International Regulatory Bulletin



September 15, 2011

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A Broader Perspective

No. 486

To: Our Clients and Friends

Electronic Payment of Registration Fees

The Directorate of Defense Trade Controls (DDTC) recently issued an amendment to the International Traffic in Arms Regulations (ITAR) that requires a change in the method of payment for registration fees. Effective September 26, 2011, all registration fees must be paid electronically via Automated Clearing House. Registration renewal letters will contain specific instructions about submitting registration fees electronically.

All manufacturers, exporters and brokers of defense articles, defense services or related technical data as defined in the U.S. Munitions List are required to register with the DDTC and pay the applicable registration fee as prescribed in section 122.3(a) of the ITAR. The new rule is expected to simplify the collection and verification process for payments to DDTC by requiring electronic payment as the sole means of registration fee submission.

We anticipate this new payment process may be particularly beneficial to foreign parties that are required to register as brokers under Part 129 of the ITAR. Previously, payments for all registrants had to be submitted by check and in U.S. currency, payable through a U.S. financial institution. This presented a challenge to foreign parties who may not have banking arrangements with U.S. financial institutions. This new rule should facilitate the payment aspect of the registration process for all parties.

Whereas payments will be received electronically, registrants should continue submitting the DS-2032 Statement of Registration in paper format.

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