

§ 752.10

U.S. origin items when it knows that the items will be used in the activities prohibited by part 744 of the EAR;

(I) A requirement that the consignee acknowledge, in writing, receipt of this letter of transmittal outlining their obligations under the SCL, and certify that it will comply with all of the requirements, including implementation of an ICP if required by § 752.11 of this part; and

(J) A description of any special documentation requirements for consignees reexporting items to destinations having such requirements.

(4) *Special license conditions.* BXA may place special conditions on your SCL, such as restrictions on eligible items, countries, end-uses, end-users or activities, or a requirement that certain sales or transfers of items under the SCL are subject to prior reporting to BXA. Such special conditions will be listed on your SCL or in a letter from BXA to the SCL holder. You must inform all relevant consignees of all license conditions prior to making any shipments under the SCL.

(b) *Denial of SCL applications.* (1) If BXA intends to deny your SCL application, you will be notified and have opportunity to respond according to the procedures in § 750.6 of the EAR.

(2) BXA may at any time prohibit the sale or transfer of items under the SCL to specified individuals, companies, or countries. In such cases, the SCL holder must inform all consignees, and apply for a license described in part 748 of the EAR for subsequent transactions with such excluded parties.

(3) If a consignee is not approved, Form BXA-752 will be returned to the SCL holder with a letter explaining the reason for denial.

(4) If a particular destination is not approved, it will be removed from the appropriate Form BXA-752-A.

(c) *Return without action.* BXA may determine to return the SCL application without action. Under such circumstances, the application and all related documents will be returned to you along with a letter stating the reason for return of the license application, explaining the deficiencies or additional information required for reconsideration, or advising you to apply for a license described in part 748 of the

15 CFR Ch. VII (1-1-01 Edition)

EAR. BXA may return your entire application or merely documents pertaining to a specific consignee request.

[61 FR 12835, Mar. 25, 1996, as amended at 62 FR 25464, May 9, 1997]

§ 752.10 Changes to the SCL.

(a) *General information.* Certain changed circumstances regarding the SCL require prior approval from BXA before you make such changes, while others require only notification to BXA. Changes and notifications of license holder information must be initiated by submitting Form BXA-748P. Changes and notifications of consignee information must be initiated by submitting Form BXA-752.

(b) *Changes requiring prior written approval from BXA.* The following circumstances require prior written approval by BXA. Such requests must be submitted by the SCL holder, and changes are not effective until BXA approves the request. Upon approval of a change described in this paragraph, BXA will return to the SCL holder a validated copy of the request, indicating any changes that may have been made to your request, or any special conditions that may have been imposed.

(1) *Change of SCL holder company name.* You must submit to BXA Form BXA-748P, Multipurpose Application, for any change in the name of the SCL holder company. Complete Blocks 1, 2, 3, and 4. Mark "Special Comprehensive License" in Block 5, and "other" in Block 8. In Block 9, include your SCL number. Briefly indicate the purpose of the change in Block 24 (i.e., a change in company name). Enter the new information in the relevant Blocks, and complete Block 25. The SCL holder must send a copy of the validated Form BXA-748P to each approved consignee, and advise them to attach the copy of the validated form to their validated Form BXA-752.

(2) *Change in consignee name or address.* You must submit to BXA Form BXA-752, Statement by Consignee in Support of Special Comprehensive License, when requesting a change in consignee name, or if the consignee moves out of the country. The consignee must complete Block 3, mark "change an existing consignee" and

provide the new consignee information in Block 4. In Block 9, explain change of address from "Address A" to "Address B". Also, complete Block 10 and the SCL holder signature Block information.

(3) *Addition of new consignee.* You must submit to BXA Form BXA-752 for requests to add consignees to an SCL. Complete Form BXA-752 in accordance with the instruction in Supplement No. 3 to this part, marking "Add a New Consignee" in Block 3. Use Block 9 to describe the proposed consignee's role in the activities authorized by the SCL. Form BXA-752 is not required if the proposed new consignee is a foreign government agency and the items will not be reexported. If Form BXA-752 is not required, the SCL holder may submit the request to add the foreign government agency to the SCL on company letterhead. You must include the proposed consignee's complete street address.

(4) *Change in reexport territories.* You must submit to BXA Form BXA-752 and Form BXA-752-A to add a country to a consignee's approved reexport territory. Upon approval of change in reexport territory, BXA will return to the SCL holder two validated copies of Form BXA-752 and Form BXA-752-A, Reexport Territories, along with any special conditions that may have been imposed.

(i) *Form BXA-752.* Complete Block 3 by marking "Change an Existing Consignee". In Block 4, enter the consignee name and consignee number. In Block 5, enter the SCL number. In Block 9, enter "to add a country to the reexport territory". Complete Block 10 and the SCL holder signature block information.

(ii) *Form BXA-752-A.* Complete Blocks 2 and 3. Mark each country that you are adding to your reexport territory.

