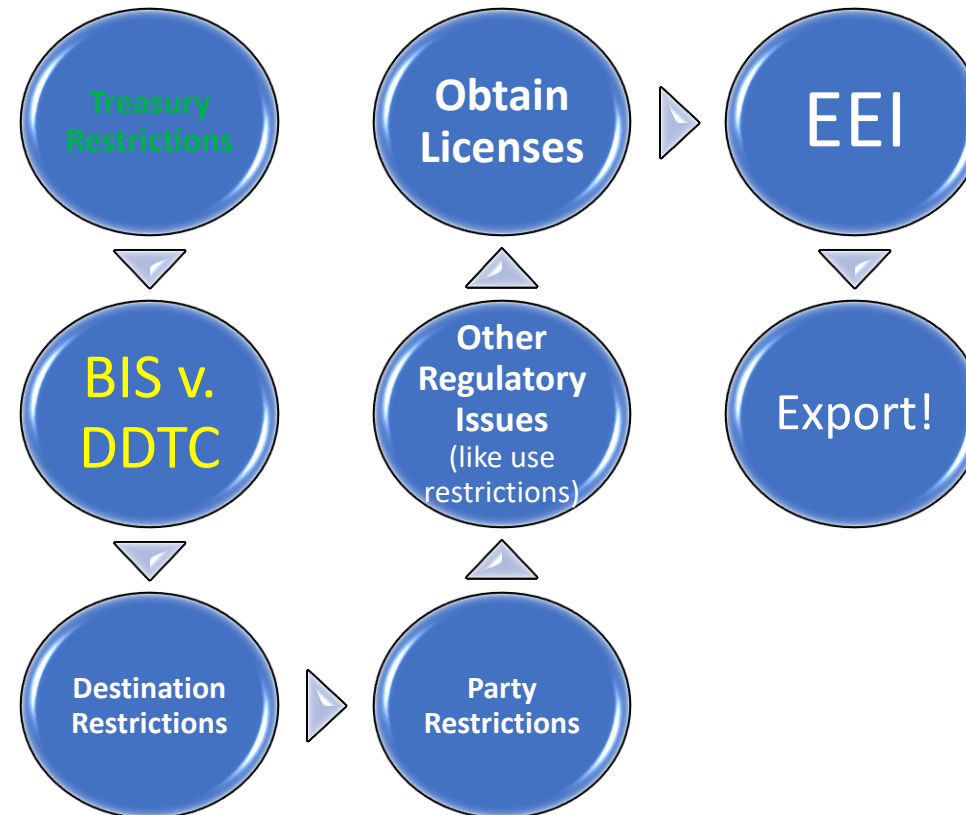


Practical Advice – OFAC Compliance

- Gather information – do not be willfully blind to the facts
- Consider ownership interests and flow-down of sanctions
- Always check your export business partners on the consolidated screening list and the OFAC sanctions list for every transaction
- If you identify a party who appears to be blocked, then do not engage in any transaction without first identifying your compliance path
 - Consult with a lawyer!
 - Remember that there may be a compliance path, including through licensing, if the proposed transaction does not conflict with U.S. interests

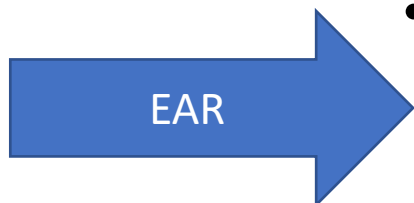
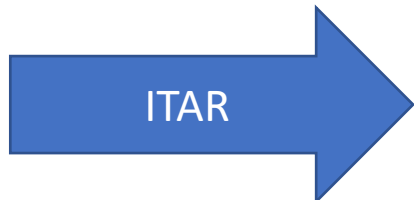
Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted



Distinguishing the Primary Agency With Export Jurisdiction

- Distinguish the U.S. Department with jurisdiction
 - Is it a US Munitions List Item?
 - Defense articles (many dual-use items have been removed from the USML)
 - Check ITARs
 - State has export jurisdiction
 - Otherwise subject to BIS restrictions
 - Identify the ECCN
 - Check BIS export administration regulations
 - Commerce has export jurisdiction





