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Aviation Group Client Update

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DEPARTMENT OF STATE ISSUES FINAL RULE AMENDING THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

On January 3, 2017, the Department of State published a [Final Rule on ITAR International Trade Data System, Reporting](#). This rule became effective on December 31, 2016.

Summary. This rule amends the ITAR to enable U.S. Customs and Border Protection (CBP) to implement the International Trade Data System (ITDS). ITDS allows businesses to electronically submit data required to import or export cargo. This rule was issued to conform to the Directorate of Defense Trade Controls' (DDTC) regulations to ITDS. DDTC regulates the export and temporary import of defense-related goods and services. The effective date of December 31, 2016 is due to a requirement of [Executive Order 13659](#) that there be government-wide implementation of ITDS by that date. Federal agencies that oversee imports and exports are mandated to participate in ITDS as well.

Purpose. The implementation of ITDS will reduce the amount of paperwork associated with the process of submitting data on imports and exports as traders will only need to submit one set of data for each import or export. Beginning on the effective date, traders declaring permanent or temporary export and or imports of defense articles controlled by the U.S. Munitions List (USML) will need to input data relevant to the DDTC in the CBP's electronic system. CBP then submits the relevant shipment information to DDTC through an electronic data exchange, removing the need for traders to do so separately.

Changes. This rule will make numerous changes to the ITAR including the removal of the automated export system (AES) section and any references thereto, instructions on how to electronically file information with CBP, update reporting procedures and clarify that licensing information is submitted to CBP, clarification that certifications are sent to CBP electronically rather than as hard copy, procedures for the filing, retention, and return of export licenses and the filing of export information.

If you have any questions or would like further information, please contact Shelley Ewalt.

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