



Foreign trade in focus  
Security strategies and economic opportunities in uncertain times  
Expert conference on sanctions and export control



# World of Illicit Acquisition, Export Controls, and Sanctions



**Above the Surface**  
Overt Activities



*Industry*

- Outreaches
- Subpoenas
- Procurement
- Press Releases
- Export Controls

- Methods of Order
- Listings
- Trade Restrictions
- Is Informed Letters
- End-Use Checks
- Regulations
- Criminal and Admin Investigations
- Methods of Shipping
- Methods of Payment
- Sanctions



**Below the Surface**  
Covert Activities

- Intelligence Collection
- Measure and Signatures Intelligence (MASINT)
- Signals Intelligence (SIGINT)
- Human Intelligence (HUMINT)
- Open-Source Intelligence (OSINT)
- Imagery Intelligence (IMINT)

- Inter-Agency Cooperation
- Cyber Intrusions
- Covert Enforcement Operations
- Undercover Operations
- Counterintelligence Operations
- Targeting of Critical Program Information
- Multilateral Approaches to Licensing Reviews
- Government Sharing of Information
- Outbound Inspections
- Monitoring
- Tracking Shipments

- Espionage
- Theft of Trade Secrets
- Recruiting of Witting and Unwitting Sources
- Sabotage
- Exploitation
- Disruption
- Diversion
- IP Theft

*Government*

# Government View of Export Controls & Sanctions

## ECONOMIC SECURITY

To protect the economic interests of the domestic, regional or international economy with, or independent of, multilateral partners.



Flow of Goods and Services



People and Capital



Information and Technology



## GLOBAL STABILITY

### Adverse Influences:



*Unauthorized Foreign Governments*



*Terrorist Organizations*



*Organized Criminal Syndicates*

## INTERNATIONAL SECURITY

To protect international security from the illicit acquisition, transfer and exploitation of sensitive commodities, technologies and information.