Most Civil Aircraft Parts ARE NOT Covered Under the ITARs

- Effective October 15, 2013 many aircraft articles were removed from the ITAR and moved into the Commerce Department's regulations
 - Most dual use items were transferred to Commerce
 - Transferred items typically were assigned to "600" series ECCNs
 - This is for parts and articles; most completed defense aircraft remain on the USML and are subject to ITAR
- This was accomplished across the USML in the 2012-2013 timeframe



Examples of USML Aircraft Articles

Certain articles (and their subcomponents) that are specially designed for USML/9A610-controlled aircraft:

- Inertial Navigation Systems (INS)
- Inertial Measurement Units (IMUs)
- Attitude and Heading Reference Systems (AHRS)
- Parts for DoD-funded developmental aircraft
- Parts for B-1B, B-2, B-21, F-15SE, F/A-18E/F/G [*parts for earlier models are subject to the EAR*], F-22, F-35, F-117
- Parts found in a positive list
 - Published at 22 C.F.R. 121.1 - VIII(h)
 - Articles with defense-specific purposes, like threat-adaptive flight control systems, wing folding systems, etc.



What if it is DDTC-Controlled?

- First, register with DDTC
- Second, obtain Licenses
 - There are some license exceptions but most DDTC-controlled transactions require a license



Export Compliance for BIS- Controlled Articles

Most civil aircraft parts transactions are controlled under the BIS
regulations



Is it Regulated by the Commerce Department?

- What am I exporting? Is it classified under the Commerce Control List (CCL)?
 - <https://www.bis.doc.gov/index.php/regulations/commerce-control-list-ccl>
- Examples:
 - *CCL 2 - Material processing (e.g., bearings, certain testing equipment, etc.)*
 - *CCL 3 - Electronics*
 - *CCL 7 - Avionics*
 - *CCL 9 - Aerospace and Propulsion*



Export Control Classification Numbers (for items on the CCL)

- Determine ECCN
 - Peruse the CCLs for ECCNs that describe your export
 - Alphabetical index to the CCL provides some help:
<https://www.bis.doc.gov/index.php/documents/regulations-docs/13-commerce-control-list-index/file>
 - Ask the manufacturer
 - Online via the Simplified Network Application Process:
<https://www.bis.doc.gov/index.php/licensing/simplified-network-application-process-redesign-snap-r>



Some Common Aviation ECCNs

- 7A103
- 7A994
- 9A610
- 9A619
- 9A991
- Certain Inertial Reference Units
- Certain Avionics
- Certain Articles for Defense Airframes
- Certain Articles for Defense Engines
- Certain Articles for Commercial Aircraft

