

May 2023

SAP&DC



What's New In Export



In this newsletter:

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Memorial Day is right around the corner, let us remember all of the brave men and women who sacrificed their lives for our freedom.

Last Chance to Register!

Don't forget to register for our In-Person Seminar on Export Documentation and Procedures. See information below.

Make sure you save the date for BTW2PA 2023. SAP&DC's event will be held on October 9, 2023 at the Blair County Convention Center, more information is below or you can contact me, **Joyce Hoffman**.

Your International Trade Specialist
Joyce



EXPORT DOCUMENTATION & Procedures From Beginning to End! Last Chance to register!

**Full Day In-Person Seminar
June 7, 2023**

Free for two employees

This Export Documentation seminar provides a real-life comprehensive understanding of what is involved in transporting goods to foreign buyers. It takes you through the entire process from order inception to the delivery of goods to their final destination.

The program will cover:

- How to prepare an export quotation
- How Incoterms 2020 & payment terms
- Determining country documentation requirements
- Commercial vs transport documentation
- Proforma vs commercial invoice
- How to prepare a complete and accurate commercial invoice
- How to prepare a proper packing list
- Understand non-preferential and preferential certificates of origin
- The role of the freight forwarder in preparing documentation
- Basics of classification under the harmonized system
- Basics of Air and Ocean freight
- Proper Filing of an EEI

Who Should Attend

- Exporters and professionals involved in the Sales, Marketing, Traffic, Logistics, Documentation or Credit Departments of firms doing business internationally

- Manufacturers and distributors who are looking to expand their markets abroad

For more information and to register

[Click Here](#)



Translation Service

Do you need one?

Do you have something that you need to have translated, product labels, agreements, flyers, etc. If you do, please contact [Joyce Hoffman](#).

SAP&DC can help you with this process at **no charge**.

[One Planet](#) translates to and from all languages. They work with complex technical, legal, medical, and scientific documents.



U.S. Department of Commerce/BIS

Clarifying Our Policy Regarding Voluntary Self-Disclosures and Disclosures Concerning Others

Export Enforcement's core mission is to protect sensitive U.S. technologies and goods from being used by our adversaries for malign purposes. That mission has never been more important or complex than right now — when transformative technologies, such as advanced semiconductor production and advanced computing capabilities, have the potential to alter the world's future balance of power. As the Intelligence Community's 2023 [Annual Threat Assessment](#) recently noted, rapidly emerging or evolving technologies have the potential to disrupt traditional business and society, while creating unprecedented vulnerabilities. Simply put, technology protection is a core national security priority.

It's also a shared endeavor. Effective compliance is the first line of effective enforcement and we need the support and cooperation of U.S. businesses and universities — those who are at the forefront of these extraordinary technological advances. Both industry and academia must have proper compliance systems in place to identify, prevent, and mitigate export control violations. And an important part of a robust export compliance system is a process for making two different types of disclosures to our Office of Export Enforcement: (1) voluntary self-disclosures ([VSDs](#)) about parties' own possible violations of the

Export Administration Regulations (EAR); and (2) disclosures about possible EAR violations by someone else.

Voluntary Self-Disclosures

Last June, we implemented a [dual-track system](#) to handle VSDs. The vast majority of VSDs — those that involve minor or technical infractions — are now resolved on a fast-track basis with our issuance of a warning or no-action letter within 60 days of final submission. For VSDs that present a more serious issue, we assign both a field agent, an Office of Chief Counsel attorney, and, in the most serious cases, an attorney from the Department of Justice's Counterintelligence and Export Control Section. Since we've implemented this system, we've heard from industry that they appreciate getting quick resolutions for minor or technical infractions. Also, we haven't seen a material change up or down in the number of VSDs we receive (which isn't surprising since last year's changes weren't designed to drive a change in the calculus of whether to file or not).

Today's policy announcement is different from last June's. We specifically want to further incentivize the submission of VSDs when industry or academia uncovers significant possible violations of the EAR. Note the modifier "significant" before "possible violations of the EAR." We're not focused on increasing the number of minor or technical VSDs we receive. In fact, we want to let VSD filers know that when they identify multiple minor technical violations close in time, they can submit one overarching submission (as opposed to in multiple separate VSDs) to help streamline the process on their end and conserve resources on ours. Instead, we're interested in increasing the number of VSDs we receive that disclose significant possible violations — the types of violations that reflect potential national security harm.