Limit Access to Most Sensitive Technology and Weapons Systems

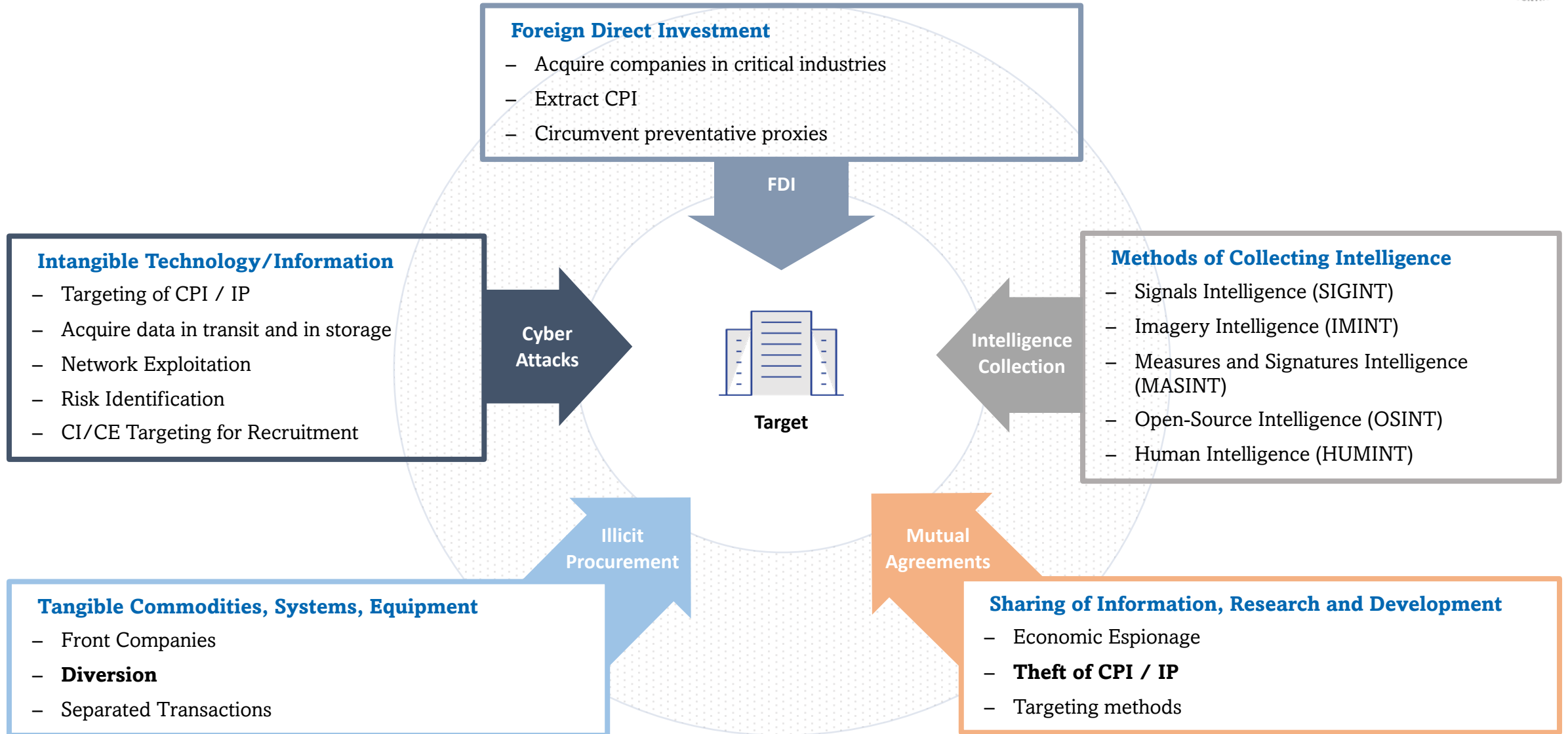


Promote International Stability



Prevent Proliferation

# Multi-Pronged Approach to Illicit Acquisition



# What is Critical Program Information?

Critical Program Information, or CPI, can be defined as a company's elements that contribute to technical competitive advantage, and that, if compromised, could undermine a company's **current and future market share and profitability**.

## Critical Program Information

The protection of a company's Critical Program Information (CPI) is a **three-part process** including enhanced cyber security, foreign threat protection and a robust export control and sanctions program.