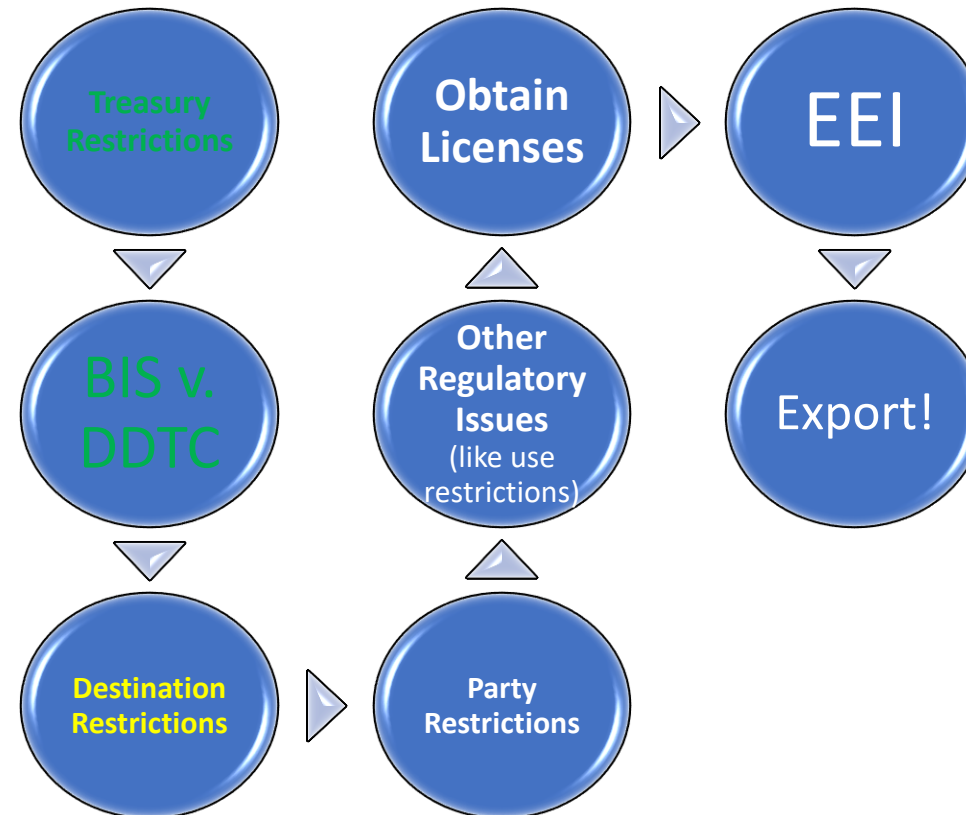


Export Control Classification Numbers

- General item default for unlisted articles is EAR99
 - But aircraft part default is 9A991 when the part is “specially designed” for civil aircraft
 - Many avionics default to 7A994
 - Civil avionics calibration and test equipment tends to be 7B001 or 7B994
- If it is not in the CCL (e.g. if it is EAR99), then a license may be unnecessary to most destinations
 - But certain limits like sanctions, denied parties or a controlled usage may still impose licensing obligations

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions





Destination Restrictions

- The reasons for control associated with the ECCN identify destination restrictions.
- Exports to certain destinations may require a license; if the policy is to deny licenses, then this may be a *de facto* prohibition on exports.
- We use the Commerce Control List ECCN and the cross-referenced Commerce Country Chart to determine reasons for control (e.g., NS1, RS1) which can lead to license requirements



Finding the Resources

- Commerce Control List (CCL)
- Commerce Country Chart
- Supplement No. 1 to Part 774
- Supplement No. 1 to Part 738
- <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-774/appendix-Supplement%20No.%201%20to%20Part%20774>
- <https://www.ecfr.gov/current/title-15/part-738/appendix-Supplement%20No.%201%20to%20Part%20738>

vehicles capable of a range equal to or greater than 300 km.

e. “Components” “specially designed” for pressure gain combustion-based propulsion systems controlled under USML Category IV.

f. Composite structures, laminates and manufactures thereof “specially designed” for the following items controlled under USML Category IV:

f.1. Systems capable of a range equal to or greater than 300 km;

f.2. Individual rocket stages usable in 9A604.f.1 systems;

f.3. Solid propellant rocket motors or hybrid rocket motors having a total impulse capacity equal to or greater than 8.41×10^3 Ns; or

f.4. Liquid propellant rocket engines integrated, or designed or modified to be integrated, into a liquid propellant propulsion system which has a total impulse capacity equal to or greater than 8.41×10^3 Ns.

f.5. Thrust vector control systems usable in rockets, space launch vehicles (SLVs), and missiles capable of delivering at least a 500 kg payload to a range of at least 300 km.

f.6. Re-entry vehicles or warhead heat shields usable in rockets, SLVs, and missiles capable of delivering at least a 500 kg payload to a range of at least 300 km.

f.7. Safing, arming, fuzing, and firing components usable in rockets, SLVs, and missiles capable of delivering at least a 500 kg payload to a range of at least 300 km.

g. through w. [Reserved]

x. “Parts,” “components,” “accessories,” and “attachments” that are “specially designed” for a

commodity subject to control in paragraphs .a through .d of this ECCN, or a defense article controlled under USML Category IV, and not specified elsewhere on the USML.

Note to 9A604.x: “Parts,” “components,” “accessories,” and “attachments” specified in USML Category IV(h) are subject to the controls of that paragraph.

9A610 Military aircraft and related commodities, other than those enumerated in 9A991.a (see List of Items Controlled).

License Requirements

Reason for Control: NS, RS, MT, AT, UN

<i>Control(s)</i>	<i>Country Chart (See Supp. No. 1 to part 738)</i>
NS applies to entire entry except: 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	NS Column 1
RS applies to entire entry except: 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see §742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See § 746.1(b) for UN controls



9A610 Military aircraft and related commodities, other than those enumerated in 9A991.a (see List of Items Controlled).

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RS applies to entire entry except: 9A610.b; parts and components controlled in 9A610.x if being exported or reexported for use in an aircraft controlled in 9A610.b; and 9A610.y.	RS Column 1
RS applies to 9A610.y	China, Russia, or Venezuela (see §742.6(a)(7))
MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See § 746.1(b) for UN controls

- Reasons for control
 - NS: National Security
 - RS: Regional Stability
 - MT: Missile Technology
 - AT: Anti-Terrorism
 - UN: UN Sanctions





Do You Need a Commerce Department License?

