Export Control Program

eCommerce Training

University of Wisconsin - Madison

Tom Demke - Export Control Officer

Bethany Nelson - Export Control Coordinator

Topics

✓ **What** (are you selling/shipping)?

✓ **Where** (are you shipping it)?

✓ **Who** (are you shipping it to)?

✓ **Other Items to Remember**

What Are You Selling/Shipping?

- **Some items may require an export license,** for example:

  - Accessories to military equipment

  - Telecomm equipment

  - Lasers and infrared detectors

  - Computer equipment

- **Software - Each merchant shall:**

  - Review customer addresses before delivery of the product or service, and issue refunds or void transactions from customers located in OFAC sanctioned countries

  - **Prohibit** immediate auto delivery of products at time of sale

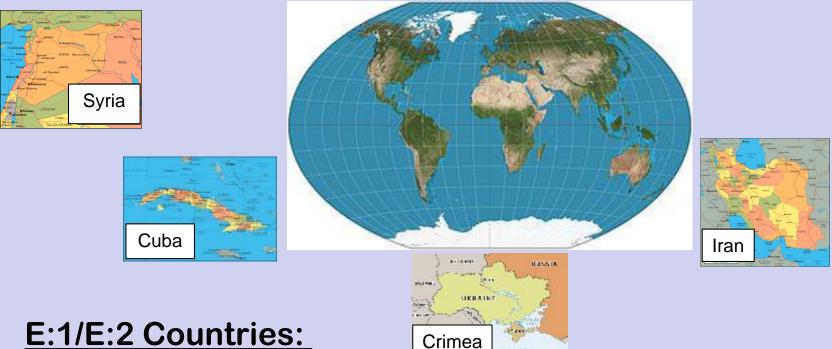 - See slides 5-6 for a list of embargoed countries

What Are You Selling/Shipping?

- **Check Shipper's Declaration for the USML # or ECCN**

    - Export license required to export any ITAR item out of the country

    - Need for license depends on destination for items regulated under EAR

    - EAR99 is good

- **Check w/ Export Control (ExC) Office if you have questions**

Where Are You Shipping It?

Syria

Cuba

North Korea

Iran

Crimea

E:1/E:2 Countries:

- **Require license** (except humanitarian items)

- **Shipments may not be allowed**

- **Person placing order may try to route the shipment through a favorable country (i.e. Canada) to get it to an E:1/E:2 country**

Where Are You Shipping It?

Embargoed Countries:

- **OFAC & US Embargo List:** Balkans (western), Belarus, Burma, Central African Republic, China, Cuba, Democratic Republic of the Congo, Ethiopia, Iran, Iraq, Lebanon, Libya, Mali, Nicaragua, N. Korea, Russia, Somalia, South Sudan, Sudan and Darfur, Syria, Ukraine, Venezuela, Yemen, Zimbabwe

- **ITAR Prohibited Countries (22CFR 126.1):** Afghanistan, Belarus, Burma, Cambodia, Central African Republic, China, Cuba, Cyprus, Democratic Republic of the Congo, Eritrea, Ethiopia, Haiti, Iran, Iraq, Lebanon, Libya, N. Korea, Russia, Somalia, South Sudan, Sudan, Syria, Venezuela, Zimbabwe

- Check w/ ExC Office regarding what can be shipped to embargoed countries and if an export license is needed

Via Countries:

- Always account for countries through which a shipment may pass on its way to its final destination

- United Arab Emirates (Dubai, Abu Dhabi) – may not be the final destination

UAE

To Whom Are You Shipping?

- **Is the person or organization on a restricted party list?**

  - The gov't maintains lists of people and organizations w/ which it does *NOT* want us conducting business

  - Contact ExC Office to determine if a customer is a restricted party

- **Is your consignee a distributor?**

  - Distributors are likely not the end-user

  - Check w/ the merchant shipping the item

Other Items To Remember

- **Shipping assessments take time**

  - Contact ExC Office well before shipping to determine if a license is needed

  - The merchant should determine if an assessment has been completed on the item being shipped

- **Determinations Not To Ship**

  - There may be circumstances where the ExCO determines an export license will not be submitted based upon the commodity, destination or end-user

  - In this case, the item shall not be shipped

- **Export control regulations are different than DOT, IATA, Schedule B and Customs regulations**

  - Don't assume that if you have complied w/ one you are complying w/ all

STOP

NEVER

Ship an Item or Software Before You Receive Its Export License

Examples

Example 1 – Software Download

A person from Havana, Cuba orders software from a UW-Madison website. The software is technical in nature, but not export controlled under ITAR or EAR. The person has a friend in the Bahamas pay for the software.

What Do We Need To Worry About?

- Can we ship to this user?
  - Contact the Export Control Office to conduct a restricted party screening
- Do we need an export license?
  - Yes, OFAC requires an export license to ship commodities to Cuba (w/ a few exceptions)
    - The software cannot be downloaded until the export license is received
    - In some instances, requests for an export license will be denied based upon the commodity

Example 2 – Books

A doctor in Brazil orders three medical text books from a UW on-line store.

What Do We Need To Worry About?

- Can we ship to this user?

  - Although it is unlikely there is an issue, it is always good to conduct a restricted party screening on the purchaser

- Do we need an export license?

  - No, unless a match comes up w/ the restricted party screening

  - Text books are not controlled under any categories in the ITAR or EAR

Contact Information

For Additional Information, Contact:

- **Tom Demke, UW-Madison Export Control Officer**
  tom.demke@ssec.wisc.edu 262-8659

- **Bethany Nelson, UW-Madison Export Control Coordinator**
  bcnelson2@wisc.edu 261-1128

- **Ben Griffiths, UW Senior Legal Counsel**
  ben.griffiths@wisc.edu 263-7400

- *Or e-mail:* exportcontrol@grad.wisc.edu

References:

- **UW Export Control Website:**
  https://research.wisc.edu/integrity-and-other-requirements/export-control/