# Stockholm, Sweden



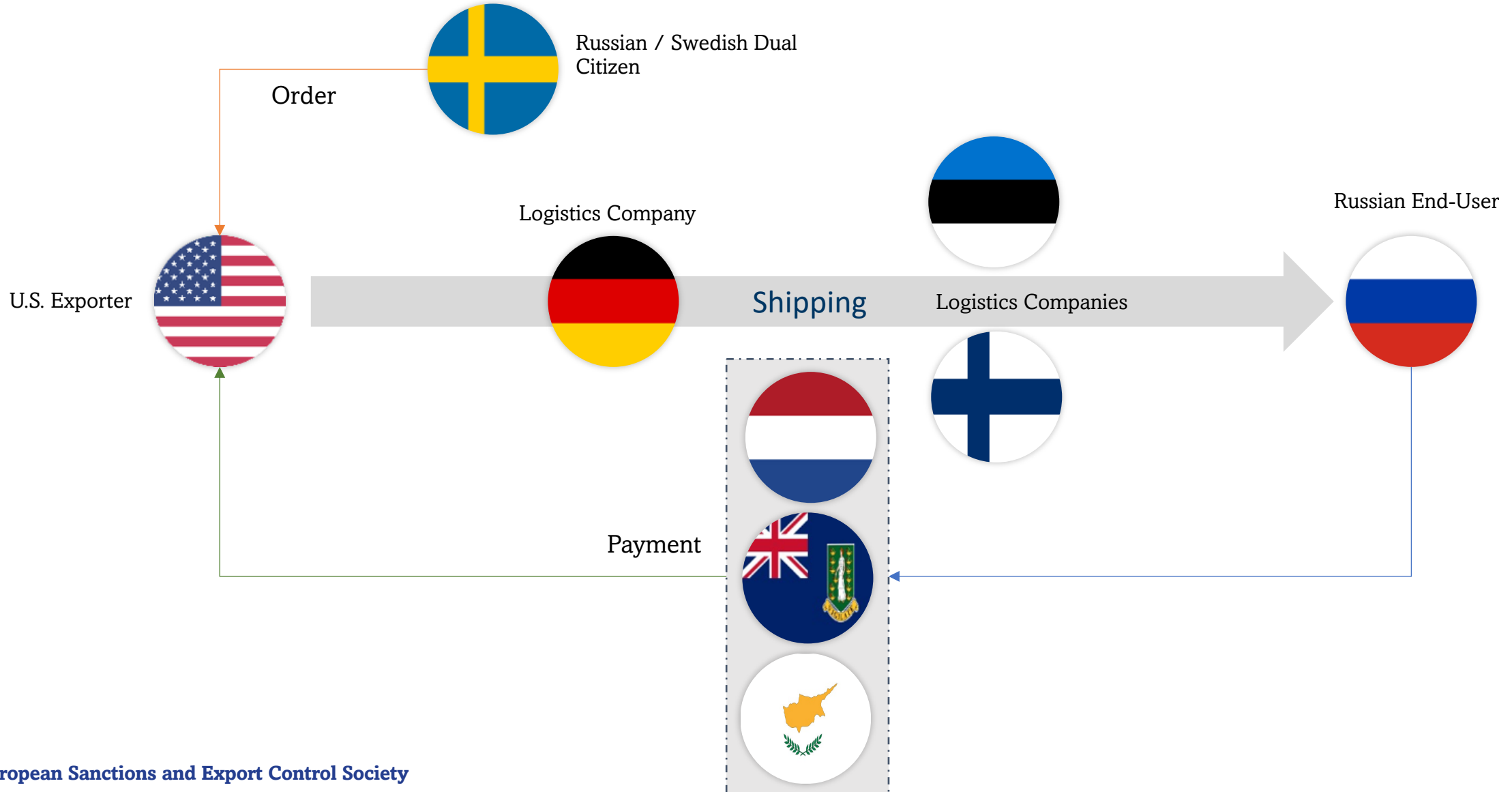
  
POLITICS

**The Swedes: Russian couple arrested in Stockholm has ties to GRU and Swedish military intelligence, lives next door to Skripals' poisoner**

28 November 2022

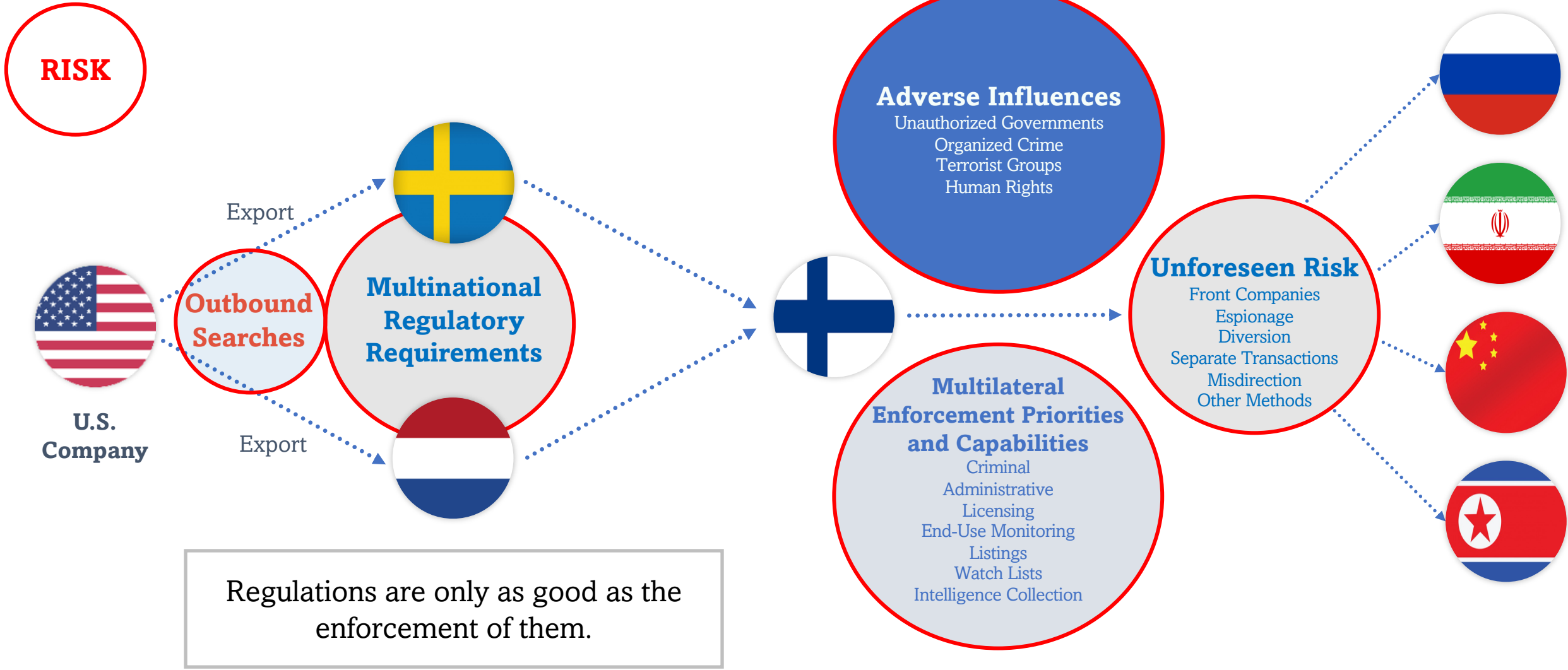
**URL:** <https://theins.ru/en/politics/257348>