- Check the specific reasons for control in CCL. Read it in its entirety; some reasons for control have special provisions or restrictions.
- Check the Commerce Country Chart (cross reference *country* against the *reason for control*):
 - <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-738/appendix-Supplement%20No.%201%20to%20Part%20738>
 - If there is an “X” in the cross-reference, then you need a BIS license (or license exception) for export
 - Also be sure to read the notes when indicated by a superscripted number after the country name



Hypothetical

- We are exporting two sets of identical aircrew safety equipment controlled under 9A610.g
 - Reasons for control?
- One set is going to Afghanistan
- One set is going to Australia

- Do we need licenses based (solely) on destination?

9A610 Military aircraft and related commodities, other than those enumerated in 9A991.a (see List of Items Controlled).

License Requirements

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MT applies to 9A610.t, .u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y.	See § 746.1(b) for UN controls

- 9A610.g reasons for control
 - NS: National Security (applies)
 - RS: Regional Stability (applies)
 - MT: Missile Technology (not to 9A610.g)
 - AT: Anti-Terrorism (applies)
 - UN: UN Sanctions (doesn't apply to Australia nor Afghanistan, we'll get to that list in a moment)

Countries	Chemical and biological weapons			Nuclear nonproliferation		National security		Missile tech	Regional stability		Firearms convention	Crime control			Anti-terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Afghanistan	X	X	X	X		X	X	X	X	X		X		X		
Albania ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ⁹	X															
Austria ^{3 4}	X					X		X	X							
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	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		

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	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Afghanistan	X	X	X	X		X	X	X	X	X		X		X		
Albania ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ⁹	X															
Austria ^{3 4}	X					X		X	X							
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	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		

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Afghanistan	X	X	X	X		X	X	X	X	X		X		X		
Albania ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ⁹	X															
Austria ^{3 4}	X					X		X	X							
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	X	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		

Countries	Chemical and biological weapons			Nuclear nonproliferation		National security		Missile tech	Regional stability		Firearms convention	Crime control			Anti-terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Afghanistan	X	X	X	X		X	X	X	X	X		X		X		
Albania ^{2 3}	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 and Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	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 ⁹	X															
Austria ^{3 4}	X					X		X	X							
Azerbaijan	X	X	X	X		X	X	X	X	X		X	X			
Bahamas, The	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		



Answers

- We are exporting two sets of identical aircrew safety equipment controlled under 9A610.g
 - Reasons for control: NS1, RS1, AT1
- One set is going to Afghanistan – needs a license based on destination country
- One set is going to Australia – no license needed based on destination country

