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Building Effective ICPs: Exercise

Dr. Christos Charatsis

**EC JRC, Department of Nuclear Security and Safeguards,
Nuclear Security Unit**

Green Group: Case 1

- You are the director of the Logistics and Operations department, at CHEM company. CHEM has received a **warning letter** by the authority for exporting without a license a product containing **triëthanolamine**.
- You are requested by your CEO to design a compliance mechanism so as to ensure that an unauthorised export of triëthanolamine will not take place in the future.

Additional Info:

- CHEM is as a manufacturer and an applier of innovative construction chemical products and techniques;
- Chem is a SME employing 60 employees;
- CHEM exports worldwide (EU, USA, Ukraine and Russia) and the logistics department is composed of 7 employees;
- CHEM maintains relations with the same client basis since several years.

Tasks:

- Is CHEM a high risk company?
- What is the first action to take?
- In which department (e.g. sales department? Logistics department?, headquarters?) your ICP system could be based?
- What are the three main elements that your compliance system shall absolutely include?
- CHEM needs to rely on a transporting company for delivering its goods, is this of relevance to our case?

Keywords:

- Technical assessment and HS codes
- End-user certificates
- Pre and post licensing controls

Blue Group: Case 2

- You are working in a leading **MNC** named as RR with subsidiaries across the world. The RR provides cutting edge technologies relating with **civil aerospace, defence and power systems** worldwide.
- You are requested by your CEO to provide advice in designing a compliance system so as to ensure conformity with the trade control law.

Additional Info:

- RR operates in 50 countries and has customers in more than 150 countries;
- RR provides aero engines, including software and technical assistance for their operation;
- RR relies on cloud computing services for exchanging info with its subsidiaries, providers and suppliers;
- RR maintains an R&D department undertaking both basic and applied research

Tasks:

- Is RR a high risk company?
- What is the first action to take?
- How the compliance system of RR should be structured and who shall bear the overall responsibility? How many staffs could approximately be employed at RR's compliance function?
- Which three elements RR's compliance system shall absolutely address?
- Do export controls apply in RR basic research activities?

Keywords:

- Item classification
- Data segregation and access controls/ secure file transfer protocol and reliable file sharing platforms
- Approvals for travels
- IP rights

Yellow Group: Case 3

- You are a lead researcher in a **renowned university**, UNI conducting research in nuclear reference materials;
- The licensing authority has contacted you concerning a past infringement of trade control law by your research group (a researcher of your group **shared online source code** simulating the behaviour of nuclear fuel);
- You discuss the situation with your Dean and he is positive in helping you out to define some kind of compliance procedure for your group. In turn, he asks your advice in order to institutionalise compliance procedures for the university as a whole.

Additional Info:

- UNI has several departments and research institutes conducting cutting edge research in biotechnology, nuclear engineering and chemistry;
- UNI has a committee on sensitive research (research involving human cells, defence-related research) but in its mandate there is no explicit reference to dual-use;
- Each department of UNI follows a distinct structure and a great degree of autonomy

Tasks:

- You are requested to provide ideas for motivating researchers to be proactive and comply with the law;
- You are requested to find ways in order to identify sensitive research projects and take precautionary measures;
- Propose three main elements/procedures of a future compliance system for UNI in order to address major export control concerns.

Keywords:

- Statement of responsibility
- Codes of conduct
- Funding
- Research office
- Technology Control Plans