Export/Re-export Controls

Global Export Trade

April 2009

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

The Role of Global Export Trade

Global Export Trade directs and counsels parties involved in Cisco's Exports. Our goal is to *facilitate and expedite* worldwide trade in the most effective and efficient manner by *proactively* observing all international rules and regulations regarding export.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Why do we have export controls ?

- Export control laws principal objective:
  -To promote national security interests and foreign policy objectives

- **Why do US export/re-export controls apply to Cisco and its partners/distributors?**
- Cisco items are dual-use items
- Some Cisco items are strong encryption devices
- U.S. origin products, technology, and software
- Foreign made items containing more than a de minimis amount of U.S. components
- Foreign made items that are the "direct products" of certain U.S.-origin technical data or software

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

What is an export

What

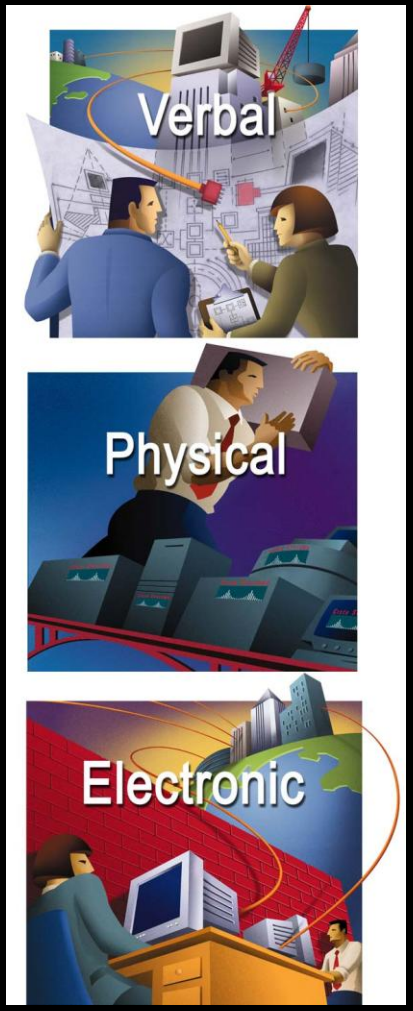
- Product

- Software

- Technology

Where

How



© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Export

U.S. Export Control Laws apply to:

- **Export** of goods and technology (by phone, fax, download, technical assistance, etc.) from the U.S. and

Re-export includes:

a) U.S.-origin goods and technology from one foreign country to another

b) Foreign made items containing U.S. components

c) Foreign made items that are the "direct products" of certain U.S.-origin technical data or software

- Exports from other countries must comply with Export control laws of that country and U.S. export control laws

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Jurisdiction applicable to Cisco Products

- US Department of Commerce

  Products developed for Commercial Use only (EAR)

- US Department of State

  Products designed, developed or modified for military end use (ITAR)

- Foreign Export Regulations

  For the country from which the goods are shipped

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Key Prohibitions

- Exporting to embargoed countries is prohibited (Cuba, Iran, North Korea, Sudan and Syria (subject to change)
- Exporting to certain listed persons or entities is prohibited even in non-embargoed countries

  http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm
- Exporting for prohibited end-uses is prohibited even if neither the country nor the end-user is listed
- Exporting with knowledge that a prohibited diversion is about to occur
- Exporting without required licensing or authorizations

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

When Exporting or Re-exporting Cisco products you must…

- Know Your Customer!

  http://www.bis.doc.gov/Enforcement/knowcust.htm

- Watch for Red Flags

  http://www.bis.doc.gov/Enforcement/redflags.htm

- Note: The regulations change frequently. Each transaction may have different circumstances that need to be addressed.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Always consider the following…

- Do you really know your customer?
- Does your international customer know “their” customer?
- Will your customer “use” or resell your product?
- What is the end-use of your product?
- Are you sure your customer/end-user is not on one of the restricted end-users / end-uses lists?
- Who is the exporter/re-exporter of record?
- Have you obtained the required licenses?
- Have you determined authorizations or exemptions?

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Product Categories

NO ENCRYPTION OR WEAK ENCRYPTION

- **No encryption – ECCN – EAR99 or 5A991**
- **Weak encryption – ECCN - 5A992 or 5D992**

ENCRYPTION

- **Mass Market – ECCN - 5A992 or 5D992**
- **Unrestricted – ECCN 5A002.a.1 or 5D002.c.1**
- **Restricted – ECCN 5A002.a.1 or 5D002.c.1**

- Generally, K9 part numbers are strong encryption (restricted, unrestricted, or mass market).