(5) *Adding items to your SCL.* The following procedures apply to requests to add items to your SCL. Upon approval, BXA will send you a validated Form BXA-748P and, if applicable, Form BXA-748P-A. The SCL holder must send a copy of each validated form to all applicable consignees and attach a copy to their Form BXA-752.

(i) *Adding one item.* You must submit to BXA Form BXA-748P to request the addition of a single item to your SCL. Complete Blocks 1, 2, 3, and 4. Mark an "x" in the "Special Comprehensive License" box in Block 5, and "other" in Block 8. Include your SCL number in Block 9. In Block 24, enter "add ECCN". Complete items (a) and (j) in Block 22 and in Block 25.

(ii) *More than one item.* You must submit to BXA Form BXA-748P and Form BXA-748P-A to request to add more than one item to your SCL. Complete Form BXA-748P according to the instructions in paragraph (b)(5)(i) of this section. In Block 24, insert the phrase "add ECCNs on attached Form BXA-748P-A. Complete Block 1 on Form BXA-748P-A by including the "Application Control Number" (found on Form BXA-748P). Complete Block 21 and 24, if needed, to describe any special circumstances (i.e., the new item will only be exported to specific consignees and will not be reexported).

(6) *Changes to add end-users.* You must submit to BXA Form BXA-752 and Form BXA-748P-B to add or change end-users to consignee authorizations. When you request multiple "types of requests" (i.e., additions or changes) on a single Form BXA-752; you must specify in Block 9, the type of request for each end-user. Example: end-user XXX is to be "added" and end-user AAA is to be "changed" from "end-user AAA" to "end-user ABA".

(i) *Form BXA-752.* On Form BXA-752, complete Block 3.B, "change an existing consignee". Include the consignee number in Block 4. Include the SCL number in Block 5. In Block 9 insert the phrase "To add an end-user" or the phrase "To change an end-user". Complete Block 10 and include the SCL holder signature block information.

(ii) *Form BXA-748P-B.* On Form BXA-748P-B, complete Blocks 1 and 19. In Block 21, cite the end-user requirement or condition (i.e., end-user XXX is requested in compliance with §752.5(c)(8)(ii) of this part, which requires prior authorization to reexport chemicals under the SCL). Also, list the items (by ECCN and by description) that each end-user will receive and for what purpose, if approved by BXA.

(c) *Changes that do not require prior approval from BXA.* The following changes regarding your SCL do not require prior approval from BXA, however, such changes must be submitted on the appropriate forms no later than 30 days after the change has occurred. BXA will validate the forms, and return one copy to you for your records.

(1) *Change of SCL holder address, export contact information, or total value of license.* You must submit to BXA Form BXA-748P, Multipurpose Application, for any change in the SCL holder's address, export contact information, or total value of the license. Complete Blocks 1, 2, 3, and 4. Mark "Special Comprehensive License" in Block 5, and "other" in Block 8. In Block 9, include your SCL number. Briefly indicate the purpose of the change in Block 24. Enter the new information in the relevant Blocks. Complete Block 25. The SCL holder must send a copy of the validated Form BXA-748P to each approved consignee, and advise each approved consignee to attach the copy of the validated form to their validated Form BXA-752.

(2) *Deletion of consignees.* You must submit to BXA Form BXA-752 if you remove a consignee from your SCL. Complete Block 3.C. Indicate your consignee number in Block 4 and your SCL case number in Block 5. Explain the reason for the action in Block 9. Complete Block 10 and the SCL holder signature information. You must notify all remaining consignees if any consignee is no longer eligible to receive items under the SCL.

(3) *Changes in ownership or control of the SCL holder or consignee.*—(i) *SCL holder.* You must notify BXA of changes in ownership or control by submitting to BXA Form BXA-748P. Complete Blocks 1, 2, 3 and 4, mark "Special Comprehensive License" in Block 5. Mark and "x" in "other" in Block 8 and indicate the SCL number in Block 9. Include the SCL holder information number in Block 14, and describe the change in Block 24, indicating the circumstances necessitating the change (i.e., mergers), and changes in persons who have official signing authority. Also complete Block 25.

(ii) *Consignee.* You must notify BXA of changes in ownership or control of

the consignee company by submitting to BXA Form BXA-752. Complete Block 1. Mark and "x" in "change an existing consignee" in Block 3.B, and complete Blocks 4 and 5. In Block 9, describe the change, indicating the circumstances necessitating the change (i.e., mergers), and changes in persons who have official signing authority. Complete Block 10 and the SCL holder signature block information.

(iii) *Transfers and SCLs after control changes.* Note that under §750.10(a) of the EAR you may not transfer a license—including a Special Comprehensive License—except with the prior written approval of BXA. In addition, BXA reserves the right to modify, revoke, or suspend an SCL in the event of a change in control of the previously approved SCL holder or consignee(s). In reviewing requests to transfer an SCL or consignee authority under an SCL and in reviewing changes in control of an SCL holder or approved consignee, BXA will consider the reliability of the new parties.

