

# THE WORLDECR EXPORT CONTROLS AND SANCTIONS FORUM 2022

## Washington, DC

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