To do that, we want everyone to understand the risk calculus. Under the existing [BIS settlement guidelines](#), a VSD that is timely, comprehensive, and involves full cooperation substantially reduces the applicable civil penalty under the base penalty matrix. It may also entitle the filer to additional mitigation, including the possibility of a fully suspended penalty in certain cases. If a company or university voluntarily discloses a violation (and the violation is considered non-egregious), the base penalty amount is one-half of the transaction value and capped at a maximum base penalty amount of \$125,000 per violation. In some non-egregious cases, full suspension of the penalty may even be possible. And even in an egregious case, the base penalty amount is reduced up to one-half of the statutory maximum penalty applicable to the violation. Moreover, the filing of a VSD is also a factor for consideration in weighing the impact of a party's compliance program at the time of the violation, as well as its remedial response, on the final administrative penalty. So, whatever the situation, a voluntary self-disclosure entitles the reporting entity to a steep and concrete reduction in potential monetary liability.

What we're clarifying, effective immediately, is how we apply the existing guidelines in situations where there is a deliberate non-disclosure of significant possible violations. When someone chooses to file a VSD, they get concrete benefits; when someone affirmatively chooses not to file a VSD, however, we want them to know that they risk incurring concrete costs. Here's why. While it's true the guidelines provide that "[failure to voluntarily disclose an apparent violation to OEE does not constitute concealment,"¹ another of the factors that OEE uses to help determine the appropriate penalty amount in administrative cases focuses on "[t]he existence, nature and adequacy of a Respondent's export compliance program at the time of the apparent violation."² More specifically, the settlement guidelines provide that "OEE will also consider whether a Respondent's export compliance program uncovered a problem, thereby preventing further violations, and whether the Respondent has taken steps to address compliance concerns raised by the violation, to include the submission of a VSD and steps to prevent reoccurrence of the violation that are reasonably calculated to be effective."³ Because this factor is a "General Factor," it is designed to be "either mitigating or aggravating." In the past, we have consistently applied it as a mitigating factor when a VSD has been filed after a potential violation was uncovered. Going forward, we will also consistently apply this factor as an aggravating factor when a significant possible violation has been uncovered by a party's export compliance program but no VSD has been submitted. In other words, when someone submits a VSD, they receive concrete and identifiable benefits under our guidelines. By the same token, however, when someone uncovers a significant possible violation but then affirmatively chooses not to file a VSD, they are running a substantial risk — because if it does come to our attention, the decision not to disclose will be considered an aggravating factor under our existing guidelines.

In summary, companies and universities should carefully weigh any decision not to disclose significant possible violations to us. If a company or university commits a violation of the EAR and makes a disclosure, they benefit greatly by getting a sharply reduced penalty — but if they make a deliberate decision not to disclose a significant possible violation, they risk a sharply increased one.

Disclosures About the Conduct of Others

We want to do everything in our power to encourage parties to invest in strong compliance programs and comply with our rules. We also want to incentivize individuals, companies, and universities to come forward and tell us when they become aware of others who are violating our rules. Because protecting sensitive U.S. technology is a shared endeavor, we need everyone's assistance in bringing potential EAR violations to our attention. Moreover, we don't want parties to suffer in silence when they're forgoing sales because of our controls while their competitors continue to book revenue. We want them to reach out to us or to use our [confidential reporting form](#). We will aggressively investigate and, as appropriate, take action in such situations. But we can't investigate what we don't know about — which is why we want parties to come forward and tell us when they are aware of potential EAR violations by others.

In addition to making such disclosures being the right thing to do, our existing settlement guidelines make clear that there are concrete benefits for the disclosing party. One of the three "Mitigating Factors" contained in our guidelines is "Exceptional Cooperation with OEE." And among the subfactors that OEE considers in evaluating "exceptional cooperation" is whether a party has "previously made substantial voluntary efforts to provide information (such as providing tips that led to enforcement actions against other parties) to Federal law enforcement authorities in support of the enforcement of U.S. export control regulations."⁴ In other words, when a company becomes aware that some other company's conduct may have violated the EAR, discloses such conduct to OEE, and that tip results in enforcement action — then we will consider that a mitigating factor if a future enforcement action, even for unrelated conduct, is ever brought against the disclosing party.

When the conduct disclosed includes not just a potential export control violation but also a potential sanctions violation, there may also be monetary rewards available. The Financial Crimes Enforcement Network, or FinCEN, now maintains a robust whistleblower program designed to incentivize individuals, both here in the United States and abroad, to notify the government about violations of U.S. sanctions programs, in addition to violations of the Bank Secrecy Act. Individuals who provide FinCEN or the Department of Justice with information about such violations may be eligible for substantial financial awards if the information they provide ultimately leads to a successful enforcement action. Importantly, FinCEN can pay awards to whistleblowers whose original information also led to successful enforcement of "related actions." This means that FinCEN could even pay awards on Export Control Reform Act penalties — so long as either Treasury or Justice take a qualifying action based on the same original information provided by a whistleblower.

