

THE EXPORT COMPLIANCE MANAGER'S HANDBOOK



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Disclosures in the United States – when to, what to consider, and how to do it

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A company with a potential violation of U.S. export control regulations faces a number of decisions related to the disclosure of the violation to the U.S. government. The U.S. International Traffic in Arms Regulations ('ITAR') and U.S. Export Administration Regulations ('EAR') provide procedures for voluntary disclosures associated with violations of those regulations. Other trade-related regulations contain similar procedures for voluntary disclosures.

U.S. export/import control agencies also direct disclosures in some cases, and some regulations require certain mandatory disclosures, such as for exports of defence articles to arms-embargoed countries. Companies take a variety of approaches to disclosures, from how they conduct disclosure-related internal investigations, to whether and how much to disclose.

This chapter provides an overview of the disclosure process under the ITAR, the EAR, and other trade-related regulations, focusing on voluntary disclosures. It also suggests factors for companies to consider when formulating a disclosure posture for overall compliance and in reaction to particular violations.

Export control disclosure procedures

Disclosures under the EAR

The EAR provides for potential mitigation of penalties for violations of the

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