



# **Initial Export Control Reform AES Changes**

**ACE Software Developers Session  
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## Agenda Topics

- Effective Date of ECR Changes in AES
- New Post-Departure Filing Edits
- ECR Changes in AES
  - Addition of “600” Series ECCNs
  - Edits on “600” Series ECCN Use
  - License Exception Strategic Trade Authorization
  - AES transactions under “600” Series .y paragraphs
  - EAR items under an ITAR license
- Additional BIS Edits in AES





# Effective Date of ECR Changes in AES

- AES Changes Will Be Made Over the Weekend of October 12, 2013
- Allowing for Filing Dates in AES on October 14, 2013 for Exports of “600” Series items with an Export Shipment Date of October 15, 2013 or later





# Overview of EAR §758.2 Changes AES Post-Departure Filing

- Grounds for Denial for AES Post-Departure Filing include:
  - Exports made under license exception Strategic Trade Authorization (STA); under authorization Validated End User (VEU); or are of “600 series” items





# Addition of “600” Series ECCNs

- October 2013 - ECCNs 9A610, 9A619, 9B610, 9B619, 9C610, 9C619, 9D610, 9D619, 9E610 and 9E619 will be added to AES ECCN reference table
- New “600” Series ECCNs will be added as additional items from USML categories transition to the CCL



# AES Editing on “600” Series ECCNs

- Only certain license types will be eligible for “600” Series ECCNs
  - Fatal Errors if reported incorrectly
- Refer to AES-ECR Email Broadcast
- Review Appendix F of the AES Trade Interface Requirements (AESTIR) for Specific Reporting Instructions





# AES Editing on “600” Series ECCNs

- C30, C31, C40, C41, C42, C59
  - All 10 ECCNs Permitted
- C32
  - All 10 ECCNs Permitted to Canada Only
- C35
  - 9A610, 9A619, 9B610, 9B619, 9C610, 9C619
- C44
  - 9D610, 9D619, 9E610, 9E619



License Code	Description	Export License Nbr / CFR Citation / Authorization Symbol/KPC#	ECCN	Allowed Export Info Codes	Allowed MOT Codes
C35	<p>Limited Value Shipments (LVS) Part 740.3</p> <p>EAR99 may NOT be reported as an ECCN.</p> <p>Only allow Countries of Destination from the Country Group B list</p> <p>Reference:  <a href="http://www.access.gpo.gov/bis/ear/pdf/740spir.pdf">www.access.gpo.gov/bis/ear/pdf/740spir.pdf</a></p>	Report 'LVS'.	<p>Mandatory</p> <p>Must be one of the following:  All eligible ECCNs,  plus  9A610  9A619  9B610  9B619  9C610  9C619</p>	<p>CR, IS, TE, TL, CH, CI, MS, GS, IP, IR, OI, OS, DD, IW</p> <p>8</p>	<p>All except '70' Fixed Transport</p>



# License Exception Strategic Trade Authorization (STA)

- June 16, 2011 – Creation of BIS License Exception STA (EAR §740.20)
- October 15, 2013 – Use of STA for “600” Series
  - AES Edits Ensure that only Specific ECCNs and Specific Countries are Eligible for STA
  - Government End-Uses Only for “600” Series





# Reporting Items under “600” Series .Y Paragraph ECCNs

- AES Creating New License Type DY6 (C60)
  - Required for .y paragraph 600-series items only
  - Low value and Canadian exemptions apply to DY6 (C60)
  - ECCNs are allowed but not required
  - License Number “DY6” is required



License Code	Description	Export License Nbr/ CFR Citation/ Authorization Symbol/KPC#	ECCN	Allowed Export Info Codes	Allowed MOT Codes
C60	.y “600 series” items to identify the .y subparts to ECCNs that are in the “600 series” because they have less military significance than other subparts to the “600 series.”	Report ‘DY6’	<p>Allowed</p> <p>When reported, the ECCN must be one of the following</p> <p>9A610</p> <p>9A619</p> <p>9B619</p> <p>9D610</p> <p>9D619</p> <p>9E610</p> <p>9E619</p>	OI, OS, CH, CI	All



# EAR Items Licensed under ITAR

- State Department may license an item subject to EAR on ITAR License
- AES filer must report the ECCN or EAR99 in the ECCN field
  - Even for license type S05 (DSP-5)