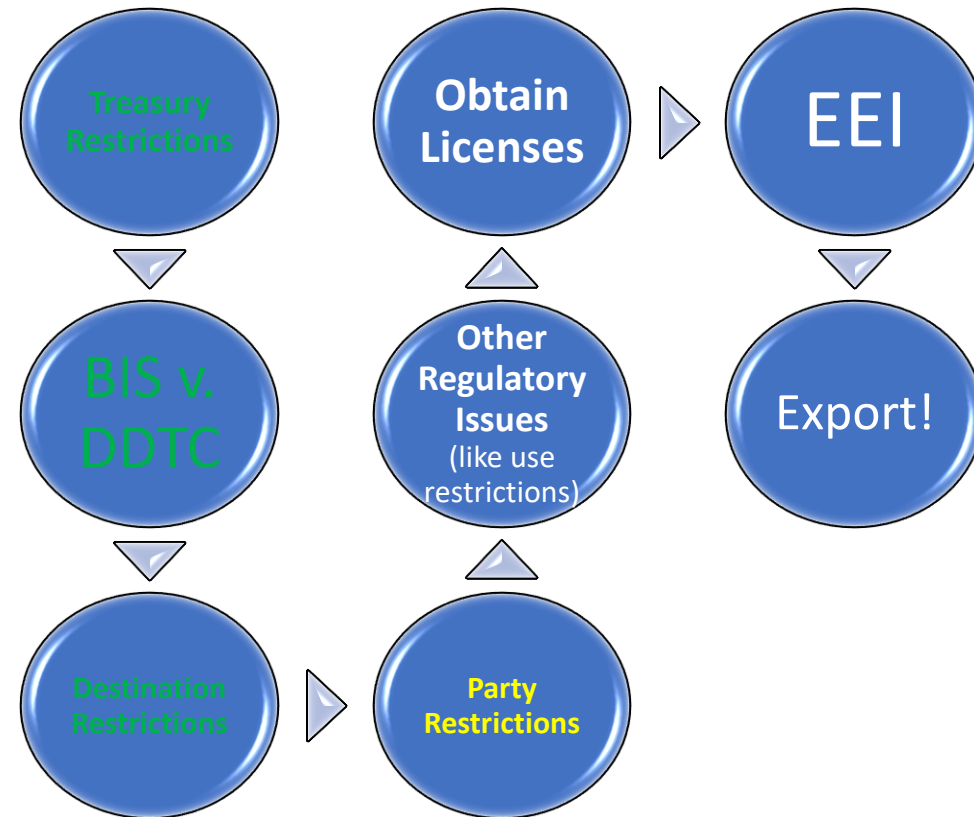


UN Destination Restrictions

- Articles controlled for reason “UN” are restricted from export to the Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, and Sudan due to UN Security Council arms embargoes (15 C.F.R. § 746.1(b)(2))
- Demilitarized aircraft [9A991.a] are an example of something subject to “UN” controls

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions





BIS Forbidden Parties

- Department of Commerce's Bureau of Industry and Security (BIS) lists:
 - Denied Persons List
 - <https://www.bis.doc.gov/index.php/the-denied-persons-list>
 - Denied Entities List
 - <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/entity-list>
 - *You can also find them on the consolidated export screening list*
 - <https://www.trade.gov/data-visualization/csl-search>
- **NEW:** BIS has started to add addresses to the denied entities lists
 - Run your addresses through the consolidated list as well



CSL SEARCH

Search all [the screening lists](#) at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

Name

Search for an entity's name or one of its alternative names.

Fuzzy Name

When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ.

For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

Off

Address

Search for the street address, city, province, and postal code of an entity.

Unit D, 16/F One Capital Place, 18 Luard Rd, Wan Chai, Hong Kong

Sources

Choose which of the screening lists that you want to search.

Select...

Countries

Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.

Select...

Search

1 result.

[Address 01](#)

1

Leave "Name" blank

Set "Fuzzy Name" to 'Off'

Plug-in the Address you want to check

Results



What Is Denied?

- Denied Persons may NOT participate in any way in any transaction involving the export from the United States of any commodity, software or technology subject to Export Administration Regulations (EAR)
 - No license transactions
 - No negotiations
 - No benefit from any export transaction
 - May not be the principal nor the agent in an export transaction
 - No facilitation of exports
 - No facilitation of acquisition of an export item
 - No procurement of items from the US for servicing
- **Pay special attention to Temporary Denial Orders**
 - Some businesses, including airlines, are subject to temporary denial orders that have a broader sweep and include acquisition limits as well as export limits



Temporary Denial Orders – Pay Special Attention (Russia)

- Aeroflot
- Aviastar-TU
- Azur Air
- Belavia Belarusian Airlines
- Nordwind Airlines
- Pobeda Airlines
- Rossiya Airlines
- Siberian Airlines (S7)
- Skywind International Limited
- Ural Airlines
- UTair Aviation



Temporary Denial Orders – Not Just for Russia

- Iran Air
- Mahan Airlines (+ Qeshm Fars Air)
- Kerman Aviation
- Al Naser Airlines

