

DS-7789 STATEMENT OF MATERIAL CHANGE INSTRUCTIONS
(Four paths: Non-MAD Material Changes, 5 Day Notice, 60 Day Notice (Seller), and 60 Day Notice (Buyer))

General Notes:

- A. "ITAR" refers to the International Traffic in Arms Regulations (22 CFR Parts 120-130).
- B. 5 Day Notice:
 - a. All merger, acquisition, or divestiture (MAD)-related material changes to your Statement of Registration (DS-2032) must be notified within **5 days** of the effective date. If a notification comes prior to the effective date, the applicant must submit an additional notification within 5 days of the effective date. MAD transactions involving foreign buyers require 60 day advance notification (see below).
- C. 60 Day Pre-Transaction Notification:
 - a. Registrants must notify DDTC at least 60 days in advance of the effective date of any intended sale or transfer to a foreign person of ownership or control of the registrant or any entity (e.g., subsidiary or affiliate) thereof.
 - b. Internal reorganizations may trigger a 60 day pre-transaction notification, if a foreign party (e.g., foreign subsidiary or foreign affiliate) is intended to be placed between the ultimate parent and registrant, that is, with ownership or control of the registrant or an entity thereof.
- D. Failure to adhere to the above notification requirements is a violation of the ITAR and may result in compliance action against the relevant party or parties.
- E. For purposes of completing the DS-7789:
 - a. "Natural Person" means a living human being.
 - b. "Entity" means a corporation, business association, partnership, society, trust, organization, group, governmental entities or any other entity which is not a living human being.
 - c. "Party to Merger" means an entity that is an equal party to a merger.
 - d. "Merger" means the voluntary coming together of two or more equal parties into one new legal entity such that none of the parties or a portion thereof are purchased or sold because of the merger transaction. The equal parties continue to be owners of the new legal entity and exchange shares of stock for shares of the new legal entity which is issued a certificate of merger. If you are

involved in a transaction where you are either the acquiring party or the divesting party then **do not** select the transaction type “Merger” or role “Party to Merger.”

F. “Other” material change means a material change to your DS-2032 that does **not** involve a merger, acquisition, or divestiture.

G. For assistance in completing this form, contact the DDTC Response Team at 202-663-1282 or by e-mail at DDTCResponseTeam@state.gov.

Block 1: Applicant Information

- **Role:** Select your role in the transaction. **(60 day buyer)**
- **Registration Code:** Enter your registration code(s), as applicable.
- **Applicant Type:** Select “natural person” or “entity,” as applicable.
- **Name/Address:** Complete all applicable name and address fields.
- **Notification on behalf of acquiring party:** Indicate whether the divesting party is completing this notification on behalf of an acquiring party or party to merger, and provide the name of the relevant acquiring party or party to merger. **(60 day buyer)**

Block 2: Description of Material Change:

- **Material Change Type:** Select the material change type as appropriate. If material change type “Other” is selected, it means your material change does not involve a merger, acquisition, or divestiture.
- **Date:** For a 5 day notice, enter the date the event occurred (e.g. the date the registrant moved to a new address). For a 60 day pre-transfer notification, enter the date, or intended date, of the material change that is triggering notification (e.g. the anticipated date ownership of the registrant will transfer to a foreign person).
- **Ownership/Control:** Answer if transaction involves transfer of ownership or control (see 22 CFR 120.37). Foreign ownership means more than 50 percent of the outstanding voting securities of an entity are owned by one or more foreign persons (as defined in 22 CFR 120.16). Foreign control means one or more foreign persons have the authority or ability to establish or direct the general policies or day-to-day operations of the entity. Foreign control is presumed to exist where foreign persons own 25 percent or more of the outstanding voting securities of an entity unless one U.S. person controls an

equal or larger percentage. Note: control may be exercisable even with less than 25 percent of the outstanding voting securities.

- **Notice Type:** Select 5 or 60 day notice as applicable.
- **Voluntary Disclosure:** If applicable, indicate whether a related voluntary disclosure was submitted.
- **Asset/Stock Purchase:** Select how transaction will be accomplished.
- **Wholly Purchased:** Indicate if divesting party will be wholly acquired. If not wholly acquired, identify each applicable subsidiary/affiliate to be acquired and indicate whether each wholly acquired.
- **Summary:** Provide a summary of the material change reported, with the rationale and the actions to be taken, including any internal reorganization. The summary should be brief but complete.

