

## Is an export license required for the "Diva-on-Demand" camera kit?



Disclaimer: The names of exporters and their stories have been changed to protect their identity. The names and expertise of our advisors are very real and often understated. The story is funny, the advice is authentic.

Dear Betty Sue,  
Confidence, CA is the home of American ingenuity ready to go global! We designed and manufacture the soon to be famous Diva-on-Demand state of the art camera for professional photographers. Of course, it comes with a faux leopard carrying case. We receive inquiries daily from around the world and are ready to start exporting but our freight forwarder put up a big STOP sign. He says we might need an export license and gave us a The Riddle of the Exporter™ workbook (excellent guide by the way). Step 5 - Compliance says we need to ask four questions: what is the product, where is it going, who is it going to and how will it be used? Do we need a license for this camera?

Arnie Leibovitz, Inventor of the Diva-on-Demand Camera

Dear Arnie and the good folks in Confidence, CA,  
Isn't it exciting to invent, design and sell, all from the good ol' U.S.A.? We want to encourage companies to sell overseas but we agree with your freight forwarder: slow down and do it right. Glad you are using the workbook. The one thing Earnie Earl and I believe in as strongly as hot dogs and fireworks on the 4th of July is that we always call the experts. Our expert is Cesar Reyna of Trade Consulting Services. We asked Cesar how to determine if you need a license.  
Betty Sue, looking forward to my very own Diva-on-Demand photo session

Dear Arnie,  
Betty Sue is right. You always need to make sure your t's are crossed and your i's are dotted before you export. You will need to comply with Export Administration Regulations (EAR). Determine the Export Control Classification Number (ECCN) for your product (one of the most important steps for exporting) that tells what the product is and why it is controlled. The ECCN, the country, end-use and end-user will help you determine if an export license is required. Reviewing your specifications and consulting the Commerce Control List (CCL), we determined your camera is controlled under EAR99 and will not require a license.

Wait a minute, don't get too excited just yet - there are still other steps you need to take. You still have to determine if you are exporting to an embargoed or sanctioned country, a prohibited end-use or a prohibited end-user. The list of embargoed and sanctioned countries can change so the best source is Supplement Number 1 to Part 740 for a list of Country Groups and review Group E. To determine if the end-use is prohibited, go through the General Prohibitions (Part 736 of the EAR), which will refer you to Part 744 of the EAR to determine if your product is going to a prohibited end-user.

The Department of Commerce has a great resource at <http://apps.export.gov/csl-search#/csl-search>. If you find a company you are doing business with on one of these lists, you should place your transaction on hold (or cancel) if you verify the company is the same one that is on the list. Be sure to document this check and print a copy of the results for your records.

Cesar Reyna

#BettySueExportQueen

The Riddle of the Exporter™ - Export Training for Entrepreneurs by an Entrepreneur