When in doubt check the following web-site:

http://tools.cisco.com/legal/export/pepd/Search.do

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

No Encryption, Weak Encryption, Mass Market / Unrestricted Encryption Items

85% of Cisco's product portfolio

- **No end-use in embargoed countries**
- **No sale for prohibited end-use**
- **No end-use by sanctioned entities**
- Generally, no license required or products may ship under a license exception

- Product Stocking : Permitted globally

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Restricted Encryption items
15 % of our product portfolio

- **No end-use in embargoed countries**
- **No sale for prohibited end-use**
- **No end-use by sanctioned entities**
- Hong-Kong Export and Singapore permit may be required (according to place of transshipment)
- License required for Government / Military / Defense contractors outside the “EU License-Free Zone”

- Product Stocking : Permitted only inside the “EU License-Free Zone” and globally if you are approved and certified as a Cisco Stocking Partner

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Exports and Re-exports of Cisco Products Must Be Screened for the Following:

- Denied/restricted parties
- Embargoed/restricted countries
- Military or government entities outside the “EU License-Free Zone”
- The “EU License-Free Zone“ is the group of countries to which Cisco can export all goods, including strong encryption (restricted) items, under License Exception ENC (**Enc**ryption). This includes government or military end-users that if outside the “zone” would require a license.
- The current “EU License-Free Zone” country list is as follows:

  Austria, Australia, Belgium, Bulgaria, Canada, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Export Licenses, Authorizations and Exemptions - US

- **ENC**

  License exception authorized for encryption items.

- **Encryption License Arrangements**

  May be applicable for some types of government and military agencies the US Government approves. Encryption License Arrangements (ELAs) may be applied for in cases of large organizations with high sales volumes. They are location- **and** equipment-specific. A License Questionnaire is required for these orders.

- **Individual Export License**

  Government or Military end-uses/ end-users require licenses in certain countries.

  Includes: ministries, defense related entities, military, civil justice, police, etc.

- **Exemptions**

  Excluded from the definition of Government end-users (when items are controlled for Encryption reasons) are

  utilities (including telecommunications companies and Internet service providers); banks and financial institutions; transportation; broadcast or entertainment; educational organizations; civil health and medical organizations; and, retail or wholesale

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Exports and Re-exports of Restricted Products Should Remain On Hold While You…

- Evaluate the end user:

  Who are they? Where are they? What business are they in?

- Ensure end-user/install site information is in place for all restricted product orders. Distributors, freight forwarders, bonded warehouses and depots are NOT authorized end users. The install site must be identified and screened.

- Determine if a License is required or if the order may ship under another export authorization or exemption.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Facts In Hand Before Any Product May Be Exported or Re-exported

- What is my item?
- Where is it going?
- Who will receive it?
- What will be the end--use?
- What is the product classification?
- Is a license required?
- Does this product qualify for a license exception or exemption?

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Is a License Required?

Determine if a license is required for your export or re-export

In addition to the criteria you need to consider for compliance with your local export regulations, answer the following questions:

- Is the item controlled for export?
- Is the product is 5A002 or 5D002 and have a restricted status?
- If so, is the end user Government or Military outside of the EU License Free Zone?
- Is any party to the transaction on the Denied Parties List or in an embargoed destination?

If any of the above are true then a US export or re-export license may be required.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Simplified Network Application Process Redesign (SNAP-R)

- The purpose of the Redesigned Simplified Network Application Process (SNAP-R) is to enable exporters to submit export license applications and re-export applications and associated supporting documents to the US Bureau of Industry and Security (BIS) via the Internet.
- SNAP-R enables exporters to provide submissions directly to BIS via an Internet connection and a web browser.
- BIS's SNAP-R is available at no cost to the exporting community.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Recommendations for License Application

- Complete and detailed end-user/end-use information is required.
- Incomplete fields may result in substantial delays.
- **Applications may not be amended.** Changes to the end-user, intermediaries, or products will require a new application.
- Average license application processing time is 50 days (from the date of submission to the U.S. government) – anticipate delays.
- All licenses are issued with riders and conditions. Some licenses may be issued with pre-shipment inspections and/or post shipment verifications.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Tools and Resources

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Helpful Tools and Resources

- **Don't know the encryption status, ECCN or CCATS of your Cisco product**

  Go to the **Public Product Lookup Tool**

- **Want to know if you can qualify to stock Restricted Cisco products?**

  Go to **Cisco Product Stocking Program**

- **BIS Online Training Room http://www.bis.doc.gov/seminarsandtraining/seminar-training.htm.**

