

ITAR Material Change Reference Guide

Any person or company in the United States that manufactures, exports, temporarily imports, or brokers items, including technical data and software (defense articles), or performs certain services (defense services) that are controlled under the International Traffic in Arms Regulations (ITAR)* is required to register with the U.S. Department of State Directorate of Defense Trade Controls (DDTC) and keep that registration current.* *Current* in the context of the ITAR means not only the information that is current at the time the registration is initially submitted, but the registration information must accurately reflect the registered entity's current information at any point in its timeline.

In most cases, the registered entity is a company. When certain changes occur within the registered company, such as a change of control, a merger or acquisition, or a change in executive leadership, those changes must be reported to DDTC, and the company's ITAR registration must be updated. At a minimum, ITAR registration must be renewed annually.

This Guide provides a summary of some common types of company changes that require notice to DDTC and the actions that must be taken to keep ITAR registration current.

The Defense Export Control and Compliance System (DECCS) is the primary online system for interacting with DDTC. Initial DDTC registration is performed in DECCS, as well as managing registration changes and annual renewals. Unless otherwise noted, the registered entity changes outlined in this reference guide will be made in DECCS.

* Pro Tip #1: Manufacturing an ITAR-controlled item or providing an ITAR-controlled service, even if the ITAR item or service is never exported, still requires registration. Just one instance of manufacturing, exporting, temporarily importing, or brokering ITAR-controlled items or data or providing ITAR-controlled services is sufficient to trigger the DDTC registration requirement.

* Pro Tip #2: Any individual or any corporation or business association, partnership, society, trust, or any other entity, organization, or group, including government entities, that is located in the United States and engages in any of the listed ITAR-controlled activities MUST register with DDTC, with very few exceptions. Why? Because the items and services controlled by the ITAR can impact U.S. national security so the U.S. Government wants to know about any person or business that conducts transactions with, or has access to, these controlled commodities.

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Material Changes in Registration

Generally, a “material change” is any significant change to the information that is contained in a company’s DDTC registration. All material change notifications must be reported to DDTC, electronically via DECCS, **within five days** following the triggering event. Following are examples of triggering events requiring five-day notice to DDTC.

Registrant Name or Address Change

If any registered company changes its legal entity name or physical address, that information must be updated no later than five days after the name or address change is effective. The notice of name or address change includes any parent company (ultimate parent and any intermediary parent(s)), subsidiary, or affiliate that is listed in the DDTC registration.* Submit a copy of the company’s revised Articles of Incorporation document as proof of the name change.

If the name or address change is the result of an internal restructuring, liquidation, or bankruptcy, update the company’s DDTC registration accordingly (add or delete entities) and provide a summary of the enterprise structure changes in the applicable tabs and fields in DECCS.

Executive/Senior Officer or Board Member Change

A change in senior leadership or in the board of directors of a registered company is considered a material change and requires a five-day notice to DDTC. Changes of this nature would include addition or deletion of any C-level executive (*i.e.*, CEO, COO, CFO), president, vice president, partner, or other senior official (*i.e.*, general counsel, comptroller, treasurer) listed in the DDTC registration.

Similarly, the addition or deletion to a company’s board of directors or any member of the board of directors of the parent, subsidiaries, or affiliates listed in the DDTC registration would constitute a material change and five-day notice to DDTC is required. When entering the material change information in DECCS, provide the effective date of any change and include a summary explanation of the changes.

* Pro Tip #3: Any entity within a company’s corporate structure that is engaging in ITAR-controlled activities must be listed on the company’s DDTC registration. If ITAR activities are projected to occur at a company site at a future date, that entity/site may also be included in the registration.

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If a senior officer or member of the board is added and is NOT a U.S. citizen but resides within the U.S., a copy of the officer or board member's U.S. permanent residence card (commonly known as a "green card") or U.S. visa is required to be submitted as supporting documentation in DECCS.

Change of Eligibility

In the event that any executive/senior officer or board member of a DDTC registered company is charged, indicted, or convicted of any of the U.S. criminal statutes listed in ITAR §120.6,* or becomes ineligible to contract with, or to receive a license or other approval to export or temporarily import ITAR-controlled defense articles or defense services from any U.S. government agency, DDTC must be notified no later than five days after the change of eligibility occurs.

Notice of the ineligibility is completed by updating the company's registration via DECCS. As supporting information for the registration updates, provide a complete list of all executives/senior officers and/or board members affected and attach any applicable legal documents (*i.e.*, copy of charging instrument/indictment or judgment; notice of suspension or debarment).

