



Strengthening U.S. Economic and National Security

Office of Export Enforcement
Bureau of Industry and Security



Know Your Customer!

Before you export, do you really know who your customer is? Here are some helpful tips to assist you in vetting a potential buyer, client, reseller or other customer.

What is a Red Flag?

Red Flags are any abnormal circumstances in a transaction that indicate that the export may be destined for an inappropriate end-use, end-user, or destination. Here are a few examples of Red Flags:

- Orders for items which are inconsistent with the needs of the purchaser
- Customer declines installation and testing when they are included with the sales price or when normally requested
- Requests for equipment configurations which are incompatible with the stated destination

Check the BIS Red Flags list (15 CFR §732, Supplement 3) for more examples of Red Flags, and review U.S. Government lists to identify parties prohibited or restricted from participating in U.S. export transactions.

What if I find one or more Red Flags?

- You have an affirmative duty to make further inquiries
- Ensure appropriate end-use, end-user, or ultimate country of destination in the transactions you plan to engage in
- Conduct standard customer due diligence to resolve any discrepancies

Do not self-blind

- Do not cut off the initial flow of information that comes to your firm in the normal course of business
- Do not put on blinders that prevent learning of relevant, unusual or suspicious information
- Do not instruct sales personnel to willfully disregard Red Flags

Reevaluate all information after the inquiry



- Determine whether the Red Flags encountered can be explained legitimately or justified based on your new information
- If the transaction shows the company, buyer, and end-user is legitimate, proceed with the transaction

What if I still have reason for concern?

If you continue to have reason for concern after your inquiry, you should do one or more of the following:

- Refrain from the transaction
- Contact BIS to obtain additional information and potentially apply for a validated license
- Report the information to the OEE Hotline (1-800-424-2980)



Report Export Violations
1-800-424-2980 or EELead@bis.doc.gov

