



Deemed Exports – Are you in control?

Renee Roe - Director
BPE Global
139 Pierce Street
San Francisco, CA 94117
T 408-340-0995
E renee@bpeglobal.com
bpeglobal.com



You are halfway through the year, and feeling pretty good about your trade compliance program. Product classifications reviewed? Check. Export licenses in place for deals in the pipeline? Check. All Employee training completed? Check. Audits conducted on imports and exports? Check.

But, when was the last time you met with your Human Resources Department and reviewed what they are doing with foreign national hires? Has a recent HR Report been run showing all employees on visa, their country of citizenship, and a confirmation done by your department, showing a deemed export license review was conducted?

Often, there is so much focus on revenue and import/export of physical shipments, that Trade Compliance loses sight of this risk area. Perhaps you had an HR associate who you fully trained on deemed exports, and they have moved on. Or, are hires occurring bypassing the review process? Is HR churning out I-129's, where Box 1 is always checked, "No export license is required"?

Where to begin: Start off by visiting the [US Bureau of Industry and Security Deemed Export FAQ page](#) as a refresher.

Then compare what you are doing against best practices. Are you training your HR Staff and Hiring Managers? Are you identifying country of nationality for all employees and consultants and conducting restricted party screening? Is your HR Department carefully adhering to basic employment rules in interviewing and hiring foreign nationals? Is export compliance a condition for employment on offer letters? If a position/job requires an export license are you actively monitoring compliance, related duties and immigration status of employees?

Validate that there are effective security controls of the company intranet, servers and databases. Pay close attention to repositories of information related to Engineering and Manufacturing. Also, review Wikis, SharePoint, and folders where collaboration occur. Additionally, review physical access controls to all areas where technology is developed and discussed.

Tips and Tricks

Remember that access to technology is the key – not just whether the candidate/employee will use the technology in their day to day jobs. Controls vary by item, so it is important to be deeply familiar with the controlled items the company has access to, so you can drill down on related technology controls.

Understand job requirements, and what aspects of a job may provide technology related to producing, manufacturing, developing, or using potentially controlled items. For example a job that is responsible for mergers and acquisitions may have access to information around how a potential target produces or manufactures controlled items.

Sometimes it can be best to do a technology assessment by business unit or product family. You may then be able to rule out a huge portion of hiring/visa activity based on job descriptions, and then focus on potentially controlled nationalities.

Thank you for investing your valuable time reviewing this BPE Global Hot Topic.