# Illicit Procurement



# Compliance with Export Controls and Sanctions

*Risks to Industry*





# Unfortunate Consequences



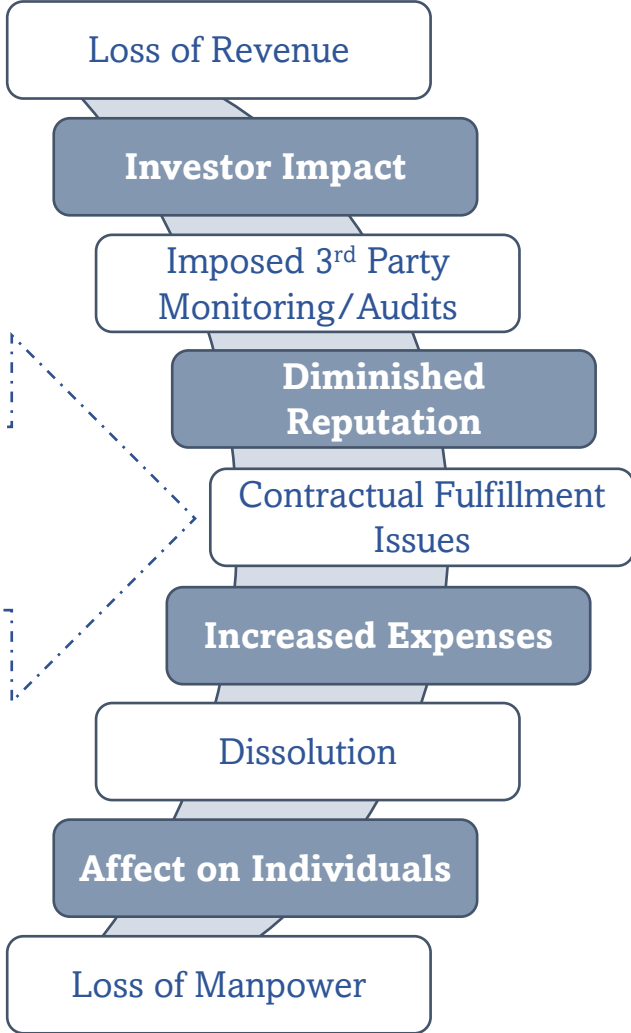
## Consequences

- Addition to Watch List
- Public shaming
- Scrutinizing business operations
- Revoked licenses
- Slow license reviews
- Addition to a list
- Temporary Denial Orders
- Subject to End-Use Monitoring
- Administrative fines
- Criminal fines
- Imprisonment

You do not have to be a practitioner of export controls and sanctions to learn and understand illicit acquisition and how to defend against it.

