

## Complete list of Key terms used in the Strategic Trade Authorization (STA) Interactive

### Compliance Tool

§ 740.20 – Section 740.20 of Title 15 of the Code of Federal Regulations adds a new license exception to the Export Administration Regulations (EAR) that authorizes the export, reexport, and transfer (in-country) of specified items to destinations that pose relatively low risk that those items will be used for a purpose that license requirements are designed to prevent.

Use of the exception is conditioned upon the creation and exchange by the parties to the transaction of notifications and statements designed to provide assurance against diversion of such items to other destinations. The exception is only relevant to exports, reexports, and transfers for which a license is required under the EAR. Thus, if the EAR do not impose an obligation to apply for and receive a license before exporting, reexporting, or transferring an item subject to the EAR, STA is not relevant to the transaction. The exception does not alter any of the General Prohibitions in the EAR against unlicensed exports, reexports, or transfers to proscribed end users, end uses, or destinations.

This rule is part of the Administration's Export Control Reform Initiative, undertaken as a result of the fundamental review of the U.S. export control system that the President announced in August 2009.

**600 series** - ECCNs in the “xY6zz” format on the Commerce Control List (CCL) that control items on the CCL that were previously controlled on the U.S. Munitions List or that are covered by the Wassenaar Arrangement Munitions List (WAML). The “6” indicates the entry is a munitions entry on the CCL. The “x” represents the CCL category and “Y” the CCL product group. The “600 series” constitutes the munitions ECCNs within the larger CCL.

**600 Series Major Defense Equipment** - Any item listed in ECCN 9A610.a, 9A619.a, 9A619.b or 9A619.c, having a nonrecurring research and development cost of more than \$50,000,000 or a total production cost of more than \$200,000,000.

***NOTE TO “600 SERIES MAJOR DEFENSE EQUIPMENT:”** For the most current list of MDE, see Appendix I, (Nonrecurring Cost Recoupment Charges for Major Defense Equipment) to DoD 5105.38-M, “Security Assistance Management Manual (SAMM),” dated 04/30/2012, available online at <http://www.dsca.osd.mil/samm/ESAMM/Appendix01.htm> .*

**9A515** - ECCN 9A515 applies to “spacecraft” and related commodities that were once subject to the ITAR and USML Category XV. For more information please consult the Commerce Control List in Supplement 1 to Part 774 of the EAR.

**9x515** - 9x515 ECCNs describe “spacecraft,” related items, and some radiation-hardened microelectronic circuits that were once subject to the ITAR and USML Category XV. Just as the ITAR effectively trumps the EAR, items described in a 9x515 ECCN or “600 series” ECCN trump other ECCNs on the CCL.

**Automated Export System (AES)** - The Automated Export System (AES) allows exporters to report their electronic export information. It is administered by the Census Bureau and information regarding the requirements for filing in the AES can be accessed at <http://www.census.gov/foreign-trade/aes> and click on AES.

Please remember to report the STA transaction details in the AES prior to departure. Failure to do so is a violation of the BIS Export Administration Regulations and Census Bureau Foreign Trade Regulations.

Upon completion of the filing of the transaction in AES, you will receive an Internal Transaction Number (ITN) from AES. Be sure to annotate the bill of lading, air waybill, or other commercial documentation with this ITN and include a Destination Control Statement.

If after reviewing the requirements you determine that you answered the previous question incorrectly please click the previous button below.

If you have any other questions or need additional assistance about filing the information in the AES, contact the Foreign Trade Division of the U.S. Census Bureau at 1-800-549-0595. Use extension 1 for general AES questions and extension 3 for questions related to the Foreign Trade Regulations.

**Component** – This is an item that is useful only when used in conjunction with an “end item.” “Components” are also commonly referred to as assemblies. For purposes of this definition an assembly and a “component” are the same. There are two types of “components”: “major components” and “minor components.” A “major component” includes any assembled element which forms a portion of an “end item” without which the “end item” is inoperable. For example, for an automobile, “components” will include the engine, transmission, and battery. If you do not have all those items, the automobile will not function, or function as effectively. A “minor component” includes any assembled element of a “major component.” “Components” consist of “parts.” References in the CCL to “components” include both “major components” and “minor components.”

**Consignee** – The term consignee in the EAR refers to the principal party in interest located abroad who receives the exported or re-exported items. The ultimate consignee is not a forwarding agent or other intermediary, but may be the end-user.

See Supplement 3 to Part 732 of the EAR for BIS’s “Know your Customer Guidance and Red Flags”.

