



Export Compliance Essentials

Part One: Export Compliance 101

Tuesday · January 13, 2026



International Trade & Compliance

- ◆ Import & Export Optimization Strategies
- ◆ In- & Out-sourced Trade Operations
- ◆ Documentation Requirements
- ◆ Tariff Classification
- ◆ Free Trade Agreements
- ◆ International Business Strategy
- ◆ Supply Chain Security & CTPAT
- ◆ Audits & Disclosures
- ◆ Antidumping & Countervailing Duties
- ◆ Broker & Forwarder Management
- ◆ Specialized Training
- ◆ Process Streamlining
- ◆ Navigating Controlled Exports

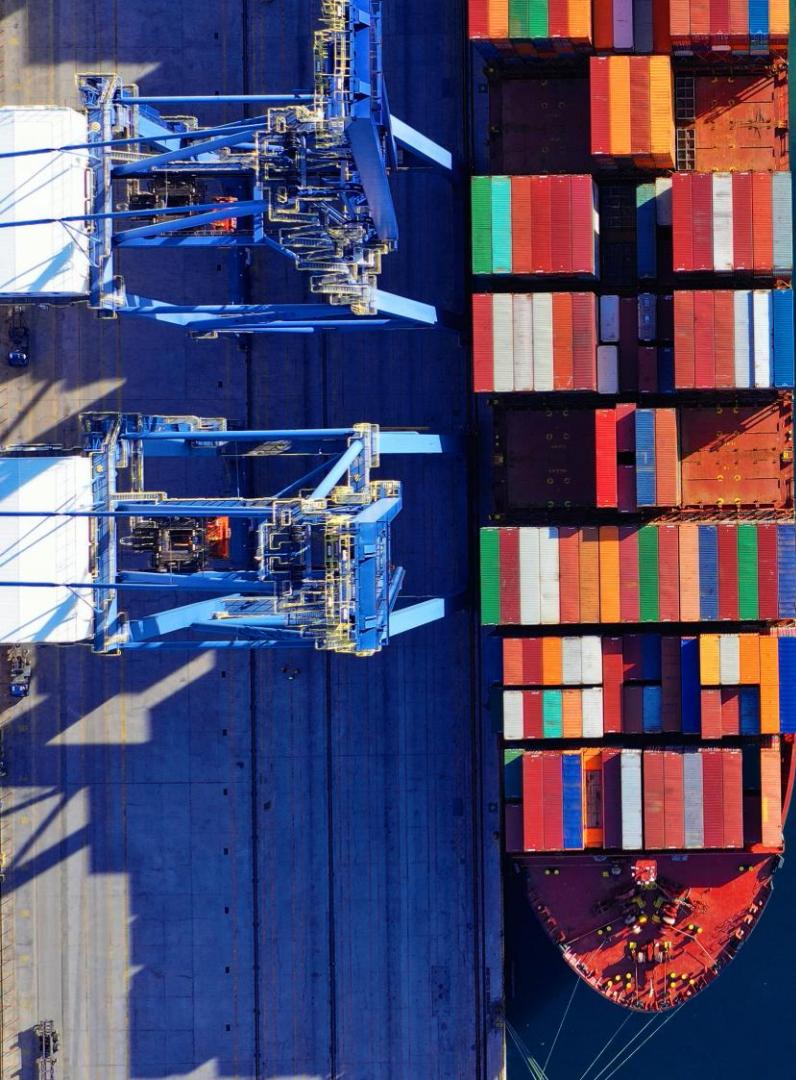
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President & General Manager
Licensed Customs Broker

Star USA, Inc.

Operating since 1996 with more than more than 240 years of combined experience.

Learn more at starusa.org



Introduction to the Export Series --

This is the first in our 3-part series
covering Export Compliance.

Part 1: Export 101

Part 2: Building a Program that Works

Part 3: Resources & Partner Programs, with
guest speakers from USCS and OSBDC

2 Rules for Export Compliance



Exporting is a **privilege**, not a right

Privileges come with responsibilities – and *penalties*.

Privileges can be revoked.



Exporters must **demonstrate** compliance

Know your role.
Presumption of non-compliance.

Keep and maintain records.



All exports incur risk.

Evaluated exposure, vulnerabilities, and impact.

