

CLIENT ALERT

Mind the Gap – DDTC Formally Addresses U.S. Citizen Employees of Foreign Entities

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Under a proposed rule published today, DDTC has finally provided more explicit guidance on the registration and licensing requirements applicable to natural U.S. persons who furnish defense services to foreign companies, whether as employees or independent contractors. Natural U.S. persons employed directly by a registered U.S. person or by a foreign affiliate listed on a U.S. person's registration will be deemed to be registered, but other U.S. persons employed by foreign entities will be required to register individually. New exemptions would permit natural U.S. persons to provide defense services to their foreign employers without a license subject to certain conditions (*e.g.*, no U.S. origin defense articles are transferred without separate authorization), where: (1) the foreign employer is located in a NATO+ country and the associated defense articles are for end use in NATO+ countries; or (2) the defense services are provided in support of Foreign Military Sales contract.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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