Lasting affects on industry

## Affect on Industry



# Efficient Allocation of Resources

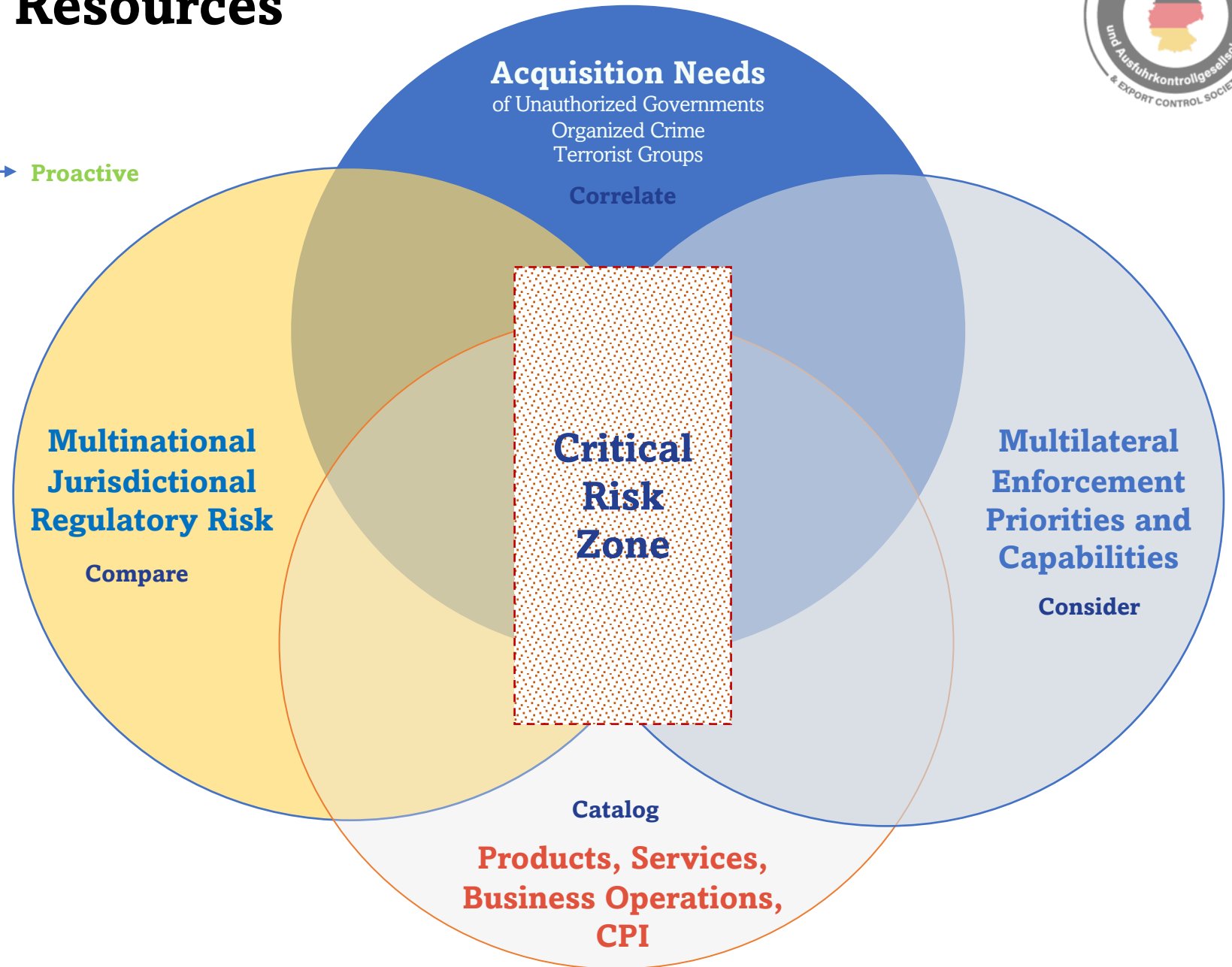
## Identifying Resource Focus

Reactive → Shift in Perceptions → Proactive

### FOCUS RESOURCES (The 4 Cs)

- **C**atalog what products and services a company offers,
- **C**orrelate to the acquisition needs of nefarious entities,
- **C**ompare to multilateral regulations, and
- **C**onsider the priorities and capabilities of enforcement agencies.

Tip: Avoid over compliance





# European Sanctions and Export Control Society



## German Sanctions and Export Control Society

# European Sanctions and Export Control Society



# Role of European Sanctions and Export Control Society

- Develop strategic planning for European nations.
- Serve as the primary conduit between U.S. and European-level governments and member state societies.
- Arrange guest speakers from EU, European national and U.S. government agencies.
- Centralise training across Europe.
- Help enhance a common baseline of understanding of regulations, enforcement, threats and risks throughout the global trade environment.
- Manage all European Society websites, marketing, etc.





