

Export Controls for Business Administrators

What are export control laws?

Export control laws are a complex set of federal regulations designed to protect United States (U.S.) national security; to prevent the proliferation of weapons of mass destruction; to further U.S. foreign policy including the support of international agreements, human rights and regional stability; and to maintain U.S. economic competitiveness. The export control regulations govern how information, technologies, and commodities can be transmitted overseas to anyone, including U.S. citizens, or to foreign nationals in the U.S. In addition to controlling exports to countries or individuals who are citizens of or located in those countries, the export control regulations ban exports to individuals and companies that have been involved in terrorist or drug trafficking activities as well as those who are barred from conducting exports because of previous violations of the export control laws.

How do they apply at Penn?

The export control laws apply to many activities at Penn – both in research and non-research areas. For example, just entering into a contract, such as a contract to purchase items or services with people listed on certain government lists, or sending money to certain countries, may require a license from the U.S. government. As another example, shipping certain items, such as ancient artifacts from the Penn Museum to certain foreign destinations, or robots for a competition outside the U.S., or inert plasmids to a Ph.D. student writing her dissertation at a foreign university, might involve complying with the export control laws. (These are all real examples from Penn.)

What is the role of the BA?

Because of their familiarity with business activities in their units, Business Administrators at Penn are an important resource for export control compliance. BAs can assist by identifying activities including:

- Payments to locations outside the U.S.
- Shipping to locations outside the U.S.
- Hiring of foreign nationals
- Hosting foreign nationals
- Purchases with restrictions on the export or use of the item
- International Travel

What should I do if I identify these activities?

Payments remitted to locations under U.S. trade restrictions (e.g. Cuba, Iran, North Korea, Sudan, Syria) may not be permissible, and may be blocked by the U.S. bank requested to

send the payment. Additionally, some individuals and businesses in other locations may not be eligible to receive payments from U.S. banks. Before processing wire transfers or other payments to international parties for the first time, make sure a Restricted Party Screen (RPS) has been conducted. Your Export Liaison or the Office of Export Compliance can assist you with this screening or you may obtain training and access to the RPS software package Visual Compliance here: [Restricted Party Screening at Penn](#).

Similarly, **shipments** to international destinations should undergo restricted party screening for the location and for the recipient. Additionally, it is important to know whether the shipment may proceed without government authorization (a license). BAs should not accept packages for shipping if the Penn sender is unable to verify that the shipment is export compliant. One way to assure compliance is to encourage the Penn shipper to use a Material Transfer Agreement, or MTA, for the transfer, and process the shipment via eShip@Penn.

When Penn **hires a foreign national** on an H-1B or O visa, the Office of International Student and Scholar Services completes the I-129 visa form. ISSS must certify whether or not the proposed employee will have access to export controlled materials at Penn as part of this form. If requested by ISSS, the BA should assist in obtaining the information required to make this certification from the Penn faculty member wishing to hire the foreign national.

When Penn **invites a foreign national** to campus, the BA should perform RPS before beginning the visa process or entering into any agreement with the home institution.

Supporting documentation for equipment and software **purchases** may contain information about export controls. Often, when an item is export controlled, the vendor will state on the invoice that the item may not be exported from the United States without a license. If a BA comes across this sort of statement in reviewing purchasing documentation at Penn, he/she should notify the Associate Director of Export Compliance. This will allow Penn to implement appropriate measures to protect the item from accidental export.

Depending on the travel destination, **international travel** by Penn faculty, staff and students may raise export control issues. If BAs are assisting with travel arrangements, they should refer the Penn traveler to the Memo on Transportation and Travel and the OVPR's [Global Research at Penn](#) Guidance. Both can be found at <https://researchservices.upenn.edu/areas-of-service/export-compliance/>, along with additional guidance that will provide the traveler with information needed to determine if he/she needs to contact the Director of Export Compliance for licensing assistance.