Definitions in the EAR can be found in § 772.1.

**Consignee Statement** - [INSERT NAME(S) OF CONSIGNEE(S)]:

(i) Is aware that [INSERT DESCRIPTION AND APPLICABLE ECCNS OF ITEMS TO BE SHIPPED] will be shipped pursuant to License Exception Strategic Trade Authorization (STA) in §740.20 of the United States Export Administration Regulations (15 CFR 740.20);

(ii) Has been informed of the ECCNs noted above by [INSERT NAME OF EXPORTER, REEXPORTER OR TRANSFEROR];

(iii) Understands that items shipped pursuant to License Exception STA may not subsequently be reexported pursuant to paragraphs (a) or (b) of License Exception APR (15 CFR 740.16(a) or (b));

(iv) Agrees to obtain a prior consignee statement when using License Exception STA for any reexport or transfer (in-country) of items previously received under License Exception STA;

(v) Agrees not to export, reexport or transfer these items to any destination, use or user prohibited by the United States Export Administration Regulations;

(vi) Agrees to provide copies of this document and all other export, reexport or transfer records ( i.e., the documents described in 15 CFR part 762) relevant to the items referenced in this statement to the U.S. Government as set forth in 15 CFR 762.7.

(vii) For 600 series items, understands/confirms or receives confirmation that License Exception STA may be used only to export, reexport, and transfer (in-country) 600 series items to persons and end uses specified in § 740.20(d)(2)

(viii) For 600 series non-governmental consignees and 9x515 items, agrees to permit a U.S. Government end-use check with respect to the items.

**Country Group A:5** – This is an EAR country group in Supplement No. 1 to part 740 of the EAR. Country Group A:5 consists of the following thirty-six countries: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

**Deemed Exports** - A deemed export is a release of technology or source code (except encryption source code) to a foreign national within the United States. This does not apply to persons lawfully admitted for permanent residence in the United States and does not apply to persons who are protected individuals under the Immigration and Naturalization Act.

More information on deemed exports can be found in § 734.2(b)(2)(ii) of the EAR.

## Destination Lists

Country Group A:5 (36 Destinations):			Country Group A:6 (8 Destinations):
1. Argentina	13. Germany	25. Norway	1. Albania
2. Australia	14. Greece	26. Poland	2. Hong Kong
3. Austria	15. Hungary	27. Portugal	3. India
4. Belgium	16. Iceland	28. Romania	4. Israel
5. Bulgaria	17. Ireland	29. Slovakia	5. Malta
6. Canada	18. Italy	30. Slovenia	6. Singapore
7. Croatia	19. Japan	31. South Korea	7. South Africa
8. Czech Republic	20. Latvia	32. Spain	8. Taiwan
9. Denmark	21. Lithuania	33. Sweden	
10. Estonia	22. Luxembourg	34. Switzerland	
11. Finland	23. Netherlands	35. Turkey	
12. France	24. New Zealand	36. United Kingdom	

**Development** - (General Technology Note) — “Development” is related to all stages prior to serial production, such as: design, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts.

**Embargoes and Other Special Controls** - Embargoes and Other Special Controls are listed in Part 746 of the EAR. Embargoes are total restrictions on trade. Other special controls include trade restrictions from economic sanctions, imposed both unilaterally and multilaterally.

**End-user** - The term end-user in the EAR refers to the person abroad that receives and ultimately uses the exported or re-exported items. The end-user is not a forwarding agent or intermediary, but may be the purchaser or ultimate consignee.

License requirements may be based on the end-use or end-user in a transaction. Be sure to check the consolidated proscribed party list on [www.export.gov/ECR](http://www.export.gov/ECR) to make sure you are not exporting to a prohibited end-user.

Restrictions also apply if you “know” or are “informed” that the export is for proliferation end-users/uses – nuclear, missile technology, chemical and biological or there exist limited military end-use restrictions.

See Supplement 3 to § 732 of the EAR for BIS’s “Know your Customer Guidance and Red Flags”.

Also, see Part 744 of the EAR for more information.

**Export Administration Regulations (EAR)** - The Export Administration Regulations (EAR) are references to Title 15 of the Code of Federal Regulations chapter VII, subchapter C , §730-774. The EAR are issued by the United States Department of Commerce, Bureau of Industry and Security (BIS) to implement the Export Administration Act of 1979.

