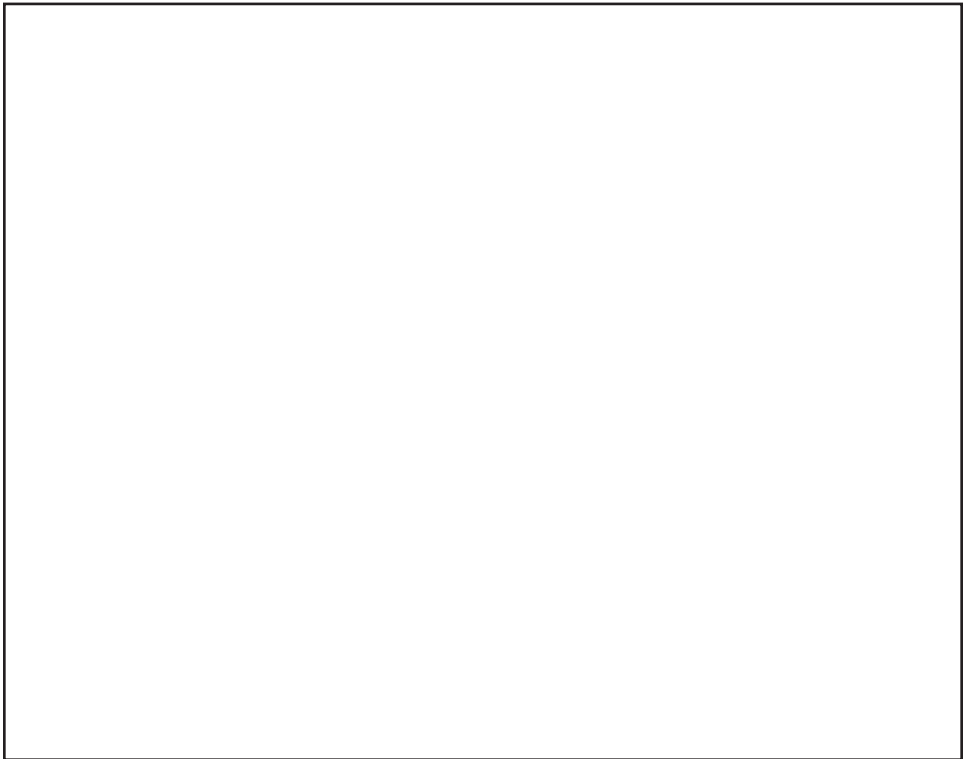




Classifying Your Item

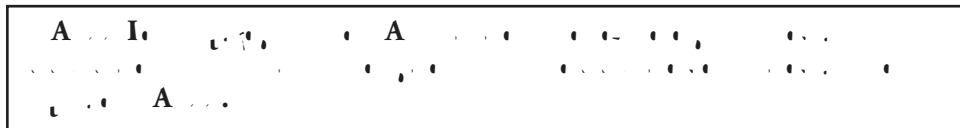
The proper classification of your item is essential to determining any licensing requirements under the Export Administration Regulations (EAR). You may classify the item on your own, check with the manufacturer, or submit a classification request to have BIS determine the ECCN for you.

When reviewing the CCL to determine if your item is specified by an ECCN, you will first need to determine in which of the ten broad categories of the Commerce Control List your item is included and then consider the applicable product group.

A large, empty rectangular box with a black border, intended for the user to provide information or a response.A large, empty rectangular box with a black border, intended for the user to provide information or a response.

KEY *Item Number* *Control Category* *License* **EAR99**

If your item falls under U.S. Department of Commerce jurisdiction and is not listed on the CCL, it is designated as EAR99. EAR99 items generally consist of low-technology consumer goods and do not require a license in many situations. However, if you plan to export an EAR99 item to an embargoed country, to an end-user of concern or in support of a prohibited end-use, you may be required to obtain a license.



Exports to embargoed countries and those designated as supporting terrorist activities such as Cuba, Iran, North Korea, Northern Sudan, and Syria are more restricted. However, restrictions vary from country to country.

How to Use - **KEY** *Item Number* *Control Category* *License* **EAR99**

Once you have classified the item, the next step is to determine whether you need an export license based on the "reasons for control" and the country of ultimate destination. You begin this process by comparing the ECCN with the Commerce Country Chart (Supplement No. 1 to Part 738).

Below the main heading for each ECCN entry, you will find "Reason for Control" (e.g., NS for National Security, AT for Anti-Terrorism, CC for Crime Control, etc.). Below this, you will find the "Country Chart" designator which shows the specific export control code(s) for your item (e.g., NS Column 2, AT Column 1, CC Column 1, etc.). These control codes for your ECCN must be cross-referenced against the Commerce Country Chart.

Commerce C!

If there is an "X" in the box based on the reason(s) for control of your item and the country of destination, a license is required, unless a License Exception is available. Part 742 of the EAR sets forth the license requirements and licensing policy for most reasons for control.

