

## ITAR - International Traffic in Arms Regulations

Tuesday, September 24, 2013

### **ITAR violations can be costly. That's why it pays to work with an advisor who can help you avoid them.**

Sometimes, the most costly trade violations are the ones you can't see. While the International Traffic in Arms Regulations (ITAR) have been in existence for decades, many companies unknowingly violate these laws – and the consequences can be devastating.

Criminal ITAR penalties can reach up to \$1 million and 20 years in prison per violation. On top of hefty fines and potential prison time, ITAR violations can also result in your products being seized and export privileges revoked.

It's clear that ITAR penalties are no joke. The best way to avoid them is by partnering with the compliance experts at Mohawk Global Trade Advisors. Let us help you stay compliant and within the regulations.

Our ITAR consultants can:

- Guide you through the process of obtaining a commodity jurisdiction for your product
- Assist your company in obtaining your product's required licenses from the Department of State
- Add ITAR procedures to your existing export manual
- Develop an export manual that includes ITAR procedures

[Contact us](#) today for help with your ITAR needs.

## Frequently Asked Questions

### ***What is involved in ITAR compliance?***

Anyone who manufactures or exports defense articles or services is required to be registered with the Directorate of Defense Trade Controls. Additionally, ITAR requires a sound export control manual that addresses management oversight, export controls, policies/procedures, recordkeeping, auditing, and training.

### ***How do I know if I'm ITAR compliant?***

When is the last time a third-party completed an assessment of your ITAR processes and procedures? Ideally, these should be audited once a year by an independent third-party. It's quite common for companies to overlook ITAR violations occurring in their own operations. [Contact MGTA](#) today to learn

how to expose and resolve these compliance gaps.

### ***Why is this important to my business?***

With increased regulatory enforcement and the Export Control Reform Initiative currently underway, it's imperative that your business stay in sync with current regulations. There are many changes in the works which may directly affect your products and how you conduct business.

### ***What's a commodity jurisdiction request?***

The purpose of a commodity jurisdiction request is to determine whether an item or service is covered by the U.S. Munitions List (USML) and therefore subject to the Department of State's International Traffic in Arms Regulations (ITAR).

If you've reviewed the U.S. Munitions List and other relevant parts of the ITAR? §120.3 and §120.4 in particular? and you are still unsure of the export jurisdiction of your item or service, you should request a Commodity Jurisdiction Determination from the Department of State Directorate of Defense Trade Controls.

### ***What's a DSP license and why would I need one?***

A DSP license allows or authorizes ITAR goods and technical data to be exported from the U.S. If you plan to export ITAR goods or technical data, and will not be using an ITAR exemption, then you must obtain a DSP license from the Department of State before exporting. Otherwise, you will have made a violation.

There are several different types of DSP licenses:

- DSP 5 – permanent export of unclassified defense articles and related technical data
- DSP 61 – temporary import of unclassified defense articles
- DSP 73 – temporary export of unclassified defense articles
- DSP 83 – non-transfer and use certificate
- DSP 85 – permanent or temporary export/import of classified defense articles and related classified technical data
- DSP 94 – authority to export under military sales

### ***How do I obtain a DSP license?***

First, you will need to be registered with the Directorate of Defense Trade Controls. Once registered, you must then apply for a DSP license. If you are unfamiliar with ITAR licensing, we can help. MGTA can guide you through each step of the process, from registration to licensing. [Give us a call](#) to discuss how we can assist you with ITAR licensing.

<http://mohawkglobalta.com/services/export-compliance/itar/>