The term “dual use” is often used to describe the types of items subject to the EAR. A “dual-use” item is one that has civil applications as well as terrorism and military or weapons of mass destruction (WMD)-related applications. The precise description of what is “subject to the EAR” is in § 734.3, which does not limit the EAR to controlling only dual-use items. In essence, the EAR control any item warranting control that is not exclusively controlled for export, reexport, or transfer (in-country) by another agency of the U.S. Government or otherwise excluded from being subject to the EAR pursuant to § 734.3(b) of the EAR. Thus, items subject to the EAR include purely civilian items, items with both civil and military, terrorism or potential WMD-related applications, and items that are exclusively used for military applications but that do not warrant control under the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120 et seq.).

**Export Control Classification Number (ECCN)** - An Export Control Classification Number is a five character classification code used in the Commerce Control List (CCL) to identify items for export control purposes.

Items generally listed in terms of technical parameters.

ECCN identifies “Reason For Control” – e.g. national security (NS), nuclear proliferation (NP), anti-terrorism (AT), missile technology (MT), etc.

ECCNs are described in § 738.1 (d) and listed § 738 Supplement 1 to Part 774 of the EAR.

**Intermediate Consignee** - The person that acts as an agent for a principal party in interest for the purpose of effecting delivery of items to the ultimate consignee. The intermediate consignee may be a bank, forwarding agent, or other person who acts as an agent for a principal party in interest.

**License Exception Additional Permissive Re-exports (APR)** - § 740.16 of the EAR describes the conditions under which license exception APR can be used.

Items shipped under STA are not eligible for subsequent license exception APR shipments.

**License Code C59** - License Code C59 in the AES corresponds to license exception STA.

When entering Electronic Export Information (EEI) using license exception STA, report license code C59 in the License Code field and ‘STA’ in the License Number Field.

EEI transactions in AES under license exception STA (C59) are NOT eligible for any AES reporting

exemptions under 15 Code of Federal Regulations, Part 30 Foreign Trade Regulations, Subpart D.

For a list of all AES license codes used in AES, see <http://aesdirect.gov/support/tables/lic.txt>

**Natural Person** - A human being, naturally born, versus a legally generated juridical person (e.g., a corporation).

**Note on Notification of Items under ECCN to be Shipped Against** - Once furnished to a particular consignee, the ECCN that applies to any item need not be refurnished to that consignee at the time the same exporter makes an additional shipment of the same item, if the information remains accurate at the time of the additional shipment.

**Production** - (General Technology Note) (All Categories) — Means all production stages, such as: product engineering, manufacture, integration, assembly (mounting), inspection, testing, quality assurance.

**Purchaser** - The person abroad who has entered into a transaction to purchase an item for delivery to the ultimate consignee. In most cases, the purchaser is not a bank, forwarding agent, or intermediary. The purchaser and ultimate consignee may be the same entity.

#### **Reasons for Control –**

- EI – Encryption Items
- NS – National Security
- SS – Short Supply
- CB – Chemical and Biological Weapons
- SL – Surreptitious Listening
- NP – Nuclear Non-Proliferation
- MT – Missile Technology
- RS – Regional Stability
- CW – Chemical Weapons
- CC – Crime Control
- SI – Significant Items

See § 738.2 (d) (2) of the EAR to determine how to read the ECCN entry and determine its reason for control. See Part 742 of the EAR for in depth information on specific reasons for control.

**Re-export** - The term re-export in the EAR refers to an actual shipment or transmission of items subject to the EAR from one foreign country to another foreign country. For purposes of the EAR, the export or re-export of items subject to the EAR that will transit through a country or countries, or be transhipped in a country or countries to a new country, or are intended for re-export to the new country, are deemed to be exports to the new country.

Definitions in the EAR can be found in § 772.

**Specially designed** – When applying this definition, follow this sequential analysis set forth below. (For additional guidance on the order of review of “specially designed,” including how the review of the term relates to the larger CCL, see Supplement No. 4 to Part 774 of the EAR

– Commerce Control List Order of Review.)

- (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:
- (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);
  - (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,;
  - (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;
  - (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;
  - (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*
  - (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.