Focus On:

- Primary risk vectors – Products, Partners, Routing, Red Flags, etc.
- Understanding the regulatory requirements and how to manage risk
- Penalty environment and consequences of non-compliance

Building Blocks of Export Compliance

ITAR

FTR

Census Bureau, 15 CFR 30



Directorate of Defense Trade Controls,
22 CFR Subchapter M

EAR

Bureau of Industry & Security,
15 CFR Parts 730-774

Adhering to export compliance and control regulations requires an understanding of which rules apply, and how.

In this section:

- Agencies & Areas of control
- Key References & Resources
- Penalty Environment



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Export Impact (Part 1)

Which of the following sets of regulations directly apply to your business today? (Choose any)

1. Foreign Trade Regulations
2. Export Administration Regulations
3. International Traffic in Arms Regulations
4. OFAC Sanctions & Embargoes Programs
5. I'm not sure, that's why I'm here!
6. Stop asking questions and give me my credits!

Poll Break!



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Foreign Trade Regulations (FTR)

U.S. Census Bureau
Department of Commerce

15 CFR Part 30

Main Takeaways

- ◆ The FTR is your “every export transaction”, “paperwork”, and “reporting” set of rules
- ◆ Processes and system controls

Key Terms & References

- ◆ Electronic Export Information (EEI) Filing
- ◆ Automated Export System (AES)
- ◆ Automated Commercial Environment (ACE)
- ◆ Responsibilities in Routed & Non-routed Export Transactions
- ◆ Exemptions
- ◆ The One Rule
- ◆ Schedule B Classification
- ◆ Written Authorization
- ◆ Shipper's Letter of Instruction (SLI)
- ◆ Penalties: 15 CFR 30 Subpart H
- ◆ Voluntary Self-Disclosure: 15 CFR 30.74



Definition of export under FTR

How does the FTR define “Export”? (Choose one)

1. Exporter?! I barely know ‘er!
2. An actual shipment or transmission out of the United States, including the sending or taking of an item out of the United States, in any manner.
3. To send or transport goods out of a country.
4. Releasing or otherwise transferring “technology” or source code (but not object code) to a foreign person in the United States.



Poll Break!



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Export Administration Regulations (EAR)

Bureau of Industry and Security (BIS)
Department of Commerce

15 CFR Chapter VII Subchapter C
(Parts 730-774)

Main Takeaways

- ◆ The EAR is where we have “Dual-Use”, ECCN Numbers, General Prohibitions, and the Consolidated Screening List
- ◆ This is the entry point for Export Controls affecting *most* businesses

Key Terms & References

- ◆ Office of Export Enforcement (OEE)
- ◆ Export Control Reform Act (ECR, ECRA)
- ◆ Commerce Control List (CCL)
- ◆ Export Control Classification Number (ECCN)
- ◆ Dual-Use Controls
- ◆ General Prohibitions
- ◆ Antiboycott
- ◆ Deemed Exports
- ◆ Destination Control Statement (DCS)
- ◆ Export License (SNAP-R)
- ◆ Consolidated Screening List (CSL)
- ◆ BIS 50% Ownership Rule (Nov 2026)
- ◆ BIS Form 711 – End-Use/End User Statement
- ◆ Penalties: 15 CFR 764.3, 50 U.S.C. 4819
- ◆ Voluntary Self-Disclosure: 15 CFR 764.5

Why do we have controls for dual-use items?

- ◆ Implementation safeguards on the sale of items or information which may be used in the manufacture or creation of controlled items or technologies
- ◆ Goods may be commercially available and may or may not be intended for use in a restricted manner

Example: Improvised Explosive Devices (IEDs)

Trigger System + Initiator + Explosive

- ◆ Triggers can be made from Telecom Relays commonly used in office equipment and consumer electronics
- ◆ Initiators such as Spark Gaps can be used in the medical field as part of lithotripter machines which help break up kidney stones



International Traffic in Arms Regulations (ITAR)

