

# Export Control Readiness Check



Export control regulations are dynamically changing, also due to current policy developments. At the same time compliance requirements increasing up. Both demand effective and systematic export control processes. Our Export Control Readiness Check gives you a rapid initial overview of potential recommendations for processes and actions to improve the export-control compliance of your business.

## Your challenge

In our experience, many businesses often associate compliance requirements in respect of export controls only with physical supplies to third countries. This is a common misconception as export controls also apply to EU supplies of goods and other cross border transactions. In addition to military equipment, dual-use goods, i.e. goods for civilian and military use, are particularly affected by licensing requirements. Often, such goods may only be exported with respective authorisation not only to third countries but rather already within the EU. Besides physical supplies, electronic software and technology transfers must also be screened: Did you know that employees holidaying or on a business trip in Cuba and who update their mobile phone software there might be violating US sanctions? And how can you ensure that cloud-based software is not downloaded in restricted countries? Other things to take into account are 'blacklists' of persons and organisations, all the way through to specific prohibitions and approval requirements for transactions with sensitive countries.

On 30 June 2019, the European Commission published a recommendation for companies' internal dual-use trade controls (Commission recommendation (EU) 2019/1318) and on 9 September 2021 published the amended EU dual-use Regulation. With this, the legal requirements for in-house export control systems (Internal Compliance Programmes (ICP)) were significantly tightened.

One thing is clear: designing appropriate processes and controls is a demanding task, and one that also affects your business. By asking the right questions at an early stage, the necessary measures can be taken. This is where our Export Control Readiness Check can help you out.

## Our service – your benefits

The key elements of our Export Control Readiness Check are:

- a kick-off call to request relevant documents and identify all necessary stakeholders
- review existing documents on export compliance in order to specifically address the requirements and the situation of your business
- a joint workshop (half-day to several days), in which our experts illustrate the export control requirements and compare in a systematic manner the level of compliance of your existing export control organisation with the legal and regulatory requirements
- a short report that contains the status quo of your in-house export control and your current risks as well as presenting measures for improving your export compliance



In this way we can help you in ensuring export compliance at a time of continually changing restrictions, in respect of both countries and goods (including software & technology), people and organisations, as well as critical intended uses. The workshop also includes a discussion of existing export control processes for software & technology transfer.

### Well-equipped to meet your needs

With our cross-functional team of foreign trade<sup>(a)</sup> law and customs experts, we are available for your queries relating to foreign trade and export controls. Having provided advice to a number of businesses of diverse sizes and industries, we not only have wide-ranging experience in the operational implementation of export control legislation, but are also very familiar with the interfaces between customs and foreign trade legislation as well as the associated pitfalls.

Do not hesitate to contact us regarding your issues – from assessing individual cases through to non-binding initial information free of charge. We look forward to hearing from you.

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Note: (a) Legal services are provided by KPMG Law Rechtsanwaltsgesellschaft mbH.

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