

Step 6 – Regulatory Compliance

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Do You Need an Export License?

About 5% of all exports require a license. To see if your product does, answer the following four questions:

X	Question
	Does my product have a "dual use" item (i.e. commercial item that has potential value for military use)?
	Who is the buyer? (i.e. Is the party receiving the shipment a prohibited recipient?)
	What is the final destination of the shipment (i.e. Is it a prohibited country?)
	How will the product be used? (i.e. Could the product be a threat to the U.S. or U.S. citizens?)

If none of these applies to your situation, your product is classified as "no license required" (NLR) and EAR-99. However, if you answered "YES" to any of these questions, your product may be subject to Export Administration Regulations (EAR), the federal regulations that specify which exports require a license from the Department of Commerce.

How to Find the ECCN Number

To determine if a license is needed to export your product, you need to see if an Export Control Classification Number (ECCN) fits your product. An ECCN is a 5-character alpha-numeric designation that identifies the technology level and capabilities of a product. This information combined with the destination, recipient and intended use of the product determines if an export license is required.

Once you know the ECCN, check the Commerce Control List (CCL) and the Country List in the Export Administration Regulations (EAR) to see if the product requires a license, why the product is controlled, and whether a license exception or no license required (NLR) will apply. There are several ways to get an ECCN number:

- **Contact the Manufacturer** - If the item has been exported in the past, the manufacturer may already know the ECCN or if the item qualifies for a license exception.
- **Consult the CCL** - You can determine your ECCN by finding the appropriate category and group that most accurately describe your product on the CCL.

- **Submit a BIS-748P** – The BIS-748P is a multipurpose application form for ECCN numbers. Classification requests are processed within three to four weeks but vary on a case-by-case basis.

Once you've identified the ECCN, consult the Commerce Control List (CCL) and the Country List contained in the Export Administration Regulations, to see if the product requires a license, why the product is controlled, and whether a license exception or NLR will apply.

How to Check the CCL

The CCL is divided into the following 10 categories:

- 0 Nuclear Materials, Facilities and Equipment and Miscellaneous
- 1 Materials, Chemicals, Microorganisms, and Toxins
- 2 Materials Processing
- 3 Electronics
- 4 Computers
- 5 Telecommunications and Information Security
- 6 Sensors
- 7 Navigation and Avionics
- 8 Marine
- 9 Propulsion Systems, Space Vehicles and Related Equipment

One of these numeric characters identifies the category within which your product falls. The second alpha character indicates under which of the five groups the item is listed.

- A. Equipment, Assemblies and Components
- B. Test, Inspection and Production Equipment
- C. Materials
- D. Software
- E. Technology

So, for example, 3A001 would be in Group A, Equipment, Assemblies and Components. The remaining digits identify the reasons for control associated with the item. (**Note:** *You don't need to know the reasons for control that are associated with each digit. However, if you're interested, you can find an explanation in 738.2(d) of the EAR.*)

A brief description of the product is provided next to each ECCN. Following the description are the "License Requirements," "License Exceptions," and "List of Items Controlled" sections. After you've determined where your product fits within the CCL, use the information in the "License Requirements" section to determine if a license is required.

It's possible that the product itself may not require a license, but the shipment may still need an export license because of the destination country or end-user. To see whether a license is required for the destination country, crosscheck the ECCN Number on the EAR Country Chart to see if a license is required for shipments going to that country. An "X" means a license is required. No "X" means no license is required(NLR). The last step is to check the roster of prohibited recipients and the consolidated screening database to see if your prospective buyer is listed.

If your product requires a license, you need to file an electronic information request with the Automated Export System (AES) using the Simplified Network Application Process Redesign (SNAP-R) system.

Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB	CB	CB	NP	NP	NS	NS	MT	RS	RS	FC	CC	CC	CC	AT	AT
	1	2	3	1	2	1	2	1	1	2	1	1	2	3	1	2
Afghanistan	X	X	X	X		X	X	X	X	X		X		X		
Albania ^{2,3}	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 & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	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 ³	X					X		X	X							
Austria ^{3,4}	X					X		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		

Testing & Certification

Many countries require certain types of products to be certified for safety and quality. For example, many products sold in the U.S. must be certified by Underwriters Laboratory, or a similar organization. The same types of products sold in Europe are required to have a CE mark to signify that the product conforms with essential European Union (EU) requirements. Be sure to determine the requirements in the countries where you intend to export and begin the testing/certification process as soon as possible.

Compliance Checklist

X	Requirements
	Legal requirements to do business
	Import Requirements
	Label Conversion & Translation
	Product Standards & Licensing Requirements
	Testing Results and/or Requirements
	Required Marks

Resources

- Bureau of Industry & Security (Export License Requirements) - www.bis.doc.gov/licensing/exportingbasics.htm
- Request copy of form BIS-748P - (202) 482-3332
- BIS Office of Exporter Services, Outreach and Educational Services Division - (202) 482-4811
- Commerce Control List (CCL) - www.bis.doc.gov/policiesandregulations/ear/ccl_index.pdf
- Export Administration Regulations (EAR) Country Chart - www.bis.doc.gov/policiesandregulations/ear/738_supp1.pdf
- Prohibited Parties List - www.bis.doc.gov/complianceandenforcement/liststocheck.htm
- Consolidated Screening List - export.gov/ecr/eg_main_023148.asp
- License Application - www.bis.doc.gov/snap/index.htm
- List of Standard Certification Marks - www.technick.net/public/code/cp_dpage.php?aiocp_dp=guide_safetymarks
- Code of Federal Regulations (CFR 15) - cfr.vlex.com/source/code-federal-regulations-commerce-foreign-trade-1064
- Holmvall, Leif, "Export & Import: Winning in the Global Marketplace"
- Small Business Development Center (SBDC) - www.cochise.edu/sbdc/