



Office of the Vice Provost for Research

To: All Faculty, Research Staff, and Administrators

From: Dawn Bonnell, Vice Provost for Research *Dawn Bonnell*
Wendy White, Senior Vice President and General Counsel *Wendy White*

Date:

Subject: Export Controls and Trade Sanctions

Although federal regulations restricting exports of goods and technologies have existed since the 1940s, these regulations have become more restrictive and their enforcement at universities has become more rigorous in recent years. The purpose of this memo is to remind you that the University of Pennsylvania must comply with all applicable U.S. government export regulations. **The vast majority of teaching and research activity at Penn falls within one or more of several exemptions and exclusions from licensing requirements.** However, it is important to understand how the laws apply to your activities at Penn as well as the corresponding compliance obligations, which may extend to documenting the applicable licensing exception(s).

The U.S. government defines exports to include not only tangible or "physical" items, such as biological materials, chemicals, and equipment, but also intangible information which may include research data, formulae, engineering designs, and ideas. Furthermore, an export is defined not only as an actual physical shipment, but also includes electronic and voice transmissions out of the United States (e.g., email or a phone call to a colleague at a foreign institution or remotely accessing controlled documents while travelling internationally). Exports also include the release of technology to foreign nationals within the U.S., the provision of training or services involving controlled equipment to foreign nationals in the U.S. or abroad, and engaging in transactions or providing services to entities and individuals who are on embargo or specially designated nationals lists.

Exports are controlled by multiple federal agencies including: the Department of State through the International Traffic in Arms Regulations (ITAR), the Department of Commerce through the Export Administration Regulations (EAR), and the Department of Treasury through the Office of Foreign Assets Control (OFAC). Each agency has its own procedures for enforcement, but violations of any of these regulations can result in significant institutional and personal penalties, including fines of up to \$1,000,000 or more per violation, incarceration for up to 20 years, and the loss of future exporting privileges.

The University of Pennsylvania is committed to the preservation of academic freedom. **Fortunately most, but not all, research activities on campus fall under the "fundamental research exemption," which provides that basic and applied research activities NOT subject to publication or**

access restrictions will not be subject to export controls. Other exemptions apply to information shared in the conduct of teaching activities on campus IN the U.S., as well as to information that is already publicly available. The export regulations are complex and continually changing, so it is important to consider each activity on an individual basis.

The Penn Office of Research Services (ORS) is responsible for helping the community understand and comply with the export control laws. Please see <https://researchservices.upenn.edu/areas-of-service/export-compliance/> for additional information including analytical tools to assist you in determining if and how the regulations apply to your activity, as well as points of contact for assistance with export control matters.