

CLIENT ALERT

New "600 Series" Export Classification Brings No Relief from Offset Reporting

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On December 2, 2015, Commerce's Bureau of Industry & Security (BIS) published a proposed rule clarifying that annual reporting of offset arrangements exceeding \$5 million associated with sales of defense articles or services will include sales of items now classified within any "600 Series" of the Commerce Control List, except for certain submersible or semi-submersible cargo transport vehicles. This proposed rule expands the range of sales that can trigger offset reporting by expressly including sales of various "600 Series" items (*e.g.*, military helmets) that were previously controlled under other Export Control Classification Numbers within the Export Administration Regulation and, thus, not subject to the offset reporting obligations mandated by 15 C.F.R. Part 701.

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

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