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Export Management Compliance Program

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Exporter Responsibilities



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It is the exporter's responsibility to be aware of and comply to, all existing and future regulations of any and all U.S. government agencies controlling exports from the U.S. Every effort to ensure that the information presented is current and accurate. I assume no liability or responsibility for the application of the information presented, or any changes, updates, additions or corrections that may exist at the time of presentation. This training is not intended as legal advice or legal guidance. You should consult with an attorney to obtain legal advice. No portion of this material may be copied or distributed without the express written permission from Mike Allocca.



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Contents

- What is an EMCP
- How to get started
- Going through each element of an EMCP
- How to implement an EMCP
- Common errors to avoid



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What is an EMCP

- An all encompassing, customized, written set of export procedures and guidelines.
- Tells employees what is expected of them
- Provides management with a framework to evaluate whether or not the company/employees/products are in full compliance with EAR regulations.

Benefits of an EMCP



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- Protect your company and employees against possible EAR violations
- Quickly identify potential areas of non-compliance before they become large problems
- Save time and money by clearly outlining compliance procedures and following them

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Governing Agency



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- EAR - Export Administration Regulations
Controls the export & re-export of most commercial items.
- BIS – Bureau of Industry and Security
Enforces and implements the EAR.
Governs dual-use items (military & civilian end use)

www.bis.doc.gov

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Other U.S. Gov't Agencies



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governing exports

- Dept of State – Defense articles & services
www.pmdtdc.state.gov
- CBP- Customs & Border Protection - Imports & NAFTA exports
www.cbp.gov
- Dept of Census – EEI's & Schedule B numbers
<http://www.census.gov/foreign-trade/schedules/b/>
- USDA—Wood packaging & items made with animal by products (leather)
http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/country/

www.bis.doc.gov



Bureau of Industry and Security

U.S. Department of Commerce
Where Industry and Security Intersect

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- Licensing
- Enforcement
- Compliance & Training
- Policy Guidance
- Add'l Programs
- Reform



BIS publishes Rule: Addition and Revision to the List of Validated End-Users in the People's Republic of China



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Los Angeles Field Office Anthony SAC Levey swears in OEE's newest Special Agent, Isaac Cohen. The swearing ceremony took place at the Los Angeles Field Office in Irvine, CA.



Commerce Secretary Pritzker addresses 1100 attendees at the BIS Update Conference in Washington, D.C. on July 23.

Would you like to...

Select from the list below:

In The News

BIS Newsroom

Consolidated Screening List

The following list may be relevant to your export operations.

What it must have to be effective



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- Must be in writing
- Must use it on a regular basis
- Must be audited/updated (at least annually)
- Must do what makes sense for your business

Where to begin



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- Get top management commitment
- Set-up goals/expectations/enforcement
- Create an Export Compliance Manager with back-up person



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Where to begin

- Set-up compliance team that meets regularly (1x per month/ 1x per qtr)
- Conduct an export audit to obtain current needs/deficiencies
- Jurisdiction by Dept of Commerce only?
Any other Govt agencies like Dept of State?



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6 Main elements

- Management Commitment
- Compliance Policies & Operating Procedures
- Classification
- Order processing
- Screening
- Accountability

Management Commitment



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- They must be on board (saving \$, competitive advantage, avoid penalties, bad press, affect stock price)
- Letter from CEO
- Export Management Policy Statement

Compliance policies & Operating procedures



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- Introduction- Company profile & history
- Organizational chart of company & individuals involved in exports
- Export Contact List
positions/responsibilities



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Classification

- Schedule B Classification of your products

- ECCN- Export Control Classification Number

- Licenses – Do any of your products or spare parts require a US export or re-export license?

www.bis.doc.gov or
www.pmddtc.state.gov

- NAFTA Determination

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Electronic Export Information Shippers Export Declaration



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- EEI/SED – Primary export clearance document

Suggest filing All EEI/ SED's directly yourself electronically (for free) including routed shipments www.aesdirect.census.gov

- BIS Export license application
- Commercial invoice/packing list, certificate of origin....

Order Processing



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- Narrative of what happens from the time of quote to the time of export within your company
- Then add in a flow chart of your export process.
- Audit it for checks & balances and for vulnerable points



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Screening

- Written procedures for screening 6 denials lists & antiboycott language (Suggest automated denial screening system)
- How often, by whom
- Procedures if red flags exist
- Knowing your customer (5 questions)

Accountability Record Keeping



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- Written record keeping procedures (including disposal)
- Responsible recordkeeping administrator familiar with EAR recordkeeping requirements with back-up
- Keep for 5 years from date of export

Accountability Continuous Improvement



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- Continuous Training
- Sharing regulatory updates
- Suspected violation & VSD procedures

Accountability Audits



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- At least once per year
- Internal and external audits in writing
- Corrective action procedures
- Don't forget about your forwarders, contractors and partners



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How to implement

- Each department is represented on compliance team. (Mgt/Sales/customer service/shipping/purchasing)
 - Set timeline goals (3 - 6 months)
 - Assign specific responsibilities
 - Meet regularly to stay on track.



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How to implement

- Start with company profile/ Introduction/letter from CEO
- Add screening elements (denial lists, production classification, licenses)
- Add your order processing (flow chart & narrative of what happens with an export in your co.)
- Add Administrative elements –(record keeping, audits, continuous improvement...)

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Common Errors to avoid



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- Not having written procedures
- There is no responsible party or back-up
- Manual is never updated or looked at only once per year
- Having sales as head of your compliance team



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Final steps

- Once completed review it as a whole program from start to finish.
- Consider having BIS review it.
- Hire a consultant to review or help you with it.



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Thank You

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