

§ 752.7

not listed in country group A:4 (see Supplement No. 1 to part 740).

(c) *Sourcing*. Consignees who obtain U.S.-origin items abroad that are eligible for the SCL but that are subject to General Prohibitions One, Two, or Three (see part 734 of the EAR) may re-export them under the authority of your SCL, provided that they are re-exported in accordance with the ICP required by § 752.11 of this part, and any other applicable conditions or reexport restriction placed on your SCL by BXA. Either the SCL holder or the consignee through the SCL holder must submit the sourcing request for re-export of items on Form BXA-752.

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

§ 752.7 Direct shipment to customers.

(a) *General authorization*. (1) Upon request by a consignee, an SCL holder or another consignee approved under the same SCL is authorized to deliver products directly to the requesting consignee's customer in either:

(i) The requesting consignee's country; or

(ii) Another country authorized to receive items under the requesting consignee's validated Form BXA-752-A.

(2) The SCL holder or consignee making direct shipments authorized by this section must implement an ICP containing procedures governing such shipments.

(3) SCL holders and consignees using the direct shipment provision may invoice the shipments directly to the requesting consignee's customers if copies of applicable invoices are maintained by both the shipping party and requesting consignee.

(b) *Procedures*—(1) *Exports by an SCL holder*. The SCL holder may make a direct shipment by entering on the Shipper's Export Declaration the name and address of the customer as ultimate consignee and adding the notation "by order of (name and address of consignee requesting the direct shipment)". The notation must appear below the item description and must cite the SCL number followed by the three digit number of the consignee requesting the "by order of" shipment.

(2) *Reexports by a consignee*. An approved consignee may make a direct

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reexport shipment to a customer of another approved consignee on the same SCL by showing on the commercial invoice the name and address of the customer as ultimate consignee and adding the notation "by order of (name and address of consignee requesting the direct shipment)."

§ 752.8 SCL application review process.

(a) *Scope*. Under an SCL, you are authorized to make multiple exports and reexports without review and approval of each individual transaction by BXA. To approve an SCL, BXA must be satisfied that the persons benefiting from this license will adhere to the conditions of the license and the EAR, and that approval of the application will not be detrimental to U.S. national security, nonproliferation, or foreign policy interests. In reviewing and approving a specific SCL request, BXA retains the right to limit the eligibility of items or to prohibit the export, reexport, or transfer of items under the SCL to specific firms, individuals, or countries.

(b) *Elements of review*. To permit BXA to make such judgments, BXA will thoroughly analyze your past export and reexport transactions, inspect your export and reexport documents, and interview company officials of both the applicant and the consignees, as necessary. If BXA cannot verify that an appropriate ICP will be implemented upon approval of the SCL by BXA, or establish the reliability of the proposed parties to the application, it may deny the application, or modify it by eliminating certain consignees, items, countries, or activities.

(c) *order requirement*. You do not need to have in your possession an order from the proposed consignee at the time you apply for an SCL. However, evidence of a consignee's firm intention to place orders on a continuing basis is required.

(d) *Criteria for review*. BXA will consider the following factors during the processing of your SCL application:

(1) The specific nature of proposed end-use and end-uses;

(2) The significance of the export in terms of its contribution to the design, development, production, stockpiling,