

Export Control Reform: Potential Impact to Existing TAAs and MLAs

Due to the US Export Control Reform, all Technical Assistance Agreements (TAAs) and Manufacturing License Agreements (MLAs) for USML Category XI may expire at the end of the year. Review all of your TAAs and MLAs as soon as possible.

In 2014, the US Department of State re-wrote Category XI, Military Electronics, of the United States Munitions List (USML) of the International Traffic in Arms Regulations (ITAR). Certain items previously captured in USML Category XI transitioned to the Commerce Control List (CCL) of the Export Administration Regulations (EAR). The effective date of transition was December 30, 2014. These “transitioning items” most likely transitioned to the 600-series of the CCL, in particular Export Control Classification Number (ECCN) 3A611 for military electronics.

USML Category XI is especially important because many TAAs or MLAs containing other programs may also contain military electronics.

What Does This Mean to You, the Exporter?

All DSP-5 licenses and other export authorizations (excluding agreements) containing transitioning items approved before December 30, 2014 are valid for the length of time listed on the license, most likely 48 months. All ITAR agreements containing transitioning items will most likely expire no later than three years from the transitioning date, according to Section 20 of the Guidelines for Preparing Agreements published by the Directorate of Defense Trade Controls (DDTC).

Accordingly, if you have an active TAA or MLA containing USML Category XI transitioning items approved before the transitioning date, your agreement is set to expire on December 30, 2017. This fast-approaching expiration date applies regardless of the expiration date written on the TAA or MLA approval. You can extend the expiration date using a minor amendment that clarifies the transitioning items, but you must do so before the end of this year.

We recommend reviewing all of your TAAs and MLAs to determine if you have any items in USML Category XI. You can then determine if you still need these agreements and any course of action you should take to extend their expiration beyond December 30, 2017.

TAAs and MLAs containing items in the other USML Categories may have already expired and will require further approval if still needed.

Further information about USML Category XI and ECCN 3A611 can be found in our [ITAR Practitioner's Handbook](#).

Please contact us with any questions. We can also provide assistance in drafting any minor amendments.

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About Us

Our export controls & sanctions team has the ability to provide advice on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies and financial institutions in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our team is part of our overall International Trade Practice, providing a “one-stop shop” solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes. If you have any questions relating to sanctions, please contact a member of our EU or US sanctions team listed herein, or email InternationalTradeCompliance@squirepb.com for assistance.

Resources to Strengthen Compliance

We encourage you to visit our blog, [The Trade Practitioner](#), where you will find additional updates and information on export controls, sanctions and other international trade topics. In addition, organizations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary [ITAR Practitioner's Handbook](#), which covers the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce “600 Series.”

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