DDTC Acknowledgement of Changes

After submission of the five-day notice to DDTC via DECCS for any of the above listed material changes, DDTC will review the submission but will not post any formal acknowledgement in the registered company's DECCS account nor send any acknowledgement via email or postal mail, unless the company has existing DDTC authorizations that will be impacted by the registration changes. [See Impacted Authorizations/Licenses List section below.] Registrants may access and review submitted material change notifications at any time via DECCS.

Merger, Acquisition and Divestiture

A change of control of a DDTC registered company commonly occurs due to a merger, acquisition, or divestiture, also referred to by DDTC as a "MAD material change." MAD material changes also require notice to DDTC no later than **five days** after the effective date of the material change of control or ownership. [Note: MAD transactions that result in foreign/non-U.S. entity ownership or control require 60 days notice to DDTC. See Merger, Acquisition and Divestiture – Foreign Ownership/Control section below.]

* Pro Tip #4: The list of criminal statutes for ITAR § 120.6 can be found at this link: <https://www.ecfr.gov/current/title-22/chapter-I/subchapter-M/part-120/subpart-A/section-120.6>.

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MAD material change notices, as with other material change notices, must be submitted to DDTC electronically via DECCS, updating all applicable tabs/fields affected by the change of ownership or control. Additionally, MAD material change notices require more information to be provided to DDTC than is required for other types of material changes. It is important that the information provided to DDTC include details on the specific nature of the material changes brought about by the merger, acquisition, or divestiture, both to the existing registered entity/entities and to any newly established entity/entities that will be engaging in ITAR-controlled activities as a result of the change of control or ownership. Be sure to address any changes that occur as a result of the MAD material change to subsidiaries or affiliate entities that are currently listed on the DDTC registration or that need to be added to the registration.

Following are the required documents and information for MAD material change five-day notice to DDTC:

- Five-day MAD notification letter – Prepare a letter to DDTC, on company letterhead and signed by a senior officer, explaining the specific nature of the merger, acquisition, or divestiture transaction, the effective date of the change, and the resulting effects on the registered company structure. Indicate whether the transaction entails a full or partial merger, acquisition, or divestiture. Include any new company name (and name(s) of subsidiary and affiliate entities, if applicable) and all previous company names. Include the DDTC registration number for the company providing the notice to DDTC. If more than one party to the merger or acquisition is a DDTC registered entity, include the DDTC registration numbers for all parties. Be sure to include details on which, if any, existing DDTC registration numbers will survive, and which, if any, will be discontinued.
- Submit a list of all entities within the corporate structure, including any parent (ultimate and intermediary), subsidiaries and affiliates, that are, or will in the future, engage in manufacturing, exporting, temporarily importing, or brokering of ITAR-controlled items (defense articles) or services (defense services). Include any DDTC registration codes for all entities. Provide an ownership structure chart identifying each entity's role in the structure.
- Submit a list of ownership changes, including names, addresses and nationalities of all owners in effect after the effective date of the merger, acquisition, or divestiture.
- Submit a list of all changes in executive/senior officers of the company, representing both before and after the merger, acquisition, or divestiture.

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- Submit a list of all currently approved and pending DDTC authorizations which are affected by the MAD material change. * [[See Impacted Authorizations/Licenses List](#) section below.]
- Submit a Statement of Registration Certification – This certification must include the information required by ITAR § 122.2(b).

For MAD material change notices, DDTC will review the submission and provide an acknowledgement letter to the surviving registrant(s).

Merger, Acquisition and Divestiture – Foreign Ownership/Control

In the event ownership or control of a DDTC registered company is to be transferred to a foreign (non-U.S.) person or entity, DDTC must be notified **at least 60 days** in advance of the transfer or intended sale.

All required documents and information for MAD material changes that do NOT involve foreign ownership or control [see [Merger, Acquisition and Divestiture](#) section], are also required for MAD transactions resulting in Foreign/Non-U.S. ownership or control and must be submitted to DDTC via DECCS.

It is important to note that MAD transactions involving foreign ownership or control may require additional, separate filings with the U.S. Department of the Treasury Committee on Foreign Investment in the United States (CFIUS) and/or the Defense Counterintelligence and Security Agency (DCSA). CFIUS filings, if required, do NOT satisfy the ITAR requirement for 60-day pre-notification. The MAD material changes letter required by DDTC must indicate whether a CFIUS filing will be submitted for the MAD foreign ownership/control transaction. Additionally, if the registered company, or any of its subsidiaries, has a facility clearance allowing access to U.S Government classified information, it may also have to meet notification, and possibly mitigation, requirements administered by DCSA. *

* Pro Tip #5: Submitting the five-day notification does NOT automatically transfer DDTC-issued authorizations from one registered entity to another. Pursuant to ITAR § 122.4(a), both the buyer and seller must provide complete five-day notifications to DDTC.

