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What Are Export Controls?

Export Controls

Export controls are a set of laws and regulations that govern the physical or electronic movement, transfer, or brokering of commodities, tooling, equipment, materials, software, technology, data, and services (collectively, "Items"), worldwide, to jurisdictions outside of a given country (example: non-U.S. jurisdictions), persons (individuals or entities) who are not a part of a given country (example: non-U.S. persons), and for prohibited end-uses. The term "export controls" can be misleading as export controls, particularly United States export controls, are extraterritorial and therefore apply also to reexports and transfers exclusively among and within non-U.S. jurisdictions.

The primary United States export control laws are the Arms Export Control Act and the Export Control Reform Act, which are effectuated by the International Traffic in Arms Regulations and the Export Administration Regulations, respectively. Jurisdiction under these laws and regulations is primarily determined by the underlying Items at issue and restrictions can therefore apply to U.S. and non-U.S. persons with equal force. Export controls are imposed for a variety of non-proliferation, human rights, national security, foreign policy, and other reasons. Three U.S. government departments have primary oversight of export control laws, including the Departments of State, Defense, and Commerce. Other agencies are involved and in some cases, a license may be required under both a sanctions law and an export controls law.

Noncompliance with export control laws and licensing requirements can have significant consequences, including civil and criminal penalties, loss of federal contracts or grants, or loss of export privileges. Further, export control laws can impact a wide range of sectors involved in international trade, including artificial intelligence, privacy and data security, government contracts and grants, and technology.

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