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under United Nations Security Council arms embargoes. See the Commerce Control List in supplement no. 1 to part 774. See also §§ 746.3 (Iraq) and 746.4 (North Korea).

(2) The countries subject to United Nations Security Council arms embargoes are: Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, and Sudan.

(3) A license is required to export or reexport items identified in Part 774 as having a “UN” reason for control to countries identified in paragraph (b)(2) of this section. To the extent consistent with United States national security and foreign policy interests, BIS will not approve applications for such licenses if the authorization would be contrary to the relevant United Nations Security Council Resolution.

(4) You may not use any License Exception, other than License Exception GOV, for items for personal or official use by personnel and agencies of the U.S. Government or agencies of cooperating governments as set forth in § 740.11(b) of the EAR, to export or reexport items with a UN reason for control to countries listed in paragraph (b)(2) of this section. This paragraph does not apply to Iraq, which is governed by § 746.3(c) of this part; North Korea, which is governed by § 746.4(c) of this part; or Iran, which is governed by § 746.7(c) of this part.

(c) *Russian Industry Sector Sanctions.* The Russian Industry Sector Sanctions are set forth under § 746.5 and referenced under the License Requirements section of certain Export Control Classification Numbers (ECCNs) in supplement no. 1 to part 774 (Commerce Control List), as well as in a footnote to the Commerce Country Chart in supplement no. 1 to part 738.

(d) This part also contains descriptions of controls maintained by the Office of Foreign Assets Control in the Treasury Department and by the Directorate of Defense Trade Controls in the Department of State. Comprehensive embargoes and supplemental controls implemented by BIS under the EAR usually also involve controls on items and activities maintained by these agencies. This part sets forth the allocation of licensing responsibilities be-

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tween BIS and these other agencies. References to the requirements of other agencies are informational; for current, complete, and authoritative requirements, you should consult the appropriate agency’s regulations.

[61 FR 12806, Mar. 25, 1996, as amended at 62 FR 25459, May 9, 1996; 65 FR 38160, June 19, 2000; 67 FR 70546, Nov. 25, 2002; 69 FR 3005, Jan. 22, 2004; 69 FR 23638, Apr. 29, 2004; 69 FR 46076, July 30, 2004; 72 FR 3725, Jan. 26, 2007; 73 FR 36, Jan. 2, 2008; 76 FR 77117, Dec. 12, 2011; 77 FR 42975, July 23, 2012; 78 FR 22723, Apr. 16, 2013; 79 FR 32625, June 5, 2014; 79 FR 45679, Aug. 6, 2014; 81 FR 76861, Nov. 4, 2016]

§ 746.2 Cuba.

(a) *License requirements.* As authorized by section 6 of the Export Administration Act of 1979, as amended (EAA) and by the Trading with the Enemy Act of 1917, as amended, you will need a license to export or reexport all items subject to the EAR (see part 734 of the EAR for the scope of items subject to the EAR) to Cuba, including any release of technology or source code subject to the EAR to a Cuban national, except as follows:

(1) *License exceptions.* You may export or reexport without a license if your transaction meets all the applicable terms and conditions of any of the following License Exceptions. To determine the scope and eligibility requirements, you will need to turn to the sections or specific paragraphs of part 740 of the EAR (License Exceptions). Read each License Exception carefully, as the provisions available for embargoed countries are generally narrow.

(i) Temporary exports and reexports (TMP) by the news media (see § 740.9(a)(9) of the EAR).

(ii) Operation technology and software (TSU) for legally exported commodities or software (see § 740.13(a) of the EAR).

(iii) Sales technology (TSU) (see § 740.13(b) of the EAR).

(iv) Software updates (TSU) for legally exported software (see § 740.13(c) of the EAR).

(v) Parts (RPL) for one-for-one replacement in certain legally exported commodities (see § 740.10(a) of the EAR).

(vi) Baggage (BAG) (see § 740.14 of the EAR).

(vii) Governments and international organizations (GOV) (see § 740.11 of the EAR).

(viii) Gift parcels and humanitarian donations (GFT) (see § 740.12 of the EAR).

(ix) Items in transit (TMP) from Canada through the U.S. (see § 740.9(b)(1)(iv) of the EAR).

(x) Aircraft, vessels and spacecraft (AVS) for certain aircraft on temporary sojourn; equipment and spare parts for permanent use on a vessel or aircraft, and ship and plane stores; vessels on temporary sojourn; or cargo transiting Cuba on aircraft or vessels on temporary sojourn (see § 740.15(a), (b), (d), and (e) of the EAR).

(xi) Permissive reexports of certain spare parts in foreign-made equipment (see § 740.16(h) of the EAR).

(xii) Exports of agricultural commodities, classified as EAR99, under License Exception Agricultural Commodities (AGR) and certain reexports of U.S. origin agricultural commodities, classified as EAR99, under License Exception AGR (see § 740.18 of the EAR).

