



Internal Compliance Program – Series (16) – Organisational, human and technical resources

Today, in the sixteenth article in the hands-on practical advice series on Internal Compliance Programs for Export Control:

Part 16: Organisational, human and technical resources

After having appointed qualified staff to your export control department, you need to create an environment where they are able to ensure the corporate compliance commitments.

You should protect your dual-use trade control staff as much as possible from conflicts of interest. Such a situation could occur if your compliance personnel is located within the sales department or a business unit sourcing their salaries. There may be a conflict of authority if compliance officers must report to multiple departments, for example Operations or Legal. You should aim to simplify the structure and reduce the burden for compliance officials to report and address issues.

In that perspective, your compliance should have direct access to management and additionally have the power to stop transactions – or inform the responsible compliance officer directly of any potential violation of export control regulations – at any time of the order and shipping process. This staff should be independent and allowed to function as expert advisors to guide company decisions resulting in compliant transactions.

The question to centralize or decentralize compliance department may receive different replies. Some companies may designate a single employee or department to manage the ICP and coordinate export compliance responsibilities with the other offices or locations. The program can, however, also be decentralized with one office providing general guidelines and leaving each separate operating unit to act independently.

Whatever the structure, compliance officials should be provided with all necessary resources. Among them, evidently, access to the relevant legislative texts, including the latest lists of controlled goods and lists concerning embargoed or sanctioned destinations and entities. An effective tool to check customers and end-users against restricted parties lists.

Management should support the compliance team in its very important work. Such support could take the form of distributing appropriate operational and organisational processes and procedures,

relevant for dual-use trade controls, to all relevant personnel, ensuring that, at any time, your company has an up-to-date compilation of the documented processes and procedures (e.g. in a compliance manual). Get people together in the issues of export control through management support meetings and trainings.

The responsibility of the compliance officer for the daily monitoring of official announcements and press releases from regulators should be determined. This responsibility should include developments or enforcement actions that could impact the company's line of business or its suppliers, the communication of changes in regulations, policies, or procedures to company personnel by means of in-house e-mails, newsletters, announcements or notices posted on the company intranet, and the communications with regulators for all compliance-related issues.

