

International Trade Compliance
Summary
In this session we will learn about U.S. export control regulations from the three main governmental enforcement agencies—the U.S. Treasury Office of Foreign Asset Controls, the U.S. Department of Commerce Bureau of Industry and Security, and the U.S. Department of State International Traffic and Arms Regulations. Best practices for trade compliance will introduce exports to how they can protect themselves from violations.
Introduction
Welcome to the LA Export Series podcasts brought to you by the El Camino College Center for International Trade Development. Each podcast will focus on a specific export topic presented by an industry expert. Our complete series will walk you through the trade process from getting started to getting paid and delivering the goods.
In this session we will learn about U.S. export control regulations from the three main governmental enforcement agencies—the U.S. Treasury Office of Foreign Asset Controls, the U.S. Department of Commerce Bureau of Industry and Security, and the U.S. Department of State International Traffic and Arms Regulations.
Presenter: Bruce Leeds
Our Presenter is Bruce Leeds, a licensed U.S. customs broker and an international trade law attorney at Braumiller Schulz LLP. Bruce received his JD from the University of West Los Angeles and has previously held positions as an attorney for the World Customs Organization, Sr. Export/Import Advisor at the Boeing Company, an Export/Import Manager at the Hughes Aircraft Company, and an Import Specialist at U.S. Customs and Border Protection. Active in the international trade community, he currently serves as President of Women in International Trade-Los Angeles and is a member of the District Export Council of Southern California, the Foreign Trade Association, the American Association of Exporters and Importers, and the International Compliance Professionals Association.
Export Compliance
Export compliance is extremely important. We will discuss why it is so important to understand and adhere to the U.S. export controls with a general overview of the primary enforcement agencies, including the International Traffic in Arms Regulations, the Export Administration Regulations, and the Office of Foreign Assets Control Regulations. Additionally, we will review how to screen your exports from potential violations.
Why Is Compliance Important?
U.S. Government regulations may restrict or prohibit export transactions. If an export license is required, you will need to know how to obtain the license. If a license is required, you are prohibited to export in advance of receiving your approved license. This may cause unexpected time delays. For this reason, you will need to build the license application processing and approval time into the delivery schedule.
Penalties For Failure To Maintain Compliance
One of the reasons why this is so important is due to the very severe penalties an exporter could receive for failure to comply with the U.S. export control regulations. Penalties include seizure of shipments, civil and criminal penalties, being debarred from exporting, and having your company's name broadcast as an offender.
Export Controls, General
There are more than 20 U.S. Government agencies involved in licensing or controlling exports. A first step in exporting is knowing which agency, or agencies, control your proposed export.
US Government Agencies
Among them is the U.S. Department of Commerce which controls commercial and dual use exports. A dual use items have both commercial and military or proliferation applications. The Department of State controls defense exports. The Office of Foreign Assets Control enforces U.S. embargoes and restrictions against certain countries and regimes. The Bureau of Census owns the process for declaring exports. The U.S. Department of Homeland Security, Customs & Border Protection is given broad authority to enforce export control regulations.
International Traffic In Arms Regulations (ITAR)
The International Traffic in Arms Regulations, or ITAR, applies to exports of military articles, most space-related articles, both commercial and military, and associated technical data and services.
The ITAR is interpreted very broadly. If there is any chance that an article or technical data could fall under the ITAR, take a conservative position. The ITAR is administered and enforced by the Directorate of Defense Trade Controls of the Department of State, which is given broad authority to enforce the regulations. It is possible to obtain a Commodity Jurisdiction determination about whether a specific article falls under ITAR jurisdiction.
The Export Administration Regulations
The Export Administration Regulations, or EAR, of the US Department of Commerce apply to exports of commercial and dual-use articles and related technology. The EAR is administered by the Bureau of Industry & Security, U.S. Department of Commerce. Exports subject to the EAR require an export license or license exception. Although few commercial or dual use articles are subject to controls under the EAR, the penalties for violating the EAR can be severe.

Office Of Foreign Assets Control (OFAC)

The Office of Foreign Assets Control, or OFAC, enforces U.S. trade embargoes against countries or entities. Current OFAC controls affect exports to Cuba, North Korea, North Sudan, Syria, Iran and other countries. The OFAC regulations either prohibit exports or require an export license for subject exports. OFAC can impose civil and criminal penalties for violations.

Export Screening

The U.S. Government has many lists of U.S. and foreign parties with whom you cannot do business. The major ones for export purposes are The Denied Parties List of the Department of Commerce, The Debarred Parties List of the Department of State, and The Specially Designated Foreign Nationals List of the Department of Treasury. It is a violation to do business with any party on these lists. The combined lists may be found at www.epls.gov and at www.bis.doc.gov by clicking on the "lists to check" link.

Resources

For more information, consider visiting the following resources available on line—the Directorate of Defense Trade Controls, Department of State at www.pmddtc.state.gov; the Bureau of Industry & Security, US Department of Commerce at www.bis.doc.gov; the Office of Foreign Assets Control, Department of Treasury at www.treasury.gov/resource-center/sanctions; U.S. Customs & Border Protection at www.cbp.gov; and the U.S. Bureau of Census, Foreign Trade Division at www.census.gov/foreign-trade.

Thank You For Listening

Thank you for listening and special thanks to Bruce Leeds for sharing his valuable time and international business insights. Check out our full line of LA Export Series podcasts on our website www.ExportAssist.org where you will find information on additional export topics with complementary tools and resources.

Credits

This podcast is brought to you by the El Camino College Business Training Center, a trusted resource delivering high-quality training and assistance to help meet your need for a more productive and competitive workforce. The Business Training Center is part of the El Camino College Community Advancement Division and is proud to be part of the state's economic development mission to advance California's economic growth and global competitiveness through quality education and services focusing on continuous workforce improvement, technology deployment, and business development. Funding for this podcast was provided by the El Camino College Center for International Trade Development and a Statewide Collaborative for Business Computer Information Systems Education mini-grant from Coastline Community College.

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