

## Trade Compliance Matters

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Dear Friends;

Happy Holidays!

With the events of recent months, that greeting seems hollow and trite. Indeed it was difficult to write. It is sent, nevertheless, with more meaning and intention this year than in previous years. So again I say; **Happy Holidays!** To that I add best wishes to you and your families.

In this column I often opine about the plight of the trade compliance professional. We don't get the rightful R-E-S-P-E-C-T or recognition we deserve for our work. On the contrary, our colleagues and management often view us as an impediment to doing business abroad. One recent seminar attendee bemoaned that her colleagues dubbed her director of the sales prohibition department. While we might be responsible in part for that reputation, it is mostly unearned. Perhaps most discouraging is the lack of understanding for how important our work is, not just to our companies, but, might I venture, to global peace and stability.

This has been brought into sharp focus over the past months as extremists have undertaken heinous acts of violence against civilian targets. Even those of us that are not directly affected by the recent attacks are left feeling violated and powerless to prevent future assaults.

There is something, however, that we can do as trade compliance professionals. We can do our jobs as thoroughly, diligently and earnestly as possible. It starts with something as simple, and seemingly trivial, as rededicating ourselves to list screening.

Exporters know they are supposed to be screening a series of restricted party lists. Unfortunately this process can become routine. It rarely results in a match, and when it does, it is usually a false positive. That discourages discipline and leads to some exporters skipping the list checking process altogether. Importers are often surprised to learn that they too should be checking lists. In particular, importers are subject to the Treasury Department's Office of Foreign Asset Controls specially designated nationals (SDN) list.

Trade compliance responsibilities move beyond simple list checking and into the realms of export commodity controls, end use restrictions and destination controls. These processes also can seem mechanical, especially when shipping commonplace commercial goods to seemingly safe destinations for apparently common end uses. Continued diligence within each of these control areas is the least you can do to ensure that your trade program is not coopted for unintended purposes.

The bad guys are pretty good at identity theft and are known to use your company's reputable name and business identification numbers to transact business on their own behalf. U.S. importers and exporters can now track trade reporting activity for their EINs through participation in an ACE portal account. Are all of the shipments credited to your company's account really yours? Of course, you have registered for an ACE account by now, haven't you?

Even something as simple as ensuring that you provide clear product descriptions and classifications within your EEI and customs entries becomes important. You are supposed to do it anyway but it takes on new meaning knowing that clarity in your customs declarations might help the authorities identify suspicious patterns across supply chains.

One of the purposes of trade compliance is to exclude the bad guys from the benefits of active participation in trade. How would you feel if you learned that your company's trade programs were used to support terrorist activities? Allow that thought to bolster you the next time you doubt the necessity or effectiveness of list checking, classification or end-use verification.

It would be naïve, of course, to presume that increased trade-compliance vigilance is the solution to the greater ills facing the world. It would be equally naïve to believe that trade compliance is a futile activity. If you receive a suspicious inquiry or identify a party on a list, I encourage you to report it. It may not lead to anything. On the other hand, it may provide a clue that helps the authorities in their fight against terrorism.

**Happy Holidays!**  
**Peace on Earth!**