* Pro Tip #6: The regulatory scrutiny of foreign investment in the U.S. continues to increase as a reflection of the rapidly evolving national security landscape. Determining whether a CFIUS filing is required for a merger/acquisition transaction requires a detailed examination of the resultant ownership structure of the proposed new entity. Professional legal guidance is essential to successfully navigating this complex body of regulation.

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DDTC will review the submission but will NOT provide an acknowledgement letter for 60-day pre-notification of MAD transactions involving foreign ownership or control. Registrants may access and review submitted 60-day pre-notifications at any time via DECCS.

Impacted Authorizations/Licenses List

If a registered company has existing ITAR authorizations (licenses or agreements) issued by DDTC, it is important to determine what, if any, impact there will be to those existing authorizations due to the material change(s). In most cases, any previously issued DDTC authorizations will require amendments to reflect the material changes. Such amendments require approval from DDTC.

If it is determined that existing DDTC authorizations will be impacted by the material change(s), a detailed list of all affected ITAR licenses and agreements must be prepared and submitted to DDTC, along with the Material Change Notification Letter, via DECCS.

In accordance with the requirements in ITAR § 122.4(c)(3), all DDTC issued licenses and agreements affected by any type of material change must be identified to DDTC via a spreadsheet/matrix attached to a General Correspondence, or “GC.” * The spreadsheet/matrix of authorizations to be amended must include all existing and pending authorizations. Any DDTC authorization, license, or agreement not included on the spreadsheet to DDTC will be considered INVALID and a new authorization must be obtained.

* Pro Tip #7: A “GC” is essentially a letter to DDTC that has specific content requirements dependent upon the reason for GC submission. The content requirements for a GC can be complex. If a GC is required for DDTC material changes, or any other reason, it is advised to seek assistance from a qualified legal professional who has knowledge of this type of correspondence to DDTC.

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ITAR REGISTRATION MATERIAL CHANGE ACTION CHECKLIST

Following is a checklist that can be used for tracking and logging actions taken related to ITAR Registration Material Changes.

Type of Change	DDTC Notice Requirement	Material Change Effective Date	DDTC Notice Completion date
Change in Registrant Name or Address (including any subsidiary or affiliate entity listed in the Registration)	Change must be submitted via DECCS within 5 days of name/address change effective date		
Change in Executive/Senior Officer or Board Member (including additions or deletions)	Change must be submitted via DECCS within 5 days of change effective date		
Non-U.S. citizen executive/senior officer or board member	Green Card or U.S. visa must be submitted with Change Notice via DECCS		
Change of Eligibility	Change must be submitted via DECCS within 5 days of change effective date		
Criminal charges or conviction of registrant's executive(s)/senior officer(s) (if related to national security or export control statutes)	Submit applicable legal documents (charging instrument, indictment, judgment) with Change Notice		

Ineligible to contract with U.S. Government	Submit applicable legal documents with Change Notice		
Ineligible to receive DDTC licenses for export/temporary import	Submit applicable legal documents (notice of suspension or debarment) with Change Notice		
Merger, Acquisition or Divestiture ("MAD" Material Change)	Change must be submitted via DECCS within 5 days of name/address change effective date		
Five-day MAD Notification Letter	Submit letter to DDTC with details of MAD transaction and resulting entity structure		
List of all corporate entities engaging (currently or in future) in manufacturing, exporting, temporarily importing, or brokering ITAR-controlled items (including parent(s), subsidiaries, and affiliates)	Submit with MAD transaction letter to DDTC		
List of all ownership changes	Submit with MAD transaction letter to DDTC		
Ownership structure chart (before and after MAD)	Submit with MAD transaction letter to DDTC		
List of all executive/senior officer changes	Submit with MAD transaction letter to DDTC		

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Spreadsheet/matrix of all approved and pending DDTC authorizations	Must be submitted to DDTC as a General Correspondence requesting amendment(s) with MAD transaction letter		
Statement of Registration Certification form	Submit with MAD transaction letter to DDTC		
MAD Material Change - Foreign Ownership/Control	Change must be submitted via DECCS 60-days prior to sale/transfer to foreign persons		
Same as above MAD Material Change Requirements	Submit with MAD transaction letter to DDTC		
CFIUS filing (if applicable)	Submit CFIUS filing documents with MAD transaction letter to DDTC		
DCSA/NISPOM notification/mitigation requirements (U.S. classified facilities)	Submit applicable documents with MAD transaction letter to DDTC		

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