- **Export Administration Regulations** http://www.access.gpo.gov/bis/ear/ear_data.html

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

New GET Public Web Page

Address http://www.cisco.com/web/about/doing_business/legal/global_export_trade/index.html Go Links

Worldwide [change] Log In | Register | About Cisco

Search Go

Solutions | Products & Services | Ordering | Support | Training & Events | Partner Central | My Cisco

HOME
ABOUT CISCO
DOING BUSINESS WITH CISCO
LEGAL
Global Export Trade

Legal

Cisco Global Export Trade

Global Export Trade (GET) directs and counsels all parties involved in Cisco's Exports. Our goal is to facilitate and expedite worldwide trade in the most effective and efficient manner by proactively observing all international rules and regulations regarding export.

Manage Your Export Hold

Get information about orders on export hold or contact the Cisco Export Operations team.
Learn More

Cisco Parts Lookup (Public Export Product Data)

Access relevant parts restriction information, including the Export Control Classification Number (ECCN) and Commodity Classification Automated Tracking (CCAT) number.
Learn More

General Export

Get information about general export regulations, including controlled products and technologies, prohibited destinations, parties, uses, and end users.
Learn More

Deemed Exports

Find information you need about Deemed Exports, Deemed Export Licenses and Controlled Technologies.
Learn More

Related Forms

Online Forms
FBI Questionnaire
Written Assurance
Enhanced Proliferation Control Initiative Written Assurance
License Questionnaire

Downloadable Forms
Hong Kong End User Statement
Singapore End User Statement
Cisco Controlled Technology Transfer Assessment

Related External Links
European Union
Bureau of Industry and Security
Hong Kong Trade Authority
Denied Parties List

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

New GET Public Web Page (cont…)

Strategic Product Group

Useful resources for locating export compliance information associated with Cisco products.
Learn More

Military and Defense (International Traffic in Arms Regulations [ITAR])

This page will be updated shortly.
Learn More

Cisco Stocking Partner Certification Program

Cisco is currently reviewing the possibility of implementing the Cisco Stocking Partner Certification Program. Requirements and certification processes are currently being drafted and when approved, will be offered to partners who meet the rules established by Cisco.
Any announcements or further information will be posted here.
Learn More

How Do I?

