ITAR Compliance Checklist

If your company exports items controlled by the Directorate of Defense Trade Controls (DDTC), ITAR compliance is a must. Here's what you need to know to ensure compliance with ITAR regulations.

Preparing for ITAR Compliance

Determine if your products fall under ITAR.
If an item falls under the Export Administration Regulations (EAR), exports are under the jurisdiction of the U.S. Department of Commerce rather than the DDTC. Regulations still apply, although EAR regulations are less stringent compared to ITAR.

Review the U.S. Munitions List (USML).
One of the best ways to determine if you're required to comply with ITAR is to review the USML to determine if your products are listed.

Review the latest USML updates.
The USML is regularly updated, so you'll want to ensure that your item hasn't been recently listed if you don't find it on the full USML.

Review the ITAR regulations.
Like the USML, the ITAR regulations are regularly updated. An official annual edition is published on April 1st of each year, but unofficial updates are published in the federal register and can be found on the DDTC's website.

Understand how the items will be used and who will use them.
Not only to you need to ensure that you're not planning to export items to a prohibited location, but you also need to understand the potential uses for each item and appropriately screen end users.

CAMCODE®
Durable Bar Code Solutions

If your items are listed on the USML, you must register with the DDTC.
ITAR requires that all entities dealing with items on the USML, including manufacturers, exporters, temporary importers, and brokers of defense articles including technical data, as well as entities that furnish defense services, register with the DDTC.

Pay your registration fee.
Guidelines for submitting registration fees can be found on the DDTC's website. After paying for your registration, obtain a copy of your payment confirmation. You'll need to submit it with your registration package.

Complete the DS-2032 Statement of Registration Form.
The information must be typed, and all attachments must be completed, scanned, and signed prior to submitting the form.

Gather supporting documentation.
This includes your payment confirmation, your completed, unsigned DS-2032 form, a signed DS-2032 form (which has been printed, signed in ink, and then scanned as a separate document), any registration documents enabling the applicant to engage in business in the United States (such as articles of incorporation), an annual brokering report (only required for broker registration renewals), an organizational chart, if applicable, that illustrates the relationship between the applicant and other entities such as subsidiaries, divisions, or affiliates, an internal organizational chart illustrating responsibilities and relationships between individuals or roles (not required, but helpful), and any other relevant documentation, such as a Federal Firearms License.

Create PDFs of all documents and upload your registration package.
All documents should be uploaded to the EFS (Electronic Form Submission).

Get your registration code and keep it on file securely.
You'll be assigned a unique registration code once your application has been approved. Store it in a secure location.

Make note of your registration expiration date.
Registration is good for 12 months, and the date of expiration is included in the registration letter you'll receive from the DDTC. Registration renewals should be submitted up to 60 days in advance through EFS. The average review time is 45 days.

Classify Your USML-Listed Items

Classify USML-listed items according to USML categories.
The USML contains 21 categories, from firearms and ammunition to explosives, electronics, and classified articles such as technical data. Your items should be classified accordingly. Doing so will enable you to implement the appropriate safeguards and controls for each classification.

Use the DDTC's Order of Review Decision Tool.
The DDTC offers a free decision tool that guides you through the process of determining jurisdiction for a particular item and will indicate the most likely applicable USML category. If your item is not USML-listed, the tool offers recommendations for next steps, such as determining EAR classification for items that fall under EAR jurisdiction (by visiting the CCL Order of Review Tool). Note: This tool is intended for education and guidance only, and should not be used in place of an actual comprehensive review of the USML.

Determine if your item meets "Specially Designed" criteria.
The "Specially Designed" is mentioned often throughout both the updated USML and the CCL. It often applies to parts and components. Specifically, Specially Designed items include those which "as a result of development, it has properties peculiarly responsible for achieving or exceeding the controlled performance levels, characteristics, or functions described in the relevant U.S. Munitions List paragraph." In other words, if your items supplement a USML-listed item in some way, it probably meets the "Specially Designed" criteria, unless exemptions apply.

Licensing and Agreements

If an item is USML-listed, you need a license.
An Export License (DSP-5) is required for all ITAR-controlled exports, unless qualified for an exemption.

Identify other entities related to the item(s).
It's your responsibility to ensure that all entities involved and those that have access to any sensitive information are compliant with ITAR. This includes sub-contractors and consultants.

CAMCODE®
Durable Bar Code Solutions

Determine what agreements are required.
Agreements include Technical Assistance Agreement (TAA), Manufacturing License Agreement (MLA), and Warehouse and Distribution Agreement (WDA). These are used when a foreign entity provides services related to ITAR-controlled items, such as a warehouse or distribution center located in a foreign country or a foreign company providing manufacturing services for ITAR-controlled items or components.

Submit applications for all required licenses and agreements.
You must apply for licenses and agreements for each ITAR-controlled item. You can apply for DSP-5 licenses in batches if you have multiple ITAR-controlled items through DTrade.

Implement Tracking and Controls

Document all compliance procedures and processes in writing.
Ensure that all employees have access to written documentation outlining all compliance procedures and requirements.

Put systems in place to verify citizenship.
Anyone having access to sensitive information must be a U.S. citizen. Implement a visitor management system to ask visitors for materials that verify their citizenship status.

Issue visitors' badges with citizenship status.
This allows your team to easily ensure that unauthorized visitors do not have access to areas where they may be privy to sensitive information.

Implement security controls to protect technical data.
Sensitive technical data should be secured through encryption, firewalls, and other measures to prevent unauthorized access.

Implement UID labels to track and monitor items.
UID labels provide item-level identification and tracking, allowing you to correctly identify items and their USML classification, and link items to relevant regulations and requirements within an asset tracking software solution or export management system. Additionally, with UID labels, you can monitor item locations to inform your physical security measures.

CAMCODE®
Durable Bar Code Solutions

Develop systems for consistent, complete export documentation.
This documentation must be stored securely and be comprehensive to provide an audit trail. ITAR requires documentation of all activities related to manufacture, registration, acquisition, and disposition, as well as all notes, drawings, meeting minutes, and other relevant information. It must be securely stored in yet easily accessible location for inspection by DDTC.

Conduct regular audits.
Regularly audit your procedures, security controls, and verify the status and location of ITAR-controlled items to ensure continued compliance.

Provide Comprehensive Employee Training

Implement comprehensive regulatory training for all employees.
Employees must understand the regulations and what's required to maintain compliance, including the risks involved in sharing sensitive information outside of secure settings.

Inform employees of compliance policies.
Every employee should have access to your written compliance procedures, as well as all company policies related to compliance.

Provide prompt and clear communication on all regulatory changes.
Because the USML and ITAR are updated regularly, it's important to keep employees informed of all changes – even proposed changes – and how these changes impact your company's policies and procedures, as well as direct impact on their role and responsibilities.

CAMCODE®
Durable Bar Code Solutions