(4) *Remove reexport territories.* If you remove a country from a consignee's approved reexport territory, you must submit to BXA Form BXA-752 and Form BXA-752-A. You cannot add and delete countries on the same forms. Upon review of the change in reexport territory, BXA will return to the SCL holder two validated copies of Form BXA-752 and Form BXA-752-A.

(i) *Form BXA-752.* Complete Block 1. Complete Block 3 by marking "change an existing consignee". In Block 4, enter the consignee name and consignee number. In Block 5, enter the SCL number. Complete Block 10 and the SCL holder signature block information.

(ii) *Form BXA-752-A.* Complete Blocks 1, 2, 3, and 5. Mark each country that you are removing from the reexport territory with an "x". Mark an "x" in "Other Specify" and insert "delete".

(5) *Remove items from your SCL.* The following procedures apply if you remove an item from your SCL. After review of the change by BXA, BXA will send you a validated Form BXA-748P and Form BXA-748P-A, if applicable. The SCL holder must send a copy of each validated form to all applicable

consignees and attach a copy to their BXA-752.

(i) *Removing one item.* You must submit to BXA Form BXA-748P if you remove a single item from your SCL. Complete Blocks 1, 2, 3 and 5. Mark "Special Comprehensive License" in Block 5 and mark "other" in Block 8. Include your SCL number in Block 9. State "delete ECCN" in Block 24. Complete items (a) and (j) in Block 22 and Block 25.

(ii) *Removing more than one item.* You must submit to BXA Form BXA-748P and Form BXA 748P-A if you remove more than one item from your SCL. Complete Form BXA-748P according to the instructions in paragraph (a)(5)(i) of this section, except in Block 24, state "delete ECCNs on attached BXA-748P-A". Complete Form BXA 748P-A by including the "application control number" (found on Form BXA-748P) in Block 1. Complete items (a) and (j) in Block 22 for each item you are removing from your SCL.

(6) *Remove end-users from your SCL.* You must submit to BXA Form BXA-752 if you remove end-users from consignee authorizations. (Use Form BXA-748P-B, if additional space is needed.) After review by BXA, BXA will return to the SCL holder two validated copies of Form BXA-752 and Form BXA-748P-B, which will include any special instructions that may be necessary. You must send one copy of Forms BXA-752 and BXA-748P to the relevant consignee.

(i) *Form BXA-752.* On Form BXA-752, complete Block 1 and 3.B, "change an existing consignee". Include the consignee number in Block 4. Include the SCL case number in Block 5. In Block 9, include the phrase "to remove an end-user(s)" followed by the name/address information. Complete Block 10 and the SCL holder signature Block information.

(ii) *Form BXA-748P-B.* If there was not enough space on Form BXA-752, Block 9, you may continue the information on Form BXA-748P-B, in Block 24. Complete the information in Block 1. Do not complete Block 19. Block 19 is only used to add end-users.

(d) *Changes made by BXA.* If BXA revises or adds an ECCN to the CCL, or a country's eligibility already covered by

the SCL changes, BXA will publish the change in the FEDERAL REGISTER. The SCL holder is responsible for immediately complying with any changes to the scope of the SCL.

[62 FR 25464, May 9, 1997]

§ 752.11 Internal Control Programs.

(a) *Scope—(1) Introduction.* It is through Internal Control Programs (ICPs) that the SCL holder and the consignee assure that exports and reexports are not made contrary to the EAR. The elements of your ICP will reflect the complexity of the activities authorized under the SCL, the countries and items involved, and the relationship between the SCL holder and the approved consignees.

(2) *General requirements.* Prior to making any exports and reexports under an SCL, you and your consignees, when required, must implement an ICP that is designed to ensure compliance with the SCL and the EAR. This section provides an overview of the elements that comprise an ICP. You may obtain from BXA at the address found in §752.17 of this part guidelines to assist you in developing an adequate ICP. You must submit with your application for an SCL a copy of your proposed ICP, along with any consignee ICPs, when required, incorporating the elements described in this section, as appropriate. BXA may require you to modify your ICP depending upon the activities, items, and destinations requested on your application for an SCL.

(b) *Requirements.* You may not make any shipments under an SCL until you and your consignees, when appropriate, implement all the elements of the required ICP. If there are elements that you consider inapplicable, you must explain the reasons for this determination at the time of application for an SCL. Existence of a properly constructed ICP will not relieve the SCL holder of liability for improper use or failure to comply with the requirements of the EAR.

(c) *Elements of an ICP.* Following is a list of ICP elements. The specific elements that should be included in your ICP depend upon the complexity of the activities authorized under your SCL, the countries and items involved, and