

Dual-Use Trade Controls: The New EU Guidance on Internal Compliance

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On 30 July 2019, the European Commission published the [*EU Guidance on Internal Compliance Programme \(ICP\) for dual-use trade controls*](#), which directly addresses companies involved in the trade of dual-use items. With these legally non-binding guidelines, the Commission has formulated certain expectations on corporations when it comes to their internal compliance programme for trade control regulations.

The Commission recommends, depending on the size, structure, and scope of the company's specific business activity, to take into account **seven core elements** for the creation of an effective ICP:

1. a **top-level management commitment to compliance** in order to create a culture of compliance and publicly support the company's internal compliance procedures;
2. a clear **organisation structure**, well-defined **responsibilities** and sufficient **resources**;
3. **training and awareness raising** of export control regulations for staff;
4. the establishment and implementation of effective **transaction screening processes and procedures**;
5. the continuous **review and improvement** of the ICP through performance review, audits, reporting procedures and corrective action;
6. comprehensive **recordkeeping and documentation** of dual-use trade control related activities and
7. the establishment of **physical and information security** of dual-use items, including software and technology.

Companies may use these core elements as “building blocks” for the preparation and improvement of their own ICP. The practical recommendations given by the Guidance can thereby help them answering the Commission's expectations.

Given the importance of compliance especially in the sensitive area of dual-use trade, the EU Guidance serves as a helpful tool for establishing and maintaining an effective

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compliance programme. The [Information Leaflet about Internal Compliance Programmes](#) by Germany's Federal Office for Economic Affairs and Export Control (BAFA) provides additional guidance in this respect.

If you have any questions about your internal compliance programme, on how to implement the new Guidance or on other issues that concern dual-use trade control, [Roland M. Stein](#) and [Leonard von Rummel](#) are more than happy to provide assistance.