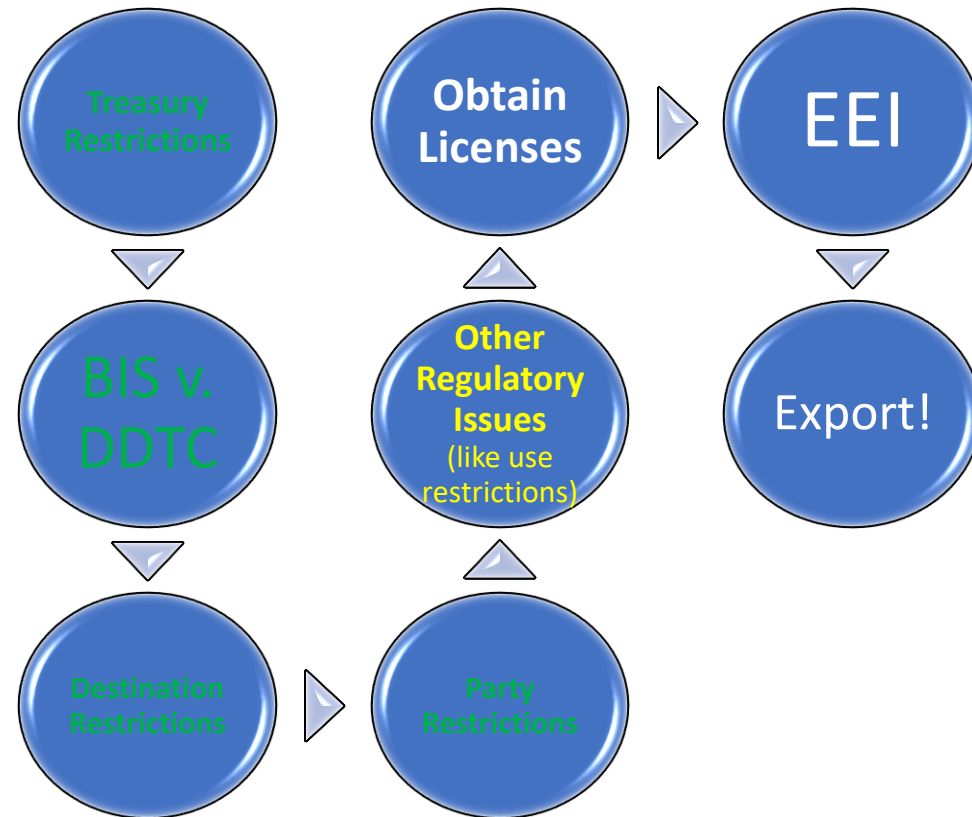


Temporary Denial Orders – Extended Application Can Include Imports

- 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

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions
- Identify other regulatory issues





Do You Need a Commerce Department License?

- What will the importer do with it? Certain end-uses are restricted:
 - See 15 C.F.R. Part 744
 - Rocket systems and certain unmanned air vehicles may require licensing; certain military end-users and/or end-uses may also be restricted
 - These restrictions may drive a need to check third party country of registry and control (see “where is it going”)
 - **§ 744.7 requires us to identify the country in which an aircraft is located, is registered, and is controlled.**
- What else does the receiver do? Certain types of conduct are prohibited without BIS license
 - Supporting design, development or production of missiles or nuclear explosive devices or chemical weapons or biological weapons
 - Supporting (through financing or logistics) a transaction that would violate the licensing provisions if performed, directly
- Who will receive it? Check the BIS prohibition lists



Parts 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 part 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



Some Parts of the World are Subject to Special Controls

For example (*not a complete list!*):

- Belarus (15 C.F.R. §§ 744.21, 746.5, 746.8, 746.10)
- Burma (15 C.F.R. § 744.21)
- Cambodia (15 C.F.R. § 744.21)
- China (15 C.F.R. § 744.21)
- Crimea and other regions of Ukraine (15 C.F.R. § 746.6)
- Cuba (15 C.F.R. § 746.2)
- Iran (15 C.F.R. § 746.7)
- Iraq (15 C.F.R. § 746.3)
- North Korea (15 C.F.R. § 746.4)
- **Russia (15 C.F.R. §§ 744.10, 744.21, 746.5, 746.8, 746.10)**
- Syria (15 C.F.R. § 746.9)
- Venezuela (15 C.F.R. § 744.21)



Combining the Foreign Aircraft Rule (§ 744.7) with the 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.
- This is a special concern right now, because of the efforts to circumvent the Russia sanctions
 - This is creating a special need for assessment of transactions



General Prohibition

- BIS has published ten general prohibitions (15 C.F.R. § 736.2)
- General Prohibition 10 makes it illegal to engage in a transaction (including a domestic sale) if you know that an export violation has occurred, is about to occur, or is intended to occur
 - No license exception applies
- Don't allow yourself to be willfully ignorant: the government may apply a “knew or reasonably should have known” standard



Performing Due Diligence

- Validate all parties against 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)
- G-7 has identified *sudden changes in business activity during or after 2022* as a red flag
- Consider a written assurance like the one discussed yesterday (an end use/end user statement)