# Network Structure





# Goals

## European Union Society

- Serve as a conduit between the U.S. / EU governments and industry to share information down and up echelon.
- Coordinate a flow of regulatory and enforcement information from the EU and U.S. governments to industry with regards to export controls and sanctions compliance.
- Assess industry trends, identify areas needing service offerings, and centralise information flow.
- Develop strategic planning for European nations.
- Arrange guest speakers from EU, European national and U.S. government agencies.
- Centralise training across Europe.
- Help enhance a common baseline of understanding of regulations, enforcement, threats and risks throughout the global trade environment.
- Manage all European Society websites, marketing, etc.



## National / Member State Societies

- Identify localised industry trends in export controls and sanctions, gaps in understanding of regulations and enforcement of them.
- Provide tools to industry enabling a higher degree of global trade compliance.
- Build close localised relationships with industry, trade associations, and government agencies.
- Liaison with local member state government.
- Report compliance trends to parent Society.
- Attract new members in each jurisdiction.
- Manage downward flow of information from parent Society to members.
- Coordinate localised events with members.

# German Sanctions and Export Control Society



# About the Society



- The German Sanctions and Export Controls Society was established as a **non-profit organisation** to support industry in managing challenges related to the convergence of international security and the complexities of emerging multilateral trade regulations.
- The Society goal is to strengthen Germany's economic and national security resilience by establishing a platform to provide risk, threat, and law-based approaches to global trade compliance. It will serve as a vehicle to develop a strong, enduring export controls and sanctions compliance ecosystem in Germany.
- The Society is an inclusive, collaborative organisation welcoming members from all industries and other international organisations with an interest in – or exposure to – multilateral sanctions and export controls requirements.

# Goals of the Society



- Identify:
  - localised industry trends in export controls and sanctions,
  - gaps in understanding of regulations and enforcement thereof,
  - leading practices for the application of export controls and sanctions regulations,
  - practical insights to mitigate risks and threats to industries.
- Provide tools to industry enabling a higher level of global trade compliance.
- Build close localised relationships with industry, trade associations, and government agencies, laying the foundation for a thriving, mutually beneficial compliance ecosystem.
- Coordinate localised events with members.
- Assist in the resolution of complicated trade issues.
- Facilitate the flow of information between regulatory bodies and industry.