(xiii) Commodities and software authorized under License Exception Consumer Communications Devices (CCD) (see § 740.19 of the EAR).

(xiv) License Exception Support for the Cuban People (SCP) (see § 740.21 of the EAR).

(2) *Deemed exports and deemed reexports.* A license is not required to release technology or source code subject to the EAR but not on the Commerce Control List (*i.e.*, EAR99 technology or source code) to a Cuban national in the United States or a third country.

(b) *Licensing policy.* Items requiring a license are subject to a general policy of denial, except as follows:

(1) *Medicines and Medical Devices.* Applications to export medicines and medical devices as defined in part 772 of the EAR will generally be approved, except:

(i) To the extent restrictions would be permitted under section 5(m) of the Export Administration Act of 1979, as amended (EAA), or section 203(b)(2) of the International Emergency Economic Powers Act;

(ii) If there is a reasonable likelihood that the item to be exported will be

used for purposes of torture or other human rights abuses;

(iii) If there is a reasonable likelihood that the item to be exported will be reexported;

(iv) If the item to be exported could be used in the production of any biotechnological product; or

(v) If it is determined that the United States government is unable to verify, by on-site inspection or other means, that the item to be exported will be used for the purpose for which it was intended and only for the use and benefit of the Cuban people, but this exception shall not apply to donations of medicines for humanitarian purposes to a nongovernmental organization in Cuba.

(2) *Exports and reexports that generally will be approved.* Applications for licenses to export or reexport the following generally will be approved:

(i) Telecommunications items that would improve communications to, from, and among the Cuban people;

(ii) Commodities and software to human rights organizations or to individuals and non-governmental organizations that promote independent activity intended to strengthen civil society in Cuba;

(iii) Commodities and software to U.S. news bureaus in Cuba whose primary purpose is the gathering and dissemination of news to the general public;

(iv) Agricultural items that are outside the scope of agricultural commodities as defined in part 772 of the EAR, such as insecticides, pesticides and herbicides, and agricultural commodities not eligible for License Exception AGR;

(v) Items necessary to ensure the safety of civil aviation and the safe operation of commercial aircraft engaged in international air transportation, excluding the export or reexport of such aircraft leased to state-owned enterprises; and

(vi) Items necessary for the environmental protection of U.S. and international air quality, waters, or coastlines (including items related to renewable energy or energy efficiency).

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(3) *Exports and reexports that may be authorized on a case-by-case basis.* (i) Applications for licenses to export or re-export items to meet the needs of the Cuban people, including exports and re-exports of such items to state-owned enterprises, agencies, and other organizations of the Cuban government that provide goods and services for the use and benefit of the Cuban people may be authorized on a case-by-case basis. This policy of case-by-case review includes applications for licenses to export or reexport items for:

(A) Agricultural production, artistic endeavors (including the creation of public content, historic and cultural works and preservation), education, food processing, disaster preparedness, relief and response, public health and sanitation, residential construction and renovation and public transportation;

(B) Wholesale and retail distribution for domestic consumption by the Cuban people;

(C) Construction of facilities for treating public water supplies, facilities for supplying electricity or other energy to the Cuban people, sports and recreation facilities, and other infrastructure that directly benefits the Cuban people; and

(D) Items that will enable or facilitate export from Cuba of items produced by the private sector.

NOTE 1 TO PARAGRAPH (b)(3)(i): Licenses issued pursuant to the policy set forth in this paragraph generally will have a condition prohibiting both reexports from Cuba to any other destination and uses that enable or facilitate the export of goods or services from Cuba, that primarily generate revenue for the state.

NOTE 2 TO PARAGRAPH (b)(3)(i): The policy of case-by-case review in this paragraph is intended to facilitate exports and reexports to meet the needs of the Cuban people. Accordingly, BIS generally will deny applications to export or reexport items for use by state-owned enterprises, agencies, and other organizations that primarily generate revenue for the state, including those engaged in tourism and those engaged in the extraction or production of minerals or other raw materials. Applications for export or reexport of items destined to the Cuban military, police, intelligence or security services also generally will be denied. Additionally, pursuant to section 3(a) of the National Security Presidential Memorandum on Strengthening the Policy of the United States Toward Cuba

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(NSPM), dated June 16, 2017, BIS generally will deny applications to export or reexport items for use by entities or subentities identified by the Department of State in the FEDERAL REGISTER or at <https://www.state.gov/e/eb/tfs/spi/cuba/cubarestrictedlist/index.htm>, unless such transactions are determined to be consistent with sections 2 and 3(a)(iii) of the NSPM.