As Deputy Attorney General Lisa Monaco said in her [September 2022 Memorandum](#), commitment to fostering a strong culture of compliance at all levels of a corporation — and not just within the compliance department — is a key aspect of an effective compliance program and ethical corporate culture. We agree. Today's policy clarifications underscore our commitment to incentivizing a strong culture of compliance — one that generates appropriate disclosures of potential EAR violations, both when those disclosures are VSDs and when they're disclosures about the conduct of others.

¹ See Note to Section III to Supplement No. 1 to Part 766 of the EAR. Concealment is further discussed at Section III.A.3.

² Section III.E to Supplement No. 1 to Part 766 of the EAR.

³ *Id.*

⁴ *Id.*, at Section III.G.

Source: [BIS](#)

MEDICA 2023

NOVEMBER 13-16, 2023 | DÜSSELDORF, GERMANY

Office of International Business Development

Pennsylvania
WORK SMART. LIVE HAPPY.

ABOUT THE SHOW

The International Trade Fair & Congress World Forum for Medicine

Whether your company manufactures medical equipment and supplies, develops technology, or provides medical services, **MEDICA** is an ideal source of international market information. It is also a premier venue for networking with potential customers, agents, distributors, or joint venture partners.

REGISTRATION

Pennsylvania offers its companies a cost-effective way to participate in the **MEDICA** show. Exhibiting with Pennsylvania enables small to medium-sized companies to **make an impact at this prominent trade show without the high cost.**

Whether the Pennsylvania pavilion serves as a "home base" while you walk the show, or as a prime meeting area for potential contacts, your participation is an **ideal way to increase your international business.**

For a registration fee of \$5,000, your company will receive:

- a panel within the Commonwealth of Pennsylvania pavilion
- Enlarged image of your company name, logo, and product(s), mounted in your display area. (*Company provides graphic.*)
- Listing of your company in the show catalog and electronic media
- Exhibitor passes to the show (2)
- Experienced international trade specialists to assist you before, during, and after the show

Registration deadline: August 26, 2023.

WHY MEDICA?

Companies from across Pennsylvania are performing groundbreaking research and manufacturing devices and pharmaceuticals that save lives and fuel innovation.

The Pennsylvania pavilion at **MEDICA 2023** will present the best of what Pennsylvania companies such as yours have to offer the world.

MEDICA showcases innovations and trends from throughout the health care field.

At **MEDICA** in 2022, over 5,000 exhibitors from around the globe showcased the latest in highly specialized and innovative medical products, technologies, and treatments. More than 81,000 industry professionals and visitors from all over the world attended the show.

At **MEDICA 2023**, you will be connected with partners and customers who are looking for what your company has to offer.

Exhibits at the show will display a variety of items, including:

- electro-medicine
- medical technology
- medical support units
- facility management
- building automation
- laboratory equipment
- physiotherapy equipment
- orthopedic equipment
- medical-related commodities and consumer goods

For more information, visit: www.medica-tradefair.com

Space in the Pennsylvania pavilion at **MEDICA 2023** is filled on a first-come, first-served basis.

Please contact Theresa Brennan at thebrennan@pa.gov for more information and to register.



05/11/2023

Commonwealth Keystone Building | 400 North Street, 4th Floor | Harrisburg, PA 17120-0225 | +1.866.466.3972 | dced.pa.gov/trade



Rebuild Ukraine Exhibition & Trade Mission to Poland

November 12-17, 2023



*****REGISTRATION DEADLINE JUNE 9, 2023*****

**Are you interested in being part of the rebuilding
Ukraine efforts?
Consider joining GSGP's Trade Mission to Poland
and the
Rebuild Ukraine Exhibition
November 12-19, 2023**

GSGP is leading a trade mission to Poland in conjunction with the Rebuild Ukraine Show and Conference taking place in Warsaw November 14-15, 2023. We have secured exhibition space at the show for companies from the Great Lakes region to showcase their products and services. During the show and throughout the week in Poland, each trade mission participant will receive b2b meetings with decision makers from Ukrainian communities and companies. Participants will also benefit from market sector briefings, networking events and logistical support. Participating companies may be able to utilize the various State export assistance grants that are available to offset anywhere from 50-75% of trade mission costs.

Rebuild Ukraine

- Rebuilding Ukraine is expected to be the largest reconstruction and modernization project since the World War II. The estimated scale of the project is 600-750 billion USD. This will mean a huge demand for construction materials, products, solutions in the coming years.
- Some projects addressing the most urgent needs are starting now. Examples include housing and industrial parks in Western Ukraine.
- The re-building of Ukraine will be a global effort. In order to access this complex market, U.S. and Canadian businesses will need to rely both on the strong North American presence and network in the region, as well as on partnerships with leading European players.

