

Import/Export Compliance Best Practices	SUBJECT Export Compliance	LAST UPDATE July 2018
	APPLIES TO <ul style="list-style-type: none"> • Manufacturers • Exporters 	FOCUS ON Understanding the importance of creating and adhering to an export compliance manual
	QUICK LINKS <ul style="list-style-type: none"> • PPAI Corporate Responsibility: www.ppai.org/corporate-responsibility/ • UL: www.ul.com/consumer-retail-services/en/industries/premium-promotional-and-licensed-goods/ • Consumer Product Safety Commission: www.cpsc.gov 	

Intended for beginner compliance programs

Italic grey text indicates a hyperlink listed in the Online Resources section of this document.

Introduction

An export compliance manual lists and explains the policies and procedures regarding a company’s export processes. It is a valuable method for creating compliance standards, identifying and communicating risks, and establishing a company’s procedures, and organizing the procedures in a single location. It is important to remember that when a company grows internationally, the compliance program is expected to grow along with the company. Another component that is necessary in creating an effective export compliance manual is tailoring. A well-tailored compliance manual makes the best use of the resources available, describes procedures that can be done with the available resources, and eliminates confusion by assigning named people to specific tasks. Along with clearly identifying the tasks and the people responsible for them, an effective compliance manual will have step-by-step procedures to accomplish the tasks.

Organization

Depending on the size and operations of the company, an effective export compliance manual could cover a variety of topics, including:

- Foreign Corrupt Practices Act (FCPA)
- Export Administration Regulations (EAR)
- Security measures
- U.S. Customs regulations
- Denied party screening

Having and adhering to an export manual minimizes a company’s risk of violations, and mitigates risk if any violations occur. Some of the essential elements in an export manual include:

- Commitment from management
- Communication/training
- Tailoring

The development, introduction, and ongoing work with the export manual must be supported by a full commitment from the company’s leadership. This makes it clear to everyone in the company that the manual is a serious matter. It also facilitates



the conversations with other managers, team leaders, and staff. Participation by management is also necessary for unifying the whole company around the effort to comply with the export manual.

Training

In addition to organizing the export compliance manual, it is critical that the subsequent introduction and training related to the manual receive a full buy in from the company’s leadership. The value in having an export manual comes from avoiding penalties and fines imposed for noncompliance, but following the manual could also lead to speedier shipments being made, or at the least, reducing the risk of shipments being delayed. The best way for a company to maximize their efforts with creating an export compliance manual is to continue utilizing and updating the manual on a consistent basis.

Communication and Implementation

Following the export manual should also entail communicating the provisions in the manual. While it is important to cover the critical areas relevant to a company, the manual’s directives also need to be communicated to everyone on staff. Part of that communication involves asking questions of the staff at all levels. Many of the staff who handle the day-to-day activities will often be

the people who are the most familiar with what actually happens in numerous aspects of the company's operations. It is beneficial to ask staffers questions about where particular products are being sold, the level of risk in areas where the company is selling, and if customers are being vetted. This information can identify possible risks the company faces, and reveal numerous remedies to avoid or mitigate those risks. The training aspect is also critical to the success of an effective export manual. Educating team leaders and staffers on the provisions described in the export manual is a necessary component to ensure its success.

An export compliance manual is a valuable method for establishing compliance standards and communicating risks. A compliance manual is also valuable for creating the procedures to meet the standards and mitigate the risks, and organizing the procedures in a single, accessible location. The compliance manual should be organized inclusive of all the potential risks that may confront the company, and tailored to the specific needs of the company. Training and implementation are critical components of an effective export compliance manual, as the value in having the manual is derived from adhering to it.

Online Resources:

PPAI Product Safety Frequently Asked Questions: ppai.org/corporate-responsibility/product-responsibility/product-responsibility-faqs/

PPAI Business Partner QIMA: <https://ppai.org/members/affinity-partners/#8ed9d94d-cb76-488a-9919-c94f8345d123>

Basic Importing and Exporting: <https://www.cbp.gov/trade/basic-import-export>

Tips for New Importers and Exporters: <https://www.cbp.gov/trade/basic-import-export/importer-exporter-tips>

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