

BPE Global Hot Topic – April 2022

Нет войне



February 24, 2022 brought me and my company to the front of a war.

Our decades of experience of interpreting global sanctions combined with our expertise in export controls has set us, and all of our colleagues in global trade compliance in a critical position to help with the war effort.

We were not the only ones who were transported to the front. Our clients have offices in Russia and Belarus. Our clients have products and software installed in Russia and Belarus. Our clients have clients who need ongoing services and support for those products. Our clients have Russian-origin technology that is core to their business operations. Our clients are Ukrainian founders of high-tech companies, and they are putting down their management titles to pick up arms to defend their country.

Past sanction actions have been successful. And the result of those comprehensive sanctions is that the countries (such as Iran, North Korea, and Syria) that they are imposed on are typically not identified as target markets for global companies. As a result, most companies haven't had the need to set up a robust sanctions program at their businesses.

The scope of the sanctions that have now been levied on Russia and Belarus is so much bigger than past sanction activity. Prior to February 2022, sanctions were imposed on countries that were not members of the United Nations Security Council. The current actions involve levying sanctions and export restrictions on the eleventh largest economy in the world¹. The reality of this moment in time is that every U.S., European Union or United Kingdom company that operates in, sells to or services customers in Russia or Belarus became subject to the Russia/Belarus sanctions overnight.

And we are all feeling it! Many companies didn't have the infrastructure to identify all of their export-controlled activities. Many have robust programs for their products and services, but not for their operations. Some companies had export control programs focused on their products alone. Most don't have export control classifications for the technology that they have loaded employee laptops or use/support in Russia or Belarus. Most companies don't have the ability to segregate encryption software updates from non-encryption software updates. Most companies don't have a means to identify civil or civilian end users from government or state-owned entities at a systematic level. And that is only the tip of the ice burg.

Companies with operations in Belarus and Russia have had to figure out how to pay their employees. Companies have had to relocate employees in Belarus, Russia and Ukraine and obtain visas for their staff and their staff's families. Companies who have never operated in a war zone have had to figure out how to obtain export licenses for Personal Protection Equipment. And the licensing agencies we work with every day have had to make a cumbersome process as efficient as possible so the people of Ukraine can be safer.

We've been at the front of wars in the past. We've helped companies navigate the sanctions regulations as they expand their market around the globe. In the past, we were brought in from a strategic perspective of how to grow markets while adhering to the sanction's regulations. We're used to getting medical supplies and medication into war torn places. Now our job is to help our customers legally keep the lights on, keep their

¹ [Investopedia](#)



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Internet connections up, and to keep cyber-attacks from happening. Our job is also to help our customers understand how they can lawfully wind down their Russian operations or legally keep them running. Shutting down operations in Russia is a clear message that this war is unacceptable. Shutting down operations in Russia is a tremendous compliment to the punishing sanctions and will help undermine Russia's ability to prolong the war. We also have clients whose presence in Russia is protecting access to free information. Maintaining company's abilities to continue operating in Russia to share the truth with the Russian people so they can see what their government has done is a critical strategy to ending this war.

We can all be on the front of this war. Our actions count. Everything that we do today can contribute to the war effort. We can all strip Russia of the products that fuel their war engine. We can press our suppliers and our partners to do the same.

It is an honor to help Ukraine and to help our clients that see how their actions will contribute to ending this war. We acknowledge how hard every global trade compliance expert is working right now and how their hard work is making a difference. We're in it for the long haul.

No to war!

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