Start thinking about export control and sanctions
The challenges you face

- **Complex legal environment**
  where multiple regulations may apply – especially for international supply chains and payment transactions

- **Fast changing export controls and sanctions environment**

- **Implications to nearly all areas within the organisation** like R&D, Procurement, Marketing, Sales, Finance/Accounting, Human Resources, Information and Communications Technology

- **No “best practice” application**, it all depends on the individual company

- **Increased enforcement actions** of the regulators with the threat of heavy fines and/or being sanctioned

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**The fab four questions of export control**

- **Where do you deliver to?**
  Is the delivery or country of final destination under embargo?

- **Who is involved in the transaction?**
  Is one of your business partners (incl. Banks) on a Sanctioned Parties List? Beware the 50% rule!*

- **Why are you delivering your items?**
  What is the end-use? Do the goods have any connection to weapons of mass destruction?

- **What items are you supplying?**
  Are the goods on any goods control list?

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*Any entity owned in the aggregate, directly or indirectly, 50% or more by one or more blocked persons is itself considered to be a blocked person.*
The core of the export control and sanctions processes

Why export control and sanctions management

- Business continuity
- Flexible and resilient supply chain
- Efficient compliant transactions
- Preservation of company image and being seen as a trustworthy business partner
- Automation and improvement of processes
- Enablement of traceability and reporting
- Enhanced governance
- Avoidance of penalties (civil and criminal fines as well as personal liability)

What needs to be checked

<table>
<thead>
<tr>
<th>Databases</th>
<th>Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>Purchase documents</td>
</tr>
<tr>
<td>Business partners</td>
<td>- Requests for Tender</td>
</tr>
<tr>
<td>Persons (natural and legal persons)</td>
<td>- Purchase Orders</td>
</tr>
<tr>
<td>- Customers</td>
<td>- Invoices</td>
</tr>
<tr>
<td>- Suppliers</td>
<td>- Delivery Notes</td>
</tr>
<tr>
<td>- Contractors</td>
<td>- Packing Lists</td>
</tr>
<tr>
<td>- Visitors</td>
<td>- Dispatch orders</td>
</tr>
<tr>
<td>Outgoing payments</td>
<td>Shipping documents</td>
</tr>
<tr>
<td>Business cases</td>
<td>- Quotations</td>
</tr>
<tr>
<td></td>
<td>- Order Confirmations</td>
</tr>
</tbody>
</table>

Embargo Checks
Sanctioned Parties Screening
License Determination based on Product Classification
When should you start thinking about export control and sanctions?

Whenever you are buying from outside your home country or exporting

How we support you

Services we provide

<table>
<thead>
<tr>
<th>Status</th>
<th>Set up</th>
<th>Support</th>
<th>On track</th>
<th>Worst case</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Initial check-ups</td>
<td>- Training and seminars</td>
<td>- Contact for all export control related questions</td>
<td>- Update risk assessment</td>
<td>- Litigation support</td>
</tr>
<tr>
<td>- Awareness training</td>
<td>- Export control organisation</td>
<td>- Regulatory watch</td>
<td>- Export control reviews (internal and/or external)</td>
<td>- Authority audit preparation</td>
</tr>
<tr>
<td>- Analytics</td>
<td>- Internal compliance program</td>
<td>- Product classification</td>
<td>- Update KPIs</td>
<td>- Corrective actions</td>
</tr>
<tr>
<td>- Controls review</td>
<td>- Export control classification</td>
<td>- Training/Seminars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sanity checks</td>
<td>- Global trade management tools</td>
<td>- Employee qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Risk assessment</td>
<td>- Change management</td>
<td>- Review of commercial transactions</td>
<td></td>
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</tr>
</tbody>
</table>

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