Directorate of Defense Trade
Controls (DDTC)
Department of State

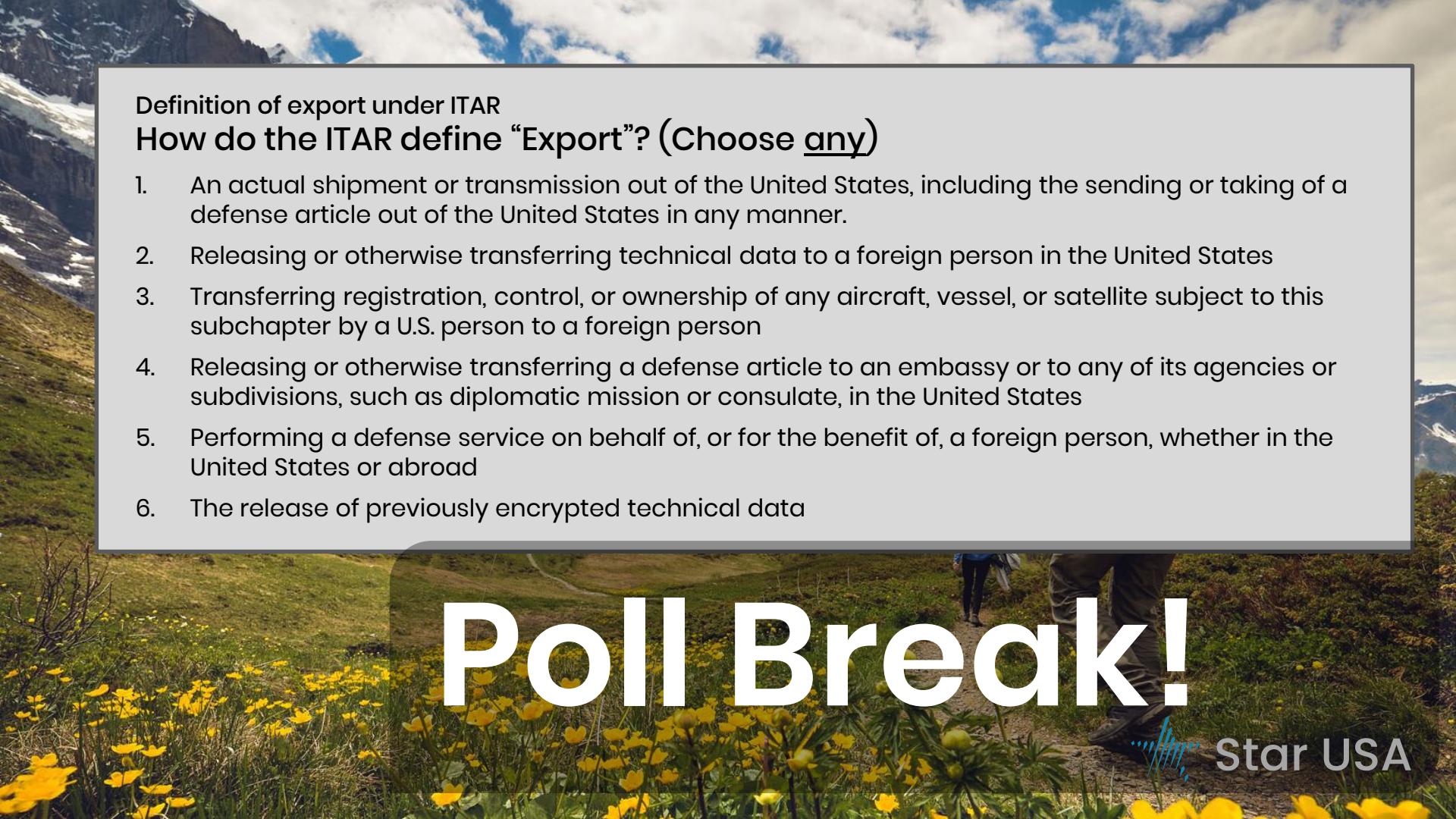
22 CFR Subchapter M (Parts 120-130)

Main Takeaway

- ◆ ITAR are the Military and Defense controls.
- ◆ ITAR isn't the end-all, be-all of military exports, but it's a critical area of common consideration

Key Terms & References

- ◆ Military & Defense Service Controls
- ◆ United States Munitions List (USML)
- ◆ Significant Military Equipment (SME)
- ◆ Export Control Reform Act (ECR, ECRA)
- ◆ Arms Export Control Act (AECA)
- ◆ Empowered Officials
- ◆ Deemed Exports
- ◆ Specially Designed
- ◆ Export Licenses (DECCS)
- ◆ Technical Assistance Agreements (TAA)
- ◆ Warehouse/Distribution Agreement (WDA)
- ◆ Manufacturing License Agreement (MLA)
- ◆ Penalties: 22 CFR 127, 22 USC 2778
- ◆ Voluntary Self-Disclosure: 22 CFR 127.12



Definition of export under ITAR

How do the ITAR define “Export”? (Choose any)

1. An actual shipment or transmission out of the United States, including the sending or taking of a defense article out of the United States in any manner.
2. Releasing or otherwise transferring technical data to a foreign person in the United States
3. Transferring registration, control, or ownership of any aircraft, vessel, or satellite subject to this subchapter by a U.S. person to a foreign person
4. Releasing or otherwise transferring a defense article to an embassy or to any of its agencies or subdivisions, such as diplomatic mission or consulate, in the United States
5. Performing a defense service on behalf of, or for the benefit of, a foreign person, whether in the United States or abroad
6. The release of previously encrypted technical data



Poll Break!