**Note 1:** ‘Enumerated’ refers to any item (i) on either the USML or CCL not controlled in a ‘catch-all’ paragraph and (ii) when on the CCL, controlled by an ECCN for more than Anti-Terrorism (AT) reasons only. An example of an ‘enumerated’ ECCN is 2A226, which controls valves with the following three characteristics: a “nominal size” of 5 mm or greater; having a bellows seal; *and* wholly made of or lined with aluminum, aluminum alloy, nickel, or nickel alloy containing more than 60% nickel by weight. The CCL also contains notes excluding from control “parts” and “components” “specially designed” for uncontrolled items. Such uncontrolled items are merely ‘described’ and are not ‘enumerated.’ Note 2 to ECCN 1A002 is an example of items excluded from control based on being “specially designed” for a ‘described’ item. Commodities or

software in an ECCN controlled only for AT reasons are other examples of items ‘described’ on the CCL. ECCN 2B996, which controls dimensional inspection or measuring systems or equipment not controlled by 2B006, is an example of a commodity ‘described’ in an ECCN controlled only for AT reasons. For purposes of “specially designed,” ECCNs 0B986, 0B999, 0D999, 1B999, 1C992, 1C995, 1C997, 1C999, 6A998 (except for .b), 7A994 (except for the QRS11) and 9A991 are treated as ECCNs controlled exclusively for AT reasons.

**Note 2:** A ‘catch-all’ paragraph is one that does not refer to specific types of “parts,” “components,” “accessories,” or “attachments” but rather controls non-specific “parts,” “components,” “accessories,” or “attachments” because they were “specially designed” for an enumerated item. For example, ECCN paragraph 9A610.x is a catch-all, because it controls “parts,” “components,” “accessories,” and “attachments” “specially designed” for military aircraft, but does not identify specific types of “parts,” “components,” “accessories,” or “attachments” within its control. Another example of a ‘catch-all’ is the heading of 7A102, which controls “specially designed” components for the gyros enumerated in 7A102, but does not identify the specific types of “components” within its control.

**Note to paragraph (a)(1):** Items that as a result of “development” have properties peculiarly responsible for achieving or exceeding the performance levels, ‘functions’ or characteristics in a relevant ECCN paragraph may have properties shared by different products. For example, ECCN 1A007 controls equipment and devices, specially designed to initiate charges and devices containing energetic materials, by electrical means. An example of equipment not meeting the peculiarly responsible standard under paragraph (a)(1) is a garage door opener, that as a result of “development” has properties that enable the garage door opener to send an encoded signal to another piece of equipment to perform an action (i.e., the opening of a garage door). The garage door opener is not “specially designed” for purposes of 1A007 because although the garage door opener could be used to send a signal by electrical means to charges or devices containing energetic materials, the garage door opener does not have properties peculiarly responsible for achieving or exceeding the performance levels, ‘functions’ or characteristics in 1A007. For example, the garage door opener is designed to only perform at a limited range and the level of encoding is not as advanced as the encoding usually required in equipment and devices used to initiate charges and devices containing energetic materials, by electrical means. Conversely, another piece of equipment that, as a result of “development,” has the properties (e.g., sending a signal at a longer range, having signals with advanced encoding to prevent interference, and having signals that are specific to detonating blasting caps) needed for equipment used to initiate charges and devices containing energetic materials, would be peculiarly responsible because the equipment has a direct and proximate causal relationship that is central or special for achieving or exceeding the performance levels, ‘functions’ or characteristics identified in 1A007.

**Note 1 to paragraph (b)(3):** Commodities in “production” that are subsequently subject to “development” activities, such as those that would result in enhancements or improvements only in the reliability or maintainability of the commodity (e.g., an increased mean time between failure (MTBF)), including those pertaining to quality improvements, cost reductions, or feature enhancements, remain in “production.” However, any new models or versions of such commodities developed from such efforts that change the basic performance or capability of the commodity are in “development” until and unless they enter into “production.”

**Note 2 to paragraph (b)(3):** With respect to a commodity, ‘equivalent’ means that its



form has been modified solely for ‘fit’ purposes.

**Note 3 to paragraph (b)(3):** The ‘form’ of a commodity is defined by its configuration (including the geometrically measured configuration), material, and material properties that uniquely characterize it. The ‘fit’ of a commodity is defined by its ability to physically interface or interconnect with or become an integral part of another item. The ‘function’ of the item is the action or actions it is designed to perform. ‘Performance capability’ is the measure of a commodity’s effectiveness to perform a designated function in a given environment (e.g., measured in terms of speed, durability, reliability, pressure, accuracy, efficiency). For software, ‘form’ means the design, logic flow, and algorithms. ‘Fit’ means the ability to interface or connect with an item subject to the EAR. The ‘function’ means the action or actions it performs directly to an item subject to the EAR or as a stand-alone application. ‘Performance capability’ means the measure of software’s effectiveness to perform a designated function.