G7 Red Flags

- False, inaccurate, or missing documentation
- Concealing the end user
- Inconsistencies in transactions
- Vague details and/or incomplete information
- Dividing an invoice value into smaller amounts
- Suspicious customer information
- Customer has connections of concern
- Concerning business practices
- Last minute changes to parties involved with the transaction
- Payments from entities located in third countries (not involved in transactions)
- Customer unwilling to provide certification that it will not sell items to Russia (or other sanctioned third countries)



Due Diligence Resources

- “Who is” 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*



Anti-Boycott

- You MUST comply with US embargos
- You may NOT comply with certain non-US embargoes
 - U.S. anti-boycott rules forbid a U.S. person from participating in a foreign boycott that is *inconsistent with U.S. policy*
 - Anti-Israel boycotts are the most common, but you may encounter others, such as:
 - India-Pakistan
 - Ethiopia-Eritrea
 - China-Taiwan
 - Bahrain-Bangladesh
 - Oman-Qatar-Saudi Arabia

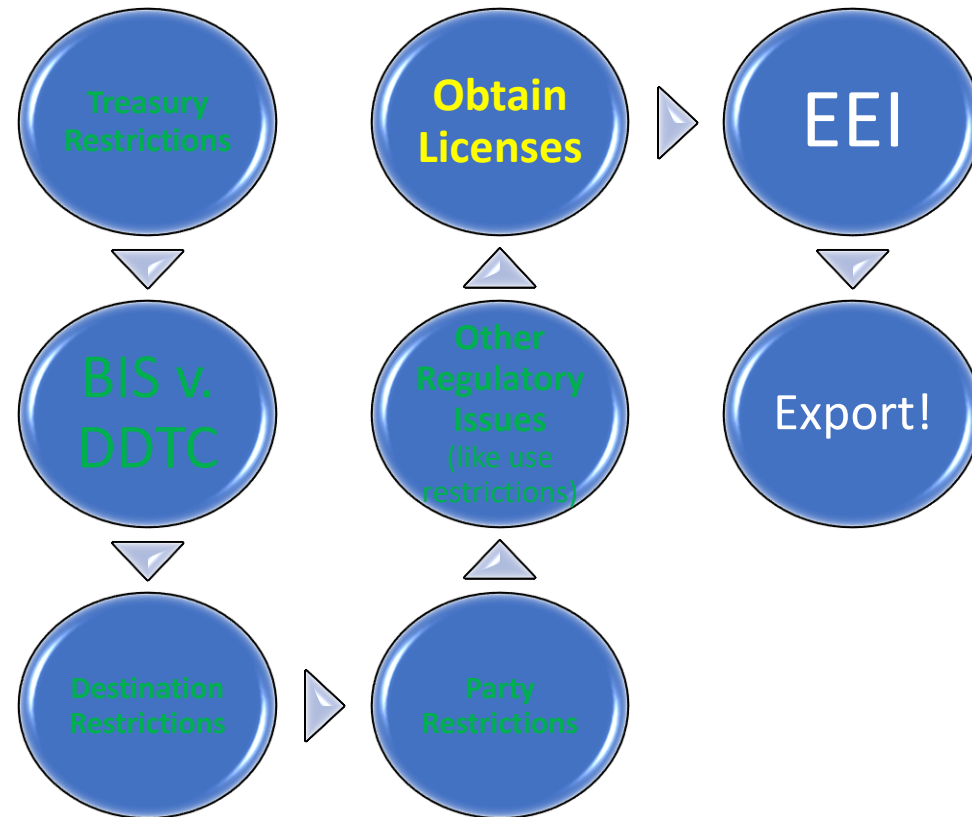


Anti-Boycott Reporting

- If you are approached about an embargo or boycott, then you may need to report it to the US government!
 - Pratt & Whitney Component Solutions (“PWCS”) found this out the hard way, with a BIS enforcement action that resulted in PWCS paying a settlement of \$48,750
 - Qatar Airways Purchase Order stated
“Please note that parts made in Israel is prohibited to be imported into State of Qatar and such shipments will be held up in customs.”
- US Government interpreted this as a boycott request and fined PWCS for failure to promptly report it (reporting is necessary even if you refuse the request)

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions
- Identify other regulatory issues
- Obtain licenses as necessary