(ii) [Reserved]

(4) *Temporary sojourns of aircraft and vessels.* Applications for exports or re-exports of aircraft or vessels on temporary sojourn to Cuba, other than aircraft operated by certificated air carriers or cargo vessels for hire, are subject to a general policy of denial unless consistent with the foreign policy or national security interests of the United States. Applications for exports or reexports of aircraft operated by certificated air carriers or cargo vessels for hire on temporary sojourn to Cuba may be authorized on a case-by-case basis.

NOTE 1 TO PARAGRAPH (b)(4): Applications for exports or reexports of private and corporate aircraft, cruise ships, sailboats, fishing vessels, and other similar aircraft and vessels on temporary sojourn to Cuba will generally be denied.

(c) *Definitions.* For purposes of this section, “U.S. person” means any person subject to the jurisdiction of the United States, as described in § 515.329 of the Cuban Assets Control Regulations (31 CFR 515.329).

(d) *Related controls.* OFAC maintains controls on the activities of persons subject to U.S. jurisdiction, wherever located, involving transactions with Cuba or any Cuban national, as provided in 31 CFR part 515. Exporters and reexporters should consult with OFAC for further guidance on its related controls.

[61 FR 12802, Mar. 25, 1996]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 746.2, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 746.3 Iraq.

Pursuant to United Nations Security Council (UNSC) Resolutions 1483 and 1546 and other relevant resolutions, the United Nations maintains an embargo on the sale or supply to Iraq of arms

and related materiel and their means of production, except items required by the Government of Iraq to serve the purposes of Resolution 1546. UNSC Resolutions 707 and 687 require that Iraq eliminate its nuclear weapons program and restrict its nuclear activities to the use of isotopes for medical, industrial or agricultural purposes. Such resolutions further mandate that Iraq eliminate its chemical and biological weapons programs as well as its ballistic missile program. In support of the applicable UNSC resolutions, certain Iraq specific license requirements and licensing policies are detailed in this section. In addition, this section details restrictions on transfers of items subject to the EAR within Iraq. Exporters should be aware that other provisions of the EAR, including parts 742 and 744, will continue to apply with respect to exports and reexports to Iraq and transfers within Iraq.

(a) *License requirements.* (1) A license is required for the export or reexport to Iraq or transfer within Iraq of any item controlled on the Commerce Control List for NS, MT, NP, CW, CB, RS, CC, EI, SI, or SL reasons. See part 742 of the EAR.

(2) A license is required for the export or reexport to Iraq or transfer within Iraq of any item controlled on the Commerce Control List for UN reasons.

(3) A license is required for the export or reexport to Iraq or transfer within Iraq of items on the Commerce Control List controlled for RS reasons under the following ECCNs: 0B999, 0D999, 1B999, 1C992, 1C995, 1C997, 1C999 and 6A992.

(4) A license is required for the export or reexport to Iraq or transfer within Iraq of any item subject to the EAR if, at the time of the export, reexport or transfer, you know, have reason to know, or are informed by BIS that the item will be, or is intended to be, used for a “military end-use” or by a “military end-user”, as defined in this section. This license requirement does not apply to exports, reexports or transfers of items for the official use by personnel and agencies of the U.S. Government or exports, reexports or transfers to the Government of Iraq. See § 740.11(b)(3) of the EAR for the def-

inition of “agency of the U.S. Government.” BIS may inform an exporter, reexporter, or other person, either individually by specific notice or through amendment to the EAR, that a license is required for export, reexport or transfer of items subject to the EAR to specified end-users, because BIS has determined that there is an unacceptable risk of diversion to the uses or users described in this paragraph. Specific notice is to be given only by, or at the direction of, the Deputy Assistant Secretary for Export Administration. When such notice is provided orally, it will be followed by a written notice within two working days signed by the Deputy Assistant Secretary for Export Administration. The absence of any such notification does not excuse the exporter, reexporter or other person from compliance with the license requirements of this paragraph.

(i) *Military end-use.* In this section, the phrase “military end-use” means incorporation into a military item described on the U.S. Munitions List (USML) (22 CFR part 121, International Traffic in Arms Regulations) or the Wassenaar Arrangement Munitions List (WAML) (as set out on the Wassenaar Arrangement website at <http://www.wassenaar.org>); or use, development, or deployment of military items described on the USML or the WAML.

(ii) *Military end-user.* In this section, the term “military end-user” means any “person” whose actions or functions are intended to support “military end-uses” as defined in paragraph (a)(4)(i) of this section and who is not recognized as a legitimate military organization by the U.S. Government.

(5) *Definitions.* For purposes of exports or reexports to Iraq or transfers within Iraq, “ballistic missile” is defined as any missile capable of a range greater than 150 kilometers.

(b) *Licensing policy.* (1) License applications for the export or reexport to Iraq or transfer within Iraq of items listed in paragraph (a)(1), (a)(2), or (a)(3) of this section for Iraqi civil nuclear or military nuclear activity, except for use of isotopes for medical, industrial or agricultural purposes, will be subject to a policy of denial.