

DMG BRIEFING NOTE: International Traffic in Arms Regulations (ITAR)

Executive Summary

The International Traffic in Arms Regulations (ITAR) are the Federal Government rules controlling the export of defense products and technical data. More than a mere export control law, ITAR affects the governance of a company due to the broad definitions of technical data and export, and it requires registration with the DDTTC for any defense manufacturer or exporter. Violations of ITAR can carry multi-million dollar fines in addition to incarceration for willful violations. Critically, ITAR can apply to a foreign national operating outside of the U.S. if that person is involved in the unauthorized supply of controlled supplies and services. *(Please see the DMG Briefing Note on DDTTC).*

For the mundane, ITAR controls how and when physical products can be sent out of the United States. Exporters are required to apply for a license and identify all parties that will receive the product. Importantly, foreign recipients are required to agree to abide by U.S. law for any re-export or onward supply to a third party.

This however pales in comparison to the restrictions placed upon digital information as technical data. Technical data is any information more than a basic marketing description that describes any defense product or service. This includes training manuals, diagrams, parts lists, and work product from those involved in designing a defense product. For defense contractors, technical data abounds on the network and in their computers.

Exports include transfers to foreign nationals even if within the United States. These so called deemed exports restrict who can work on any given defense project. Involving a top notch university with your project will carry special hazards if their program includes foreign students. Likewise, for multinational companies it is imperative that U.S. projects remain in the U.S. and are not sent abroad.

How DMG Can Help You

DMG personnel are fully aware of and experienced in ITAR. We understand the consequences for violating the law. Establishing a compliance policy and providing ITAR secure cloud storage are just two ways in which we can help you meet your ITAR compliance requirements.

If you are a defense manufacturer you must register with the DDTTC whether or not you intend to export. Additionally, you must ensure that your systems, computer and otherwise, prevent the unintended export to a foreign national even if that person is on U.S. soil.

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Regulations and best practice relevant to Government Contracting change over time, and The DMG is delivering a series of seminars on Government Contracting. For the latest information please contact info@defensemg.com for current information on venues and schedule. Alternatively, please register at www.defensemg.com so that we can email to you new and updated briefing notes as they become available.