

BIS Training Module 6

Slide 1:

Thank you for joining Module 6 of the Bureau of Industry and Security's Slide Presentation Series on Commerce Export License Requirements. This final module will provide an overview of export clearance and recordkeeping under the EAR.

Slide 2:

We will begin our discussion with the Automated Export System record. We will then discuss the Destination Control Statement requirement. We will provide an overview of the responsibilities of parties to a transaction. Finally, we will review recordkeeping requirements.

Slide 3:

Once you have determined that you are eligible for export under a license issued by BIS, a License Exception, or no license is required for your transaction, you should next turn to your export clearance requirements.

Export Clearance requirements from the BIS perspective are detailed in Part 758 of the EAR.

Slide 4:

The Automated Export System, or AES, record is the automated version of the Shipper's Export Declaration which is a statement to the U.S. Government that the transaction occurred as described. The AES system collects basic information relating to the transaction such as the names and addresses of the parties to a transaction, the ECCN (when required), the Schedule B or Harmonized Tariff Schedule number used by the Bureau of Census, the description, quantity and value of the items exported and the license authority for the export.

The document serves different functions. It is used by BIS for export control purposes and it is used by the Bureau of Census to collect trade statistics.

Slide 5:

The SED or AES record is required for all shipments of transactions authorized under an Export License, all shipments under the Validated End-user program, and all shipments to the five terrorist designated countries: Cuba, Iran, North Korea, Sudan and Syria.

It is also required for all commodities and Mass Market software shipped under NLR or a License Exception if the value is greater than \$2500 per Schedule B Number.

Finally, it is required if an item is transshipped through Canada to a third destination where the export would require an AES record or license if shipped directly to the final destination from the United States.

There are a number of exemptions to the SED or AES filing requirements. These exemptions are detailed in the Foreign Trade Statistics Regulations issued by the Bureau of Census.

Slide 6:

This slide displays the page from the AES record where you are required to fill out information related to the export authorization. First, you must select the License Type. The License Type is the code in AES used to designate the type of authorization under which the export is being made. Examples of these codes include “C3” to designate the use of an export license issued by BIS and “C36” to designate the use of License Exception GBS.

Slide 7:

There is a drop-down menu for the License Type Code which provides a list from which to select.

Slide 8:

The “Export License Number” Field is where you put the license number issued by BIS, the License Exception Symbol, or “NLR”, whichever is appropriate for your transaction.

Slide 9:

You are required to include the ECCN of your item for all exports authorized under an export license issued by BIS (codes C30 and C31), most exports under a License

Exception, and exports under NLR if the item is on the Commerce Control List and controlled for other than anti-terrorism reasons (code C32). The ECCN is optional for other NLR exports under code C33 and TMP in some circumstances.

Slide 10:

If you have questions regarding your AES record filing, you should contact the Bureau of Census. On this page we have provided various ways to reach the Bureau of Census.

Slide 11:

We will now turn to other requirements under 758 of the EAR.

The Destination Control Statement is a statement that must be entered on the invoice and on the bill of lading, air waybill or other export control document that accompanies the shipment.

It is required for the export of any item on the Commerce Control List.

Slide 12:

All parties that participate in transactions subject to the EAR must comply with the EAR.

Parties are free to structure transactions as they wish and to delegate functions and tasks as long as the transaction complies with the EAR. However, acting through a forwarding

or other agent, or delegating authority, does not in and of itself relieve anyone of responsibility for compliance with the EAR.

Slide 13:

Part 762 of the EAR is devoted to recordkeeping requirements. Generally, all export control documents should be kept for five years by any person who participates in any transaction subject to the EAR. Part 762 includes an explanation of which transactions are subject to recordkeeping requirements, which records must be maintained, which are exempt, who must retain records, the format of the records and the retention period.

Slide 14:

In Module 6 we took a brief look at the Automated Export System record as it relates to the EAR. We also considered Destination Control Statements, responsibilities of parties, and recordkeeping requirements.

Slide 15:

This completes the Bureau of Industry and Security's Slide Presentation Series on Commerce Export License Requirements. This series presented six slide presentation modules to take you through the process of determining your export control requirements under the Export Administration Regulations.

This series is designed to give people who are new to exporting, and, in particular, new to export controls, a general understanding of our regulations and how to use them.

However, nothing provided here can substitute for consulting the Export Administration Regulations.

The first module focused on the big picture, providing you with an overview of the regulations and the steps involved in determining whether your transaction is subject to the EAR and if it requires an export license.

The second module delved further into the process for classifying your item to determine if you need an export license.

The third module focused on end-user and end-use export restrictions and other prohibited activities.

The fourth module introduced License Exceptions.

The fifth module described the license application and support documentation process.

The sixth and final module introduced export clearance and recordkeeping requirements under the EAR.