E a s e

Q. You have polygraph equipment classified as 3A981 for export to Honduras. Would you be required to obtain an export license from the Department of Commerce before selling and shipping it to your purchaser?

A. Yes. 3A981 is controlled for Crime Control (CC) reasons under CC Column 1 and the Country Chart shows that such items require a license for Honduras.

If there is no "X" in the control code column(s) specified under your ECCN and country of destination, you will not need an export license unless you are exporting to an end-user or end-use of concern.

E a s e

Q. You have polygraph equipment classified as 3A981 for export to Iceland. Would you be required to obtain an export license from the Department of Commerce before selling and shipping it to your purchaser?

A. No. 3A981 is controlled for Crime Control (CC) reasons under CC Column 1 and the Country Chart shows that such items do not require a license for Iceland unless you are exporting to an end-user or end-use of concern.

Certain individuals and organizations are prohibited from receiving U.S. exports and others may only receive goods if they have been licensed, even items that do not normally require a license based on the ECCN and Commerce Country Chart or based on an EAR99 designation. You must be aware of the following lists:

• EAR Part 744, Supplement 4 – A list of parties whose presence in a transaction can trigger a license requirement under the Export Administration Regulations. The list specifies the license requirements that apply to each listed party. These license requirements are in addition to any license requirements imposed on the transaction by other provisions of the Export Administration Regulations.

• A list maintained by the Department of Treasury's Office of Foreign Assets Control which administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations, and international narcotics traffickers.

• A list of firms for which BIS was unable to complete an end-use check. Firms on the unverified list present a "red flag" that exporters have a duty to inquire about before making an export to them.

• A list of those firms and individuals whose export privileges have been denied is available on this website. You may not participate in an export or reexport transaction subject to the EAR with a person whose export privileges have been denied by the BIS. Note that some denied persons are located within the United States. If you believe a person whose export privileges have been denied wants to buy your product, you must not make the sale and report the situation to BIS's Office of Export Enforcement. If you have questions about Denied Persons, you may contact BIS's Office of Enforcement Analysis at (202) 482-4255.

Some end-uses are prohibited, while others may require a license. For example, you may not export to certain parties involved in the proliferation of weapons of mass destruction (e.g., nuclear, biological, chemical) and the missiles to deliver them, without specific authorization, no matter what your item is. For more information on prohibited end-uses, please refer to Part 744 of the EAR.

WAYS TO EXPORT

Authorization to export is determined by the transaction: what the item is, where it is going, who will receive it, and what it will be used for. The majority of U.S. commercial exports do not require a license.

When a License is Not Required

Most exports from the United States do not require a license, and may be exported under the designation “NLR.” Except in those relatively few transactions, when a license is required because the destination is under embargo or because of a proliferation end-use or end-user, no license is required when:

1. The item to be shipped is not on the CCL (i.e., it’s EAR99); or
2. The item is on the CCL but there is no “X” in the box on the Country Chart under the appropriate reason for control column on the row for the country of destination. (See the country chart example above.)

In each of these situations, you would enter “NLR” on your export documents.

License Exceptions

If a license is required for your transaction, a license exception may be available. License Exceptions, and the conditions on their use, are set forth in Part 740 of the EAR. If your export is eligible for a license exception, you would use the designation of that license exception (e.g., LVS, GBS, TMP) on your export documents.

Export License

If your item requires a license to be exported, you must apply to BIS for an export license. If your application is approved, you will receive a license number and expiration date to use on your export documents. A BIS-issued license is usually valid for 24 months.

WHERE TO GET ASSISTANCE

A good starting point for information on export licensing requirements and the regulations is to attend one of our export control seminars. A list of upcoming seminars is posted on the BIS website at www.bis.doc.gov.

For counseling assistance, you may call one of our export counselors at 202-482-4811 (Washington, DC), 949-660-0144 (Western Regional Office), or 408-998-8806 (Northern California). You may also register to receive email notifications of upcoming seminars.

SUMMARY OF STEPS TO TAKE TO PROCESS YOUR EXPORT

- Ensure that your export is under U.S. Department of Commerce jurisdiction.
- Classify your item by reviewing the Commerce Control List.
- If your item is classified by an Export Control Classification Number (ECCN), identify the Reasons for Control on the Commerce Control List.
- Cross-reference the ECCN Controls against the Commerce Country Chart to see if a license is required. If yes, determine if a License Exception is available before applying for a license.
- Ensure that no prohibited end-users or end-uses are involved with your export transaction. If prohibited end-users or end-uses are involved, determine if you can proceed with the transaction or must apply for a license.
- Export your item using EAR99 or the correct ECCN and the appropriate symbol (e.g., NLR, license exception, or license number and expiration date) on your export documentation (e.g., Automated Export System (AES) record).

APPLYING FOR AN EXPORT LICENSE

If an export license is required, you may submit an export license application via the on-line *Simplified Network Application Process Redesign (SNAP-R)*

EXPOR_TER'S RESPONSIBILITY

Exporters should review BIS's

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