

BPE Global Hot Topic – February 2023

Time to Fall in Love Again with Your Compliance Program



It's February and love is in the air...for a well-defined Trade Compliance Program that will keep our operations running smoothly in 2023! With the pace of regulatory change in the past couple of years, we can all understand how compliance program development could have taken a back seat while we were all putting out fires. Nevertheless, it's time to say: "Nobody puts my Compliance Program in the corner!"

The Compliance Program of our dreams is not as far away as we think. Companies with limited resources can still make small, but mighty, improvements to continue developing their programs; and even the companies with the most mature programs must audit frequently to ensure that they remain on track. If it's the thought of where to start that has you overwhelmed, may I recommend simply taking your Trade Compliance Program Manual out for a drive? You don't have to buy it dinner, but if you review just one section per month and target one associated area to improve within that category, by the end of the year, the Manual- and, as a result, your compliance program- will be much improved!

Our quiz this month is designed both to assess the maturity of your Compliance Program as well as to inspire ideas about what you can do this year to take it to the next level. Like relationships, Compliance Programs develop over time. Programs in early development need constant hand holding. Programs that are expanding still require you to be familiar with, and to address, their needs. Programs in a mature state may appear to be more independent, but don't be fooled! Your Program still needs to know you're there! As we learned in 2022, critical technologies, sanctions, and geopolitical issues can change at a moment's notice, and your program should be designed to adapt as needed. Therefore, a little tender loving care now will keep your Program, and not to mention, your executives, happy in the long run.

1. Your Global Trade Compliance Program activities are:
 - a. Planned only as time permits or undertaken only as regulatory change requires
 - b. Planned only when significant, such as external or internal audits; other activities are identified on an as needed basis
 - c. Planned in advance annually and scheduled on calendar.

2. Your export license quantity, value, and expiration date tracking are:
 - a. Manually updated on spreadsheets as exports are notified to your department.
 - b. Managed via internally developed databases with some automation.
 - c. Fully automated through a Global Trade Management tool with alerts for tracking

3. The company's product classification assessments are:
 - a. Conducted when a product is about to ship
 - b. Required to be conducted at least 48-72 hours prior to a shipment.
 - c. Conducted at the time a new product is introduced by the Engineering team.

4. The company's product classification determinations are:
 - a. Not reviewed again after classification is first assessed.
 - b. Reviewed every 2-3 years for changes.
 - c. Reviewed on an annual basis and again whenever there is regulatory change

5. Restricted party screening is:
 - a. Conducted manually against freely-available online screening lists
 - b. Conducted manually using a paid online list subscription
 - c. Fully automated through a Global Trade Management Tool (bonus if it includes screening for adverse media and ownership to confirm no OFAC 50% rule implications)

6. New suppliers or updates to existing suppliers in a product's supply chain are:
 - a. Not made known to the Compliance Team unless we ask.
 - b. Notified to the Compliance Team once a new supplier is vetted and selected
 - c. Required to be pre-notified the Compliance Team for any regulatory or duty implications before a selection is made.

7. The company's Trade Compliance Program Manual and associated procedures are reviewed:
 - a. Not applicable as we have yet to develop a Trade Compliance Program Manual
 - b. At least once every 3 years
 - c. On an annual basis

8. The granting of access to export-controlled technology is:
 - a. Left up to the individuals working with the technology
 - b. Authorized only when in compliance with the Company Technology Control Plan
 - c. Automated through Information Technology system controls based on Technology Control Plan requirements.

9. Trade Compliance Metrics are:
 - a. Not tracked
 - b. Tracked, but not reported.
 - c. Tracked and reported.

10. Trade Compliance Training is:
 - a. Required only for Trade Compliance team members.
 - b. Developed and presented only to targeted departments responsible for trade compliance operations.
 - c. A mandatory requirement for all company employees

How did you do? If you answered mostly "a", we are happy to work with you to establish a program tailored to your company size that can scale with the organization's growth. Mostly "b" means you are in growth and might need assistance in balancing the various needs of the Program against the organization's competing priorities. Finally, if you answered mostly "c," let this be your reminder to consider your robust Program's adaptability. Can it withstand the pace of regulatory and geopolitical change? Let BPE Global know if we can help you with any of your trade compliance needs. BPE Global is

a global trade consulting and training firm. Evelyn Bernal is a Director of BPE Global. You can reach Evelyn by email at EBernal@BPEGlobal.com or by phone at 408-718-0265.