- Poland is a natural hub for international partnerships for companies interested in participating in the rebuilding of Ukraine.

Why should you join the trade mission?

- Insight into the current demand and specific opportunities for North American companies.
- A unique opportunity to connect with decision makers for Ukrainian communities and companies.
- Establish C-level relationships during the B2B meetings, events, and networking session.
- Build direct connections with Polish and Ukrainian chambers of commerce, associations, and clusters.
- Meet representatives and advocates of North American business in Poland and Ukraine (e.g. U.S. & Canadian Embassy in Poland, American Chambers of Commerce).
- Meet representatives of European companies and organizations involved in the Rebuild Ukraine project.

COSTS

GSGP Participation Fee: US \$2,000 per company & US \$1,000 for each additional participant (this includes exhibition tickets and reception)

B2B Appointment Schedule with Ukrainian and Polish companies:

US \$4,000*

*Fee is complimentary for companies in some States. Grant funding is available in many States to offset mission costs by 50-75%.

REGISTRATION DEADLINE: JUNE 9, 2023

Please contact me if you are interested.

Joyce Hoffman

814-949-6527

or

GSGP Zoe Munro

BTW2PA

SAP&DC

Interested in Developing or Expanding International Business?

Meet with 13 Authorized Trade Representatives covering 44 countries in one location to discover your opportunities.

Bringing the World to PA is an opportunity for Pennsylvania companies to meet one-on-one with Pennsylvania's Authorized Trade Representatives (ATR's) at a series of events held in 10 different locations across the state, from Oct 2-13. Southern Alleghenies region event will take place on October 9, 2023, at the Blair County Convention Center. If you need another date, please let me know.

BTW2PA will provide companies with the opportunity to meet individually and confidentially to discuss international business development opportunities. The ATR's can help PA companies with in-country trade assistance, provide market intelligence, identify overseas partners, and support in-country trade initiatives and much more!

Time: Registration begins at 9:00 AM

Meetings begin at 9:30 AM

Meetings conclude at 3:15 PM

Lunch will be served from: 12:00 to 1:15 PM

Cost: FREE

Registration Closes on: September 22, 2023

We are allowing 2 employees from each company, at no cost, for lunch.

Registration must be completed and returned in order to attend.

For the registration form please contact:

SAP&DC

Attn: Joyce Hoffman

3 Sheraton Dr.

Altoona, PA 16601

814-949-6527 | jhoffman@sapdc.org



Funded in part by DCED's Office of International Business Development

Market Updates

- 5 Minute Briefs from Seoul [Click Here](#)
- The Fortnightly, News on Business in the Middle East Region [Click Here](#)
- South Korea Market Intelligence & Business Opportunities [Click Here](#)
- China Briefing [Click Here](#)
- Taiwan Food Industry Report [Click Here](#)
- South East Asia [Click Here](#)
- Canada Newsletter [Click Here](#)

Upcoming Trade Events

BIO Asia Taiwan

July 26-30, 2023

Marketing material due by June 5, 2023

Contact: [Joyce Hoffman](#)

Business Opportunities in the Americas Conference

September 17-19, 2023

Washington, DC

[Read More and Register Here](#)

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BTW2PA 2023

Save the Date

October 9, 2023

Contact: [Joyce Hoffman](#)

Rebuild Ukraine

November 13-17, 2023

Construction-Multi-Sector

Warsaw & Krakow, Poland

Contact: [Zoe Munro](#)

MEDICA 2023

November 13-16, 2023

Medical

Dusseldorf, Germany

Contact: [Theresa Brennan](#)

Training

Webinar's

No new webinar's at this time

Seminar's

**Export Documentation & Procedures
From Beginning to End!**

Last Chance to Register!

June 7, 2023
8:30 AM - 4:30 PM EST
SAP&DC

For more information and to register

[Click Here](#)

Training Webinars You May Have Missed?

No worries, view our recorded sessions!

Click on the topic of your choice below to be routed to the recording!

- [U.S. Foreign Corrupt Practices Act](#)
- [Near Shoring as Opposed to Off Shoring. Why Choose the "Americas"](#)
- [Classification Under The US Harmonized Tariff & Schedule B](#)
- [Understanding ITAR Classification & CJ Filing Requirements](#)
- [Export Controls Under Export Administration Regulations \(EAR\) & Changes Under Export Control Reform \(ECR\)](#)
- [Incoterms, Landed Cost, Payment Methods, How do these relate to pricing your Product?](#)
- [Commercial Documents for Exports](#)

SAP&DC International Program

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