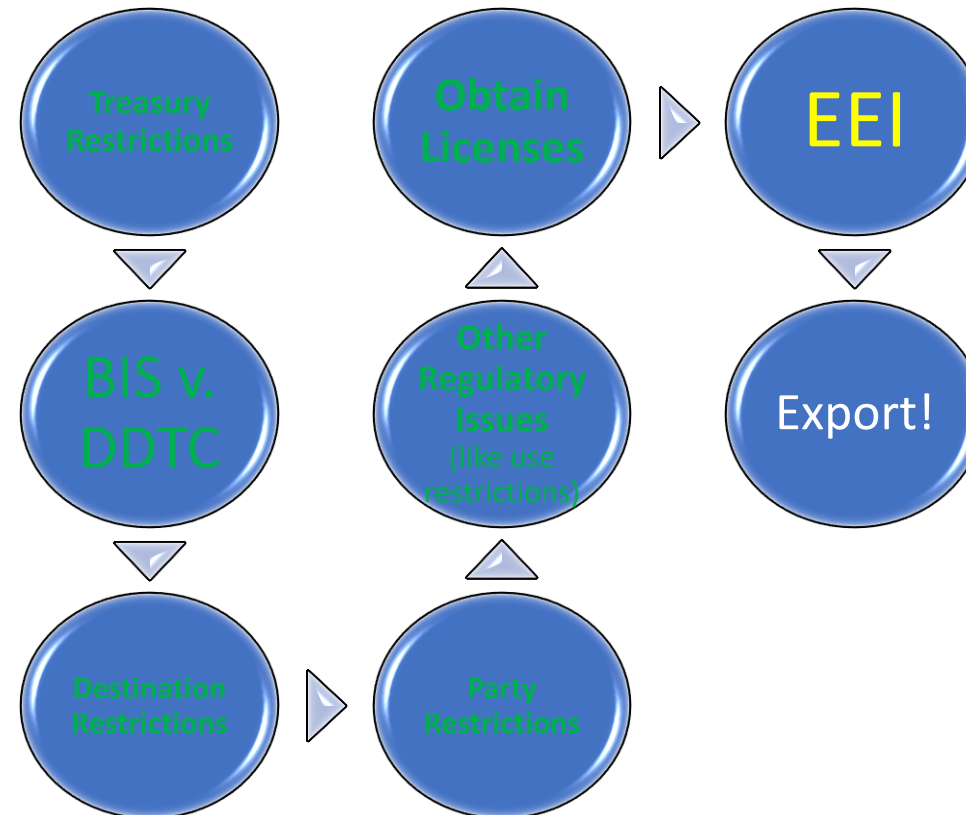


Do You Need a BIS License?

- 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
- *There are several very useful license exceptions, which will be addressed by Lisa Matos and Jared Knights in their 4:00 pm session*

Steps to Compliance

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions
- Identify other regulatory issues
- Obtain licenses as necessary
- Document the transaction





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*)
- Document retention period is five years (keep all transactional documents)
- If you are shipping through a freight forwarder, then absent a special *agency* agreement, **you** are usually expected to file the EEI



Statement on the Commercial Invoice

- Destination Control Statement (identical to the ITAR statement)
 - “These items are controlled by the U.S. government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.”
 - Include the statement on the commercial invoice
 - For “600 series” articles, *also* include the ECCN



Routed Exports

- What if you have a domestic shipment that you know will be subsequently exported?
 - E.g. because a foreign buyer had it shipped to their freight forwarder or other *authorized agent*
- A routed export transaction is “a transaction in which the FPPI authorizes a U.S. agent to facilitate export of items from the United States on its behalf and prepare and file the EEI.”

USPPI must provide a shipper's letter to the authorized agent:

- (i) Name and address of the USPPI.*
- (ii) USPPI Identification Number (this can be your EIN or it can be a unique exporter number assigned by CBP)*
- (iii) U.S. State of origin [postal code for where the good start their journey]*
- (iv) FTZ if applicable.*
- (v) Commercial description of commodities.*
- (vi) Origin of goods indicator: Domestic (D) or Foreign (F).*
- (vii) Schedule B or HTSUS, Classification Commodity Code.*
- (viii) Quantities/units of measure.*
- (ix) Value.*
- (x) Export Control Classification Number (ECCN)*
- (xi) All licensing information including license exception*
- (xii) Any information that we know that may affect the determination of license authorization*



Thank You!

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