# **Other BIS Changes to AES Edits**

**A Smarter AES to Prevent Improper Use  
of License Type Codes**

**For “600 Series” Items  
For Encryption Items  
For Controlled Items**



License Code	Description	Export License Nbr/ CFR Citation/ Authorization Symbol/KPC#	ECCN	Allowed Export Info Codes	Allowed MOT Codes
C43	<p>Gift Parcels and Humanitarian Donations (GFT) Part 740.12 (AES or EEI not required)</p> <p>Items under 600 series ECCNs are not eligible under this license type. Consolidates the following categories: Gift parcels; Humanitarian donations.</p> <p>EAR99 may be reported as an ECCN.</p>	Report 'GFT'.	Mandatory	UG, IW	All except '70' Fixed Transprt



# **Example of Ineligible NLR Use**

**For Encryption Items**

**For Controlled Items**



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**5A002 "Information security" systems, equipment and components therefor, as follows (see List of Items Controlled).**

**License Requirements**

*Reason for Control:* NS, AT, EI

<i>Control(s)</i>	<i>Country Chart</i>
NS applies to entire entry	NS Column 1

AT applies to entire entry      AT Column 1

EI applies to 5A002.a.1, .a.2, .a.5, .a.6, .a.9 and .b. Refer to §742.15 of the EAR.

**License Exceptions**

- LVS: Yes: \$500 for components and spare parts only. N/A for equipment.
- GBS: N/A
- CIV: N/A
- ENC: Yes for certain EI controlled commodities, see §740.17 of the EAR for eligibility.

*Items:*

*Note: 5A002 does not control any of the following. However, these items are instead controlled under 5A992:*

*(a) Smart cards and smart card 'readers/writers' as follows:*

*(1) A smart card or an electronically readable personal document (e.g., token coin, e-passport) that meets any of the following:*

*a. The cryptographic capability is restricted for use in equipment or systems excluded from 5A002 by Note 4 in Category 5 - Part 2 or entries (b) to (i) of this Note, and cannot be reprogrammed for any other use; or*

*b. Having all of the following:*

*1. It is specially designed and limited to allow protection of 'personal data' stored within;*

*2. Has been, or can only be, personalized for public or commercial transactions or individual identification; and*

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**9A105 Liquid propellant rocket engines.** (These items are subject to the export licensing authority of the U.S. Department of State, Directorate of Defense Trade Controls. See 22 CFR part 121.)

**9A106 Systems or components, other than those controlled by 9A006, usable in "missiles", as follows (see List of Items Controlled), and specially designed for liquid rocket propulsion systems.**

**License Requirements**

*Reason for Control:* MT, AT

<i>Control(s)</i>	<i>Country Chart</i>
MT applies to entire entry	MT Column 1
AT applies to entire entry	AT Column 1

**License Exceptions**

LVS: N/A

c. Thrust vector control sub-systems;

*Technical Note: Examples of methods of achieving thrust vector control controlled by 9A106.c includes:*

1. Flexible nozzle;
2. Fluid or secondary gas injection;
3. Movable engine or nozzle;
4. Deflection of exhaust gas steam (jet vanes or probes); or
5. Thrust tabs.

d. Liquid and slurry propellant (including oxidizers) control systems, and specially designed components therefor, designed or modified to operate in vibration environments greater than 10 g rms between 20 Hz and 2000 Hz.

*Note: The only servo valves and pumps controlled by 9A106.d, are the following:*

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## Commerce Country Chart

### Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Conventi on	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
Bulgaria <sup>3</sup>	X					X		X	X							
Burkina Faso	X	X		X		X	X	X	X	X		X		X		
Burma	X	X	X	X		X	X	X	X	X		X		X		
Burundi	X	X		X		X	X	X	X	X		X		X		
Cambodia	X	X		X		X	X	X	X	X		X	X			
Cameroon	X	X		X		X	X	X	X	X		X		X		
Canada	X										X					
Cape Verde	X	X		X		X	X	X	X	X		X		X		
Central African Republic	X	X		X		X	X	X	X	X		X		X		
Chad	X	X		X		X	X	X	X	X		X		X		
Chile	X	X		X		X	X	X	X	X	X	X		X		



# **Contact Information for AES Questions Related to ECR**

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