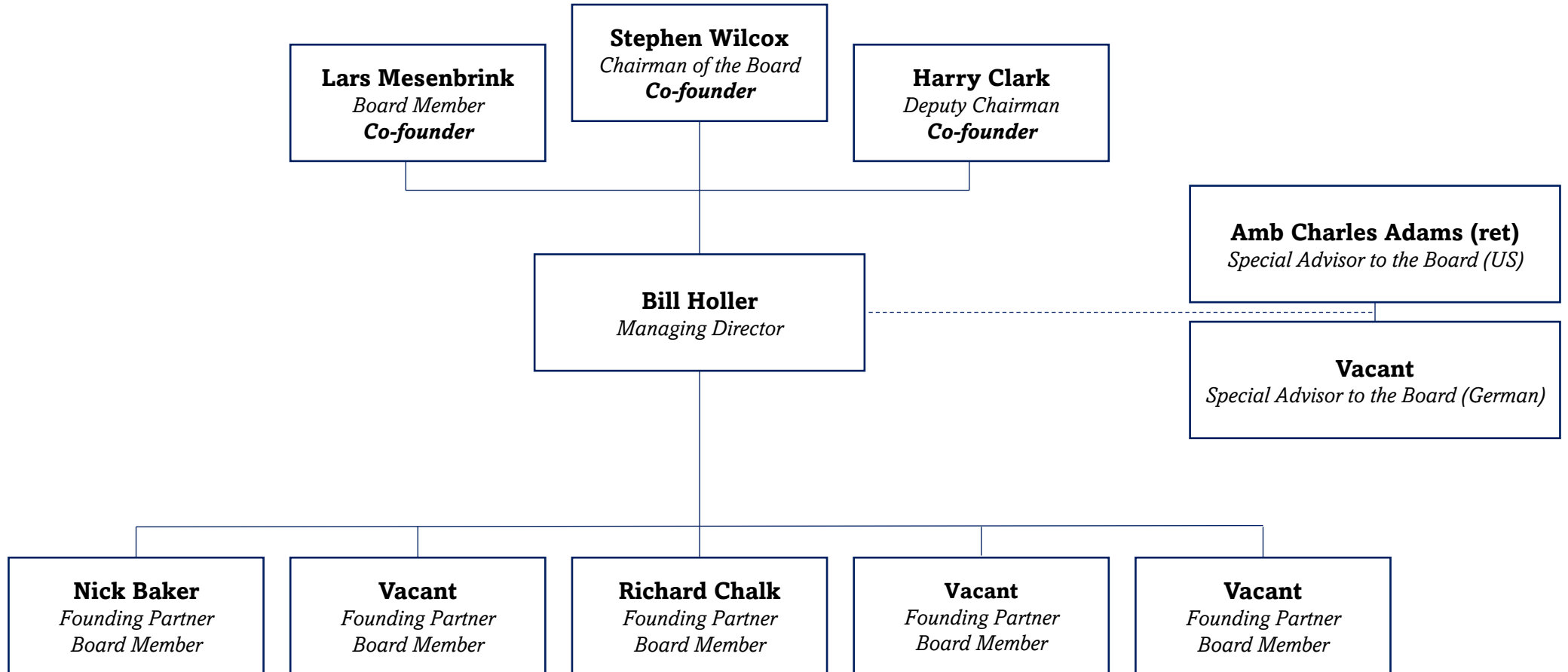


# Activities of the Society



- Work with members to identify shortfalls in the understanding of export controls and sanctions regulations and compliance.
- Coordinate training, speaking events, and certifications to enhance members' understanding of regulatory and enforcement requirements.
- Meet regularly with relevant authorities to assist in facilitating the flow of information regarding compliance expectations.
- Discuss points of mutual benefit with other chambers of commerce and associations.
- Give opinions and suggestions on proposed new legislation concerning sanctions and export controls affecting industry.
- Develop and conduct the yearly German Sanctions and Export Control Update Conference.
- Efforts made by the Society will assist administrators/managers in industry responsible for adherence to EU, German, and US export control legislation.

# Board of Directors



# Training and Education



## Lunch and Learns

The Society will offer over 100 'lunch and learn' training programmes to members. Each programme is designed to be taken during lunch and will detail important information regarding compliance with export controls and sanctions.



## Certifications

The Board is coordinating with the Association of Certified Sanctions Specialists ('ACSS') to offer a discount for sanctions and export control certifications.



## Training Courses

Long-term training courses in export controls and sanctions can be coordinated for members and companies throughout industry with partnering organisations.



## Guest Speakers

The Board will invite guest speakers from industry as well as regulatory and enforcement agencies to help members keep pace with regulatory changes and government expectations in multilateral export controls and sanctions.



## Collaboration

The Society will provide a venue where members can collaborate internally. It will also – together with partnering societies – illuminate problems in the interpretation and understanding of regulations.



## Regulatory Changes

The Society will help members keep up with regulatory changes. It will also collect information on knowledge and understanding gaps regarding newly enacted regulation and help facilitate guidance from regulatory agencies.

# Benefits to Membership



- Access to training and insights by leading specialists.
- Opportunities to discuss acute challenges and leading practice with industry peers.
- Ability to influence Government policy through a recognised, non-political expert organisation.
- Increasing in-house understanding of regulator expectations, reducing risk of Government scrutiny.
- Staying up-to-date with regulatory developments and leading compliance approaches.
- Reducing costs for certifications for trade compliance managers and officers.
- Access to other affiliated societies events and speaking engagements.
- Provide a method of suspicious activity reporting.

# Benefits to Membership

- Membership with a family of affiliated societies internationally.
- Access to training and insights by leading industry experts.
- Opportunities to benchmark and discuss acute challenges with industry peers.
- Ability to influence Government policy through a recognised, non-political expert organisation.
- Increasing in-house understanding of regulator expectations, reducing risk of Government scrutiny.
- Staying up-to-date with regulatory developments and leading compliance approaches.
- Reducing costs for certifications for trade compliance managers and officers.
- Access to other affiliated societies events and speaking engagements.





# The International Network of Sanctions and Export Control Societies



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