

## Press Release

### Export Controls US EAR software from AEB (International) Ltd helps exporters cope with US regulations

Warwick, 7<sup>th</sup> July 2010 – There is growing confusion about the scope and applicability of the United States' re-export law, with many companies unsure if their products or services are affected by the United States' Export Administration Regulations (EAR). The regulations are complex and the tests can be very time-consuming, yet any violation of export control laws carries unpleasant consequences. With export control regulations imposing growing restrictions on global free trade, any enterprise wishing to remain competitive in international commerce must take steps to ensure compliance with export laws and provisions.



Help is at hand in the form of AEB (International) Ltd's *Export Controls US EAR* module, which runs checks based on US law, specifically:

- check for applicability of licence exceptions,
- check of goods based on the Commerce Control List (CCL) and Commerce Country Chart (CCC)
- embargo countries based on ISO codes: each partial embargo initially triggers a block; you can then check and drill down to see whether the block applies to the specific goods.

As part of AEB's **Export Controls**, the *Export Controls US EAR* module gives enterprises the extra certainty of timely compliance with all legal requirements and full utilisation of all privileges. The software maps the regulations and permit requirements of traditional export controls, monitors all export transactions for compliance with such regulations and lets users test-run export transactions in advance using simulations. AEB's ATC :: version of Export Controls EAR is developed especially for and directly in SAP® applications, it complements the business functionality of existing SAP® systems, thus protecting any previous SAP® investment.

US export law is the only national export law that claims extraterritorial jurisdiction. US authorities assert a worldwide claim to control the commercial trade of American products and technologies. That's why even non-American companies who export are regularly confronted with the provisions of US export controls. The critical question for non-American exporters is whether a US permit is required for a particular export.

United States regulations must be observed to safeguard trade relations with the US and prevent the exclusion from trade with American goods. The integration of automatic test routines via AEB's *Export Controls US EAR* module can be extended to include other legal systems, e.g. US re-export law.

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The EAR apply to the export and re-export of dual use goods from the US, but also to re-exports from other countries, e.g. goods made in the US; foreign goods with more than a minimal percentage of US components; and “direct products” that were made using a US technology or software.

Dual-use goods are goods, software or technology (documents, diagrams etc) which can be used for both civil and military applications. They can range from raw materials to components to complete systems, e.g. aluminium alloys, bearings, or lasers. They could also be items used in the production or development of military goods, e.g. machine tools, chemical manufacturing equipment and computers.

Exporters will need to apply for an export licence for dual-use items which meet the defined performance characteristics detailed in the Regulation. How an item is transported outside of the United States does not matter in determining export licence requirements.

Mark Brannan, General Manager of AEB (International) Ltd, said: “Given the highly challenging political and regulatory environment, it is extremely important that businesses implement effective and sustainable compliance programmes for security of their supply chains. AEB’s Export Controls US EAR software helps them to ensure full compliance with complex US regulations. As a result they will avoid significant penalties, damaged corporate reputation and trading restrictions.”

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## **Contacts**

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To find out more about AEB’s supply chain management software solutions, please contact AEB (International) Ltd., tel. +44 (0)1926 623 050, email: [info@aeb-international.co.uk](mailto:info@aeb-international.co.uk).

## **Notes to Editors**

### **About AEB (International) Ltd**

AEB is one of Europe's leading providers of supply chain logistics software and has been delivering solutions to customers for over thirty years. The company has over 5000 customers worldwide supported by offices in the UK, Germany, Singapore, and the US. AEB’s Warwick office celebrates its 10<sup>th</sup> Anniversary this year.

AEB’s core product - ASSIST4 - is the comprehensive solution suite for all logistics processes in global business. ASSIST4 offers a complete set of business services for end-to-end logistics, including international goods movements, making it possible to standardise and automate business processes in supply chain execution. ASSIST4 also creates transparency and provides a reliable basis for making the right decisions about the planning, monitoring, control and continual optimisation of supply networks - even beyond the boundaries of the business.

The ASSIST4 suite offers comprehensive functionality via a wide range of modules including Warehouse Management, Freight Management, Transport Management, Customs Management, Monitoring & Alerting and Compliance.



## About Export Administration Regulations (EAR)

EAR applies to the following groups of articles (merchandise, software, technology and know-how):

- Articles located within the US
- Articles of US origin
- Foreign articles with more than a de minimis share of US components
- “Direct products”: products produced with US technology or US software

EAR applies to both direct exports from the US and re-exports from another country. This could mean that both a European and American export permit may be required to export goods into a sensitive end-use country. A US permit may be needed for the export (re-export) transaction even if no European permit is required.

EAR must be taken into account if, for example, goods made in the UK with a US-made share of 25% or more are shipped from Germany to France or if 100% US-made goods are re-exported from the UK to Singapore. You may also be subject to US law if you are exporting non-US goods that are “direct products of US technology or US software” or if activities of so-called “US persons” (such as US subsidiaries) are involved.

The US Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Code of Federal Regulations Title 15 chapter VII, subchapter C, also known as Export Administration Regulations (EAR), in the United States. The BIS regulates the export and re-export of most commercial items. Some commodities require a licence in order to be exported. There are different requirements to export lawfully depending on the product or service being exported.

Depending on the category the 'item' falls under, the company may need to obtain a licence prior to exporting. EAR restrictions can vary from country to country. The most restricted destinations are the embargoed countries and those countries designated as supporting terrorist activities including Cuba, North Korea, Sudan, Syria and Iran. Some products have received worldwide restrictions prohibiting exports entirely.

An item is considered an export whether or not it is leaving the United States temporarily, if it is leaving the United State but is not for sale (a gift), or if it is going to a wholly owned US subsidiary in a foreign country. EAR applies to foreign-origin item exported from the United States, transmitted or transhipped through the United States, or being returned from the United States to its foreign country of origin.

To access AEB (International) Ltd's “Q&A” section, visit <http://www.aeb-international.com/eng/products/atc-series/atc-export-controls/us-re-export-qa/index.html>.

For further information, visit the website of the Federal Bureau of Industry and Security <http://www.access.gpo.gov/bis/index.html>.