

Improving Global Trade Controls: Stage 2 DESIGN COMPLIANCE IMPROVEMENTS

An Effective Plan to Target Compliance Gaps and Allocate Resources is Critical to Success

It is not enough to merely know what international trade problems and gaps exist within your organization. In order to effectively address your compliance problems on a system-wide scale, you need a plan to schedule improvement tasks and allocate scarce resources. Jackson Meade’s Compliance Enhancement Program (“CEP”) methodology creates a detailed project plan that will guide and structure your organization’s export improvements.

Our CEP project plan builds upon the findings and recommendations contained within the Assessment Report, the deliverable of Stage 1. We integrate these findings and leverage our process and procedure expertise to create the CEP Roadmap, which provides a timetable to implement effective and innovative compliance solutions. These improvements are selectively placed into the existing processes and culture of your organization, increasing efficiency and decreasing costs.

Documented Internal Controls are Critical

The cornerstone of an effective trade compliance program is a robust system of internal controls based upon documented processes and procedures. No improvement plan is adequate unless it devises a systematic approach for improving the written internal controls governing the export activities of every group in the export process.

Jackson Meade's detailed processes, procedures, work instructions and forms provide the basis for an internal control program that will manage your exports, streamline your procedures, and provide a method for self-assessment and correction. We leverage our knowledge of your business operations, internal organizations and third party partners obtained in the assessment stage to target improvements. These improvements will increase the efficiency and effectiveness of your staff and internal controls, saving your organization time and money. These controls are implemented during Stage 3 of the Export Risk Management Cycle, or independently by your organization.

The Export Risk Management Cycle:

Stage 1: Assessment



Stage 2: Design Compliance Improvements



Stage 3: Implement Compliance Improvements



Stage 4: Verification and Audits

Design of Compliance Improvements

Summary:

- ▶ Use the Assessment results (the Stage 1 deliverable) to design the CEP Roadmap, a structured path to improving internal controls and closing gaps
- ▶ Revision or creation of effective processes, procedures and work instructions drawn from regulatory requirements and industry best practice standards

A Roadmap to a More Compliant Future:

Using the results gained from the export assessment (Stage 1) we design and create the CEP Roadmap with insight and feedback from your organization.

We create a corrective action path for each ‘amber’ and ‘red’ finding in the Scorecard. Jackson Meade works with your organization to identify the people and tasks that will be committed to each export process needing improvement. The CEP Roadmap is the project plan of all your compliance improvement efforts – it is updated regularly and used to measure status and progress for each improvement undertaken during Stage 3.

Task	Date Due	Color Code	Hours
			Total
Organizational Structure			
Design new structure for the Jurisdiction and Classification Council; define mission; description of roles and responsibilities; reporting structure	11/24/2011	Green	10
Design new structure for the Training and Education Council; define mission; description of roles and responsibilities; reporting structure	12/6/2011	Red	5
Design new structure for the FCPA Standards Council; define mission; description of roles and responsibilities; reporting structure	8/6/2011	Yellow	10
Determine which functional group will be responsible for FCPA, AML and Antiboycott matters.	11/24/2011	Yellow	2
Total			27
Process Set Development			
Further develop processes and work instructions, including improving existing drafts and creating new instructions	8/6/2011	Yellow	20
Revise Export Analysis Work Sheet; expand and enhance the classification section	12/6/2011	Red	10
Develop Audit module (Work Instruction and associated form)	12/6/2011	Green	10
Integrate FCPA and AML controls into the process set or processes / work instructions of functional group	10/6/2011	Yellow	15
Materials for third parties (i.e. distributors)	8/6/2011	Yellow	25
Definition section complete and all acronyms are consistent	10/23/2011	Red	10
Develop Metrics	12/31/2011		15
Total			105

Export Policies	
No.	Title
P1	Exports of Items, Technology and Technical Data
P2	Economic Sanctions and International Boycotts
P3	Antiboycott
P4	Facility Security
P5	Anti-Corruption and Bribery

Export Processes	
No.	Title
EP01	Introduction to International Trade Controls
EP02	ITC Organization and Functional Group Annexes
EP03	Defining Exports
EP04	Export Control Compliance
EP05	Economic Sanctions Compliance
EP06	Antiboycott Compliance
EP07	Export Analysis
EP08	Screening
EP09	Export Authorization
EP10	Export Documentation
EP11	Export Clearance
EP12	Management of Export Authorizations
EP13	Management of Foreign Nationals
EP14	Management of Third Parties
EP15	Maintenance of Records and Documents
EP16	Escalation and Government Reporting
EP17	Management of Training and Education
EP18	Self Evaluation
EP19	Management of Controlled Products and Technology

Work Instructions	
No.	Title
W11	Jurisdiction Determination
W12	Classification
W13	Screening
W14	License Application
W15	Facilitation
W16	Antiboycott
W17	Facility Access

Processes from Regulatory Requirements and Best Practices Documents

Our export process, procedure and work instruction templates originate from legal and regulatory requirements and industry best practices standards. During Stage 3, existing processes are revised or replaced to these standards. Sources include:

- ▶ *International Traffic in Arms Regulations*
- ▶ *Export Administrative Regulations*
- ▶ *Treasury’s OFAC Regulations*
- ▶ *Guidelines for Effective Ethics and Compliance Programs contained in the Federal Sentencing Guidelines*
- ▶ *DDTC’s Guidelines for DDTC Registered Exporters/Manufacturers Compliance Program*
- ▶ *BIS’s Export Management and Compliance Program Requirements.*
- ▶ *The Nunn-Wolfowitz Task Force Report*