Answers to common questions
Learn More

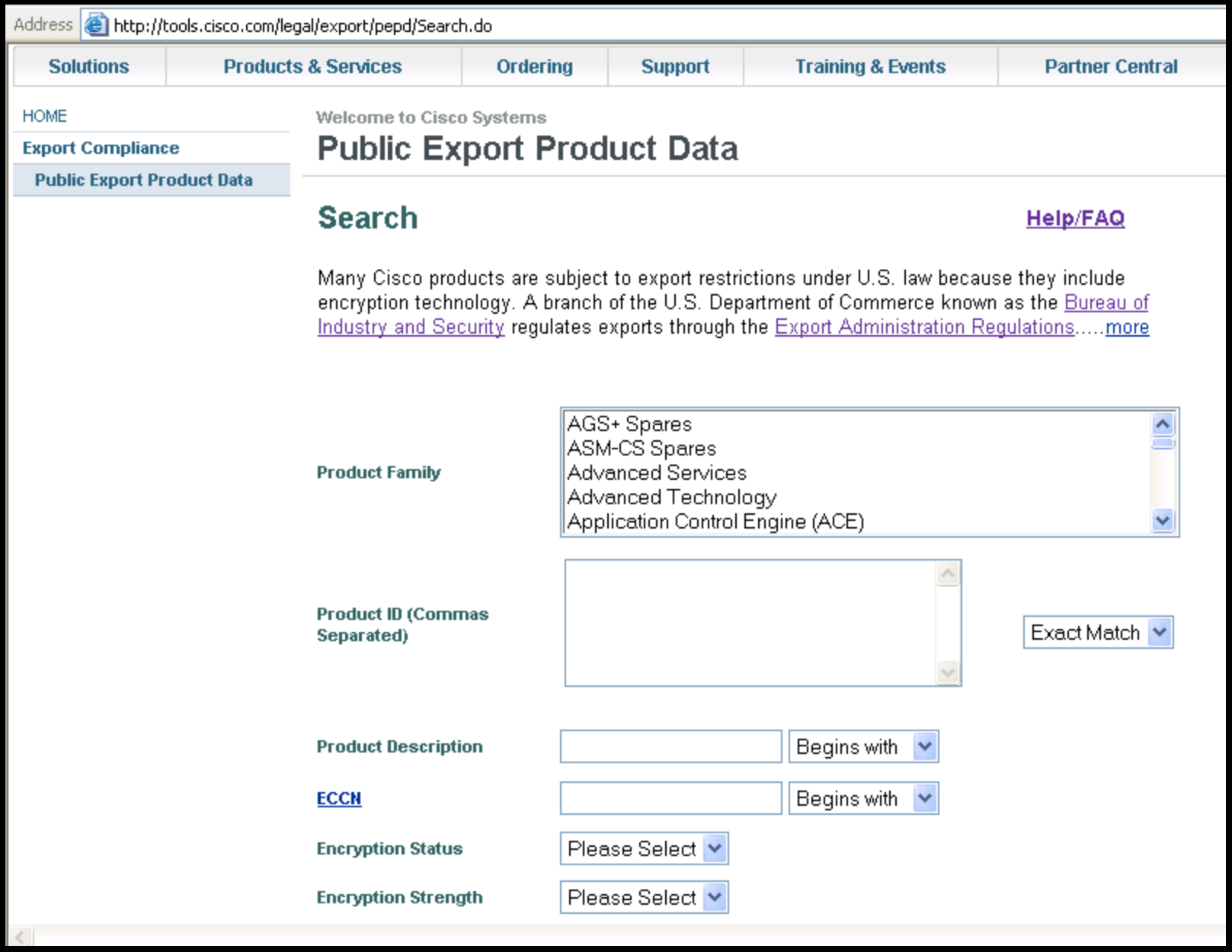
Key Contacts

Related Tools

Public Export Product Data Tool
Trade Tool
Order Status Tool

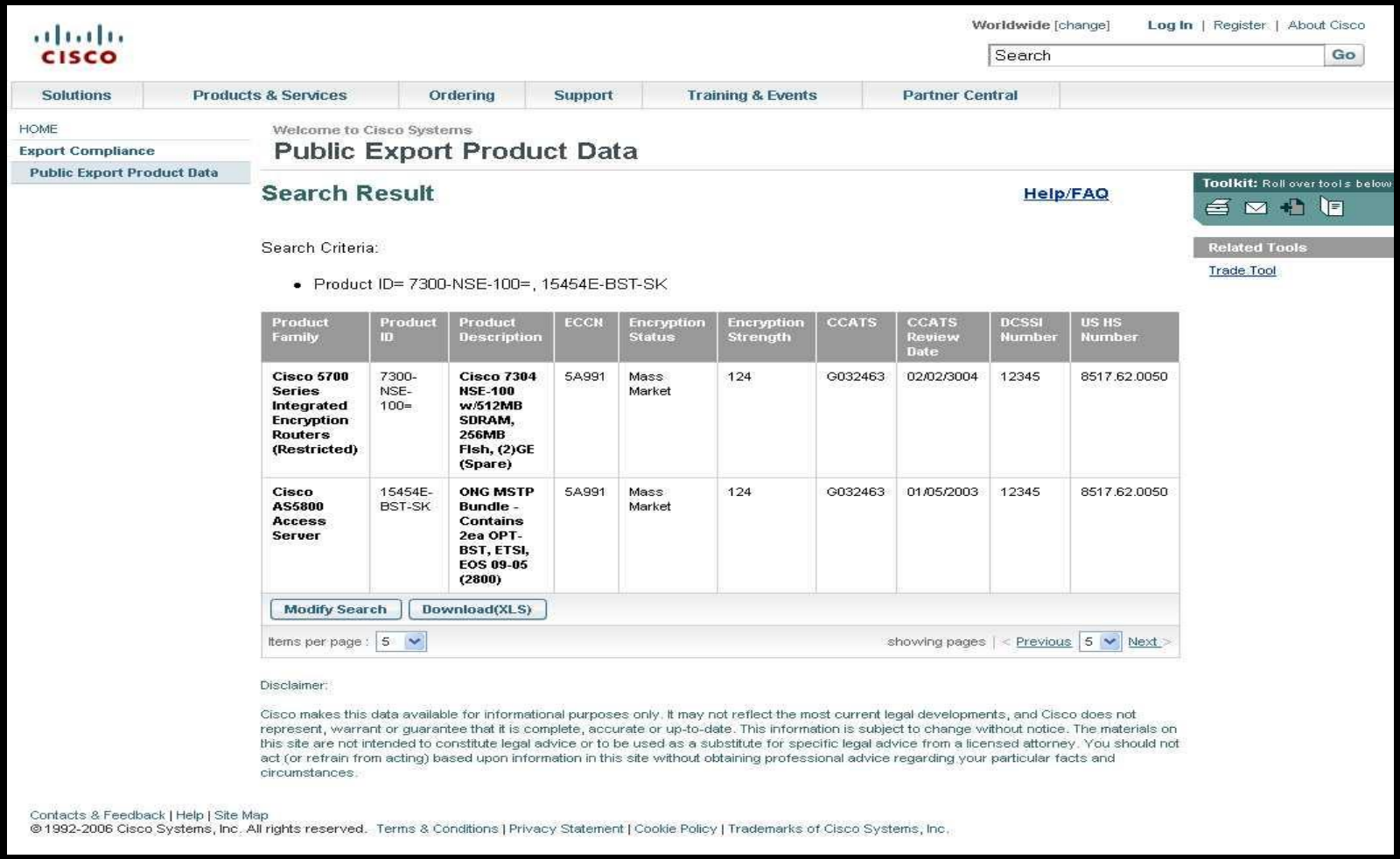
© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