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Sanctions & Embargoes Programs

Office of Foreign Assets Control (OFAC)

Department of Treasury

31 CFR Subtitle B, Chapter V
(Parts 501-599)

Main Takeaway

- ◆ OFAC is Treasury and Treasury is money and money makes the world go round.

Key Considerations

- ◆ International Emergency Economic Powers Act (IEEPA)
- ◆ Executive Orders (E.O.)

- ◆ [Sanctions Programs](#)
- ◆ [Specially Designated Nationals \(SDN\)](#)
- ◆ [OFAC 50% Rule](#)
- ◆ Export Licenses ([OFAC](#))

- ◆ Penalties: [50 U.S.C 1705](#)

Other Agencies & Honorable Mentions

- ◆ Customs and Border Protection (CBP)
- ◆ Nuclear Regulatory Commission (NRC)
- ◆ Drug Enforcement Administration (DEA)
- ◆ Department of Energy (DOE)
- ◆ Patent and Trademark Office (PTO)
- ◆ Dept of Defense (DOD)
- ◆ State Foreign Military Sales (FMS)
- ◆ Foreign Corrupt Practices Act (FCPA)
- ◆ and more...

Internal Alignment

- ◆ Sales, Customer Service
- ◆ Supply Chain, Procurement
- ◆ Logistics, Transportation
- ◆ Engineering, Production
- ◆ Finance, Legal, Compliance

Penalties

FTR

Census Bureau, 15 CFR 30



Foreign Trade Regulations (FTR)

- ◆ Penalties: [15 CFR 30 Subpart H](#)
- ◆ Voluntary Self-Disclosure: [15 CFR 30.74](#)

Civil

Criminal

Failure to file

\$10,000

+ Forfeiture penalties

Late filing

\$1,100 per day

Not to exceed \$10,000

False / Misleading Information
Furtherance of Illegal Activity
All other violations

\$10,000

Per violation, in addition to any
other penalty imposed by law

+ Forfeiture penalties

+ Up to 5 years
in prison

Forfeiture Penalties

- Any of that person's interest in property of any kind in the goods or items subject to the violation
- Any of that person's interest in tangible property used in the export or attempt
- Any of that person's property constituting or derived from any proceeds obtained directly or indirectly

Penalties

EAR

Bureau of Industry & Security,
15 CFR Parts 730-774

2

Any violation of ECRA, EAR, or
any order, license, or
authorization

Civil

\$300,000

+ Denial Export Privileges
+ Exclusion from Practice

Criminal

\$1,000,000

+ Denial Export Privileges
+ Exclusion from Practice
+ 20 years in prison

3

Any violation of the Arms
Export Control Act, any
untrue statement or
omission of material fact

\$1,271,078

Or 2x the value of the transaction,
whichever is greater
+ Denial of Export Privileges
+ 20 years in prison

ITAR

Directorate of Defense Trade Controls,
22 CFR Subchapter M

- ◆ BIS Don't Let This Happen To You! (Nov 2024)

Penalties

OFAC

U.S. Treasury
31 CFR Parts 501-599



Office of Foreign Assets Control, Sanctions & Embargoes, IEEPA

- ◆ Penalties: [50 U.S.C 1705](#)

Any violation of the
International Emergency
Economic Powers Act (IEEPA)