**Note to Paragraphs (b)(3) and (b)(4):** ECCNs controlled for AT-only reasons that use "specially designed" are eligible for paragraphs (b)(3) and (b)(4). However, the criteria for release under (b)(3) or (b)(4) must be met by another ECCN controlled for AT-only reasons or an EAR99 item in addition to the AT-only ECCN being reviewed for release from "specially designed." For example, if a single gasket is used in ECCN 9A990 tractors (9A990 includes a control on "specially designed" "parts") and also pick-up trucks designated as EAR99 that are in "production", the single gasket would be released from "specially designed" on the basis of paragraph (b)(3). Or if the single gasket is or was used in 9A990 tractors and also 9A991.b aircraft (another AT-only controlled ECCN), that are in "production," the gasket would be released from "specially designed" on the basis of paragraph (b)(3). Alternatively, if the single gasket is or was only used in ECCN 9A990 tractors that are in "production," then paragraph (b)(3) would not be available. This same concept applies for paragraph (b)(4).

**Note to paragraphs (b)(4), (b)(5) and (b)(6):** For a commodity or software to be not “specially designed” on the basis of paragraphs (b)(4), (b)(5) *or* (b)(6), documents contemporaneous with its “development,” in their totality, must establish the elements of paragraphs (b)(4), (b)(5) *or* (b)(6). Such documents may include concept design information, marketing plans, declarations in patent applications, or contracts. Absent such documents, the “commodity” may not be excluded from being “specially designed” by paragraphs (b)(4), (b)(5) *or* (b)(6).

**Software** - The term software in the EAR refers to a collection of one or more “programs” or “microprograms” fixed in any tangible medium of expression.

Definitions in the EAR can be found in § 772.1.

**Technology** - (General Technology Note) — Specific information necessary for the “development”, “production”, or “use” of a product. The information takes the form of “technical data” or “technical assistance”. Controlled “technology” is defined in the General Technology Note and in the Commerce Control List (Supplement No. 1 to part 774 of the EAR). “Technology” also is specific information necessary for any of the following: operation, installation (including on-site installation), maintenance (checking), repair, overhaul, refurbishing, or other terms specified in ECCNs on the CCL that control

“technology.”

- **N.B.:** *Technical assistance--May take forms such as instruction, skills training, working knowledge, consulting services.*
- **NOTE 1:** *“Technical assistance” may involve transfer of “technical data”.*
- **NOTE 2:** *“Technology” not elsewhere specified on the CCL is designated as EAR99, unless the “technology” is subject to the exclusive jurisdiction of another U.S. Government agency (see § 734.3(b)(1)) or is otherwise not subject to the EAR (see § 734.4(b)(2) and (b)(3) and §§ 734.7 through 734.11 of the EAR).*

**Transfer** - The term transfer in the EAR refers to a shipment, transmission, or release to any person of items subject to the EAR either within the United States or outside the United States.

**In-country transfer / transfer (in-country)** - The shipment, transmission, or release of items subject to the EAR from one person to another person that occurs outside the United States within a single foreign country.

***NOTE:** This definition of transfer does not apply to §750.10 or Supplement No. 8 to part 760 of the EAR. The term “transfer” may also be included on licenses issued by BIS. In that regard, the changes that can be made to a BIS license are the non-material changes described in §750.7(c). Any other change to a BIS license without authorization is a violation of the EAR. See §§750.7(c) and 764.2(e).*

Definitions in the EAR can be found in § 772.

**Toxin** - The term toxin in categories 1 and 2 in the Commerce Control List refers to toxins in the form of deliberately isolated preparations or mixtures, no matter how produced, other than toxins present as contaminants of other materials such as pathological specimens, crops, foodstuffs or seed stocks of “microorganisms.”

More information on controlled toxins can be found under ECCN 1C351 in Supplement 1 to Part 774 of the EAR.

**Toxin Limits** - The maximum amount of any one toxin in any one shipment may not exceed 100 milligrams.

No exporter, re-exporter or transferor may send more than six shipments of any one toxin to any one end user in a single calendar year.

More information on toxin limits can be found under § 740.20 (b) (vi) (A) and (B).

**Ultimate Consignee** - The person abroad who has entered into a transaction to purchase an item for delivery to the ultimate consignee. In most cases, the purchaser is not a bank, forwarding agent, or intermediary. The purchaser and ultimate consignee may be the same entity.

**xY018** – xY018 ECCNs are items on the Wassenaar Arrangement Munitions List (WAML) that will be moved to the “600 series” ECCNs.