New GET PEPD Tool



© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

New GET PEPD Tool (cont…)



Worldwide [change] Log In | Register | About Cisco

Search Go

Solutions | Products & Services | Ordering | Support | Training & Events | Partner Central

HOME
Export Compliance
Public Export Product Data

Welcome to Cisco Systems

Public Export Product Data

Search Result

Help/FAQ

Toolkit: Roll over tools below

Related Tools
Trade Tool

Search Criteria:

- Product ID= 7300-NSE-100=, 15454E-BST-SK

Product Family	Product ID	Product Description	ECCN	Encryption Status	Encryption Strength	CCATS	CCATS Review Date	DCSSI Number	US HS Number
Cisco 5700 Series Integrated Encryption Routers (Restricted)	7300-NSE-100=	Cisco 7304 NSE-100 w/512MB SDRAM, 256MB Flsh, (2)GE (Spare)	5A991	Mass Market	124	G032463	02/02/3004	12345	8517.62.0050
Cisco AS5800 Access Server	15454E-BST-SK	ONG MSTP Bundle - Contains 2ea OPT-BST, ETSI, EOS 09-05 (2800)	5A991	Mass Market	124	G032463	01/05/2003	12345	8517.62.0050

Modify Search | Download(XLS)

Items per page : 5 showing pages | < Previous 5 Next >

Disclaimer:

Cisco makes this data available for informational purposes only. It may not reflect the most current legal developments, and Cisco does not represent, warrant or guarantee that it is complete, accurate or up-to-date. This information is subject to change without notice. The materials on this site are not intended to constitute legal advice or to be used as a substitute for specific legal advice from a licensed attorney. You should not act (or refrain from acting) based upon information in this site without obtaining professional advice regarding your particular facts and circumstances.

Contacts & Feedback | Help | Site Map
©1992-2006 Cisco Systems, Inc. All rights reserved. Terms & Conditions | Privacy Statement | Cookie Policy | Trademarks of Cisco Systems, Inc.

 © 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Fines, Penalties and Sanctions

© 2007 Cisco Systems, Inc. All rights reserved.

Fines and Penalties

- The United States government takes compliance with its export laws and regulations very seriously. The US government rightfully expects the exporting community to partner with it to help protect national security. Companies both large and small face potentially large fines, civil penalties, and possible criminal prosecution if a violation of export laws occurs.
- Violations are outlined in Section 764 of the EAR.

Penalties can include:

- up to 20 years imprisonment
- fines of up to $1,000,000 upon criminal conviction
- penalties of up to $250,000 per violation for administrative offenses.
- Note: those fines and penalties will come in addition to your country's ones

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Sanctions – Denial Order (DPL)

- The United States commonly imposes sanctions on wholly owned foreign entities for violating U.S. export and re-export regulations.
- The extraterritorial reach of “denial orders” under the EAR is so extensive that it can affect the activity abroad of persons and companies who do not think of themselves as being involved with U.S. origin products.
- A Denial Order can be imposed on persons or companies wherever located either as a sanction for violation of the EAR or as a protective administrative measure when it is determined to be necessary to prevent an imminent violation.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

Sanctions – Denial Order (DPL)

- The purpose of the Denial Order is not only to stop the denied person from exporting or re-exporting, but also to keep that person from acquiring goods, technology, or software that are subject to the EAR.
- This is a very powerful and effective sanction.
- If the U.S. issues a Federal Register Denial Order for a company that violated U.S. export or re-export control laws, all U.S. exporters and re-exporters of U.S. products are placed on notice not to do business with this company.

© 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential

 © 2007 Cisco Systems, Inc. All rights reserved. Cisco Confidential