Civil

\$250,000

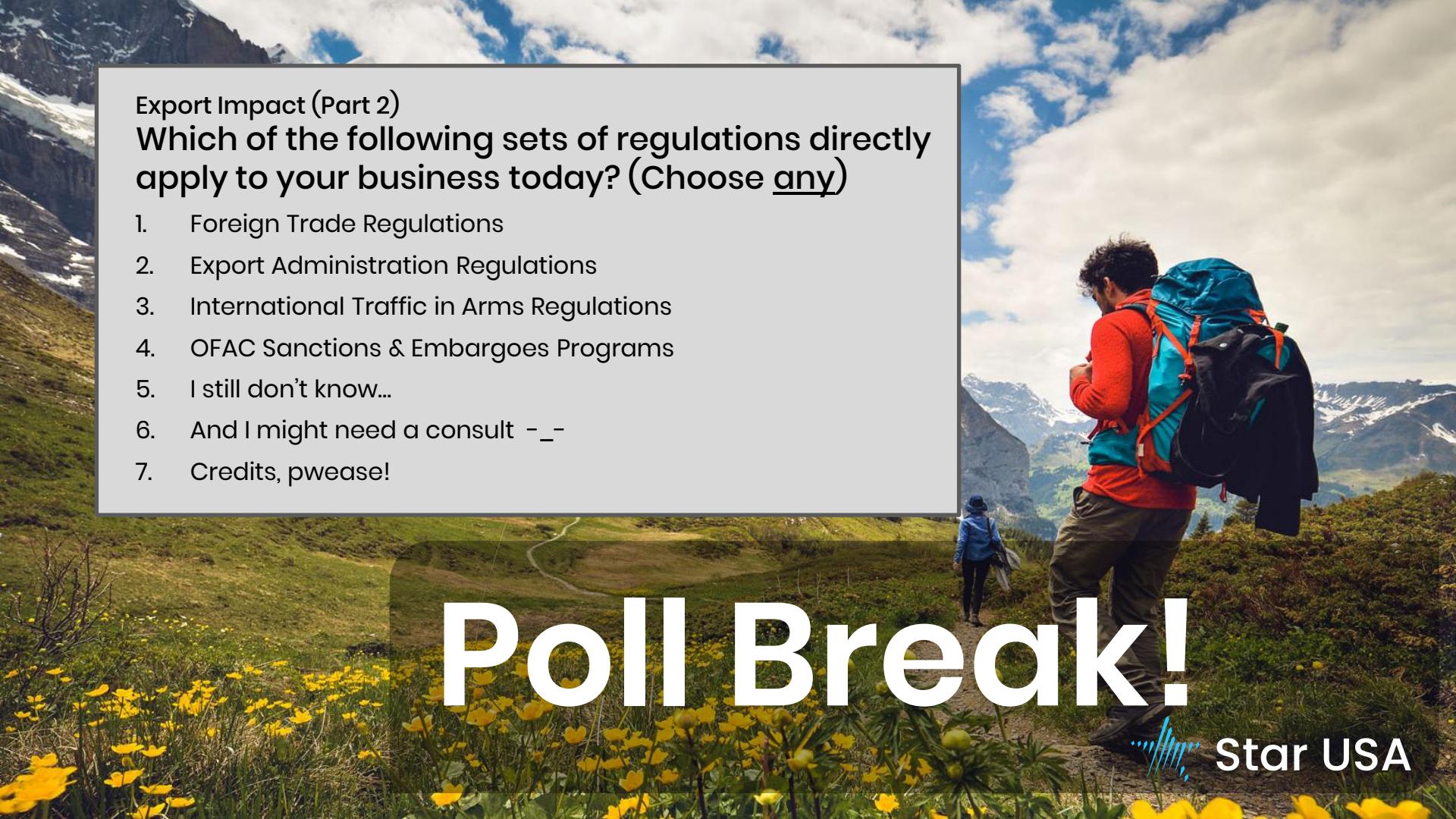
Or 2x the value of the transaction,
whichever is greater

Criminal

\$1,000,000

+ 20 years in prison

- ◆ [OFAC Civil Penalties and Enforcement Information](#)



Export Impact (Part 2)

Which of the following sets of regulations directly apply to your business today? (Choose any)

1. Foreign Trade Regulations
2. Export Administration Regulations
3. International Traffic in Arms Regulations
4. OFAC Sanctions & Embargoes Programs
5. I still don't know...
6. And I might need a consult -_-
7. Credits, pwease!



Polli Break!



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Related Webinars



EEI Filings: When, How & Who's Responsible



What the CCL!



EAR, ECCN & Licensing



Association for Supply Management (ASCM)

Tuesday, January 20 – 7pm EST (Virtual Meet)
Akron Chapter of ASCM

Tariffs, Trade and Talent: Preparing your organization for 2026

Free guest passes available! RSVP to
programs@ascmAkron.org and mention
“Star USA” before Tuesday

More info: akron.ascm.org/chapter-programs



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Thank you!



Upcoming Webinar Export Compliance Essentials: Building a Program that Works

CE Code for Today's Webinar

1 LCB/CES/MES credit available from watching
the recording until 12/15/2026