Block 3: Details of Transaction:

- **Role:** Select your role in the transaction.
- **Additional Party:** Identify by name and role each additional party to the transaction, as applicable.
- **Registration Status:** If known, indicate whether each party to the transaction is registered with DDTC.
- **Registration Code:** Provide, if known, the DDTC registration code of the identified party.
- **DDTC Authorizations:** Indicate if any existing DDTC authorization(s) will transfer and, if known, identify the authorization(s).
- **Termination of Registration Code:** Indicate if applicant intends to terminate/cancel its registration.
- **Parent Entities:** Provide complete Parent(s) information for acquiring party or for each party to merger, indicate if they are registered, and provide registration code(s), if known. If the reported transaction involves multiple acquiring parties/parties to merger, a separate DS-7789 must be completed for each acquiring party. If there are no parent entities add "None" in Entity Name block.

- **Registration 30 Day Extension:** The acquiring party should indicate, if wholly acquired, whether the seller's registration should remain active 30 days after the effective date to allow for export of unshipped balances on licenses/authorizations while transfer of specified licenses/authorizations occurs (avoiding a blackout period on such exports), as applicable.
- **Assuming Language:** If authorizations are transferring to the acquiring party, the acquiring party must indicate whether it accepts the rights, responsibilities, liabilities, and obligations that exist relevant to the transferred authorizations. Authorizations will not transfer if the acquiring party does not acknowledge acceptance.
- **DE-ITAR:** Indicate if divesting party will cease to perform ITAR-controlled activities and divest all ITAR-controlled items (to include technical data) prior to the transaction.
- **CFIUS:** Indicate if the transaction will be filed with Committee on Foreign Investment in the United States (CFIUS).
- **Organization Chart:** Indicate if organization chart is current, otherwise provide updated organization chart, as applicable.

Block 3: Details of Transaction (60 day buyer)

- **Parent Entities:** Indicate if acquiring party/party to merger has any parent entities, and if so provide the requested information for each. Note that "parent entities" includes both intermediate parents and ultimate parent. Each parent entity must be identified.
- **Subsidiaries/Affiliates:** Indicate if acquiring party/party to merger has any DDTC-registered subsidiaries/affiliates. If so provide name and address and other requested information.
- **Ownership Interest:** Identify individuals or entities with an ownership interest of greater than 5% in the acquiring party/party to merger.
- **Directors, Officers and Partners:** Identify members of the board of directors, senior officers, and partners of the acquiring party/party to merger.
- **Foreign Person 126.1:** With respect to the acquiring party/party to merger and parent(s), indicate "YES" or "NO" for each of the four questions regarding the status of foreign persons (including foreign governments) from countries **specified in 22 CFR 126.1**.
- **Foreign Person Non-126.1:** With respect to the acquiring party/party to merger and parent(s), Indicate "YES" or "NO" for each of the four questions regarding the status of

foreign persons (including foreign governments) from countries **not specified in 22 CFR 126.1**.

- **Foreign Person Explanation:** For any YES answer regarding foreign person and/or government, provide name, country and explanation.
- **Representation:** Describe any representation the acquiring party/party to merger will have in seller's management.
- **Management/Oversight:** Indicate whether foreign persons will have management or oversight of, or access to, defense articles held, or technology transfers undertaken, by the acquired entity as a result of the merger or acquisition. If so, describe the intended management, oversight, and/or access.
- **Certification:** Answer DS-7789 certification questions and provide any information as required.
- **Indicted or Otherwise Charged:** Provide the requested information about the criminal, contracting, and licensing status of the acquiring party or party to merger, and its employees. In the event that one or more persons is subject to an identified criminal action (see 22 CFR 120.27) or is ineligible to contract with the U.S. government, or to receive licenses from the U.S. government, include an explanation and attach copies of any relevant documents. These may include, but are not limited to: indictments, DDTC reinstatement letters, and/or U.S. government agency ineligibility notices, as applicable.

Block 4: Supporting Documentation:

- **Scan:** Attach each supporting document as a separate file (do not compile multiple, specifically requested documents into a single attachment).
- **Attach Documents:** Check the applicable blocks to indicate you are submitting the associated support documentation with your notice.

Block 5: Point of Contact Information.

- **Contact:** By completing this section, you authorize DDTC to contact the identified individual if we have questions regarding the reported material change. Such contact may include the sharing of registration and material change-related information provided by the registrant.

Block 6: Senior Officer Application and Certification Signature.

- **Signature:** A Senior Officer empowered by the applicant (e.g., chief executive officer, president, comptroller, treasurer, general counsel) must **electronically** sign the form and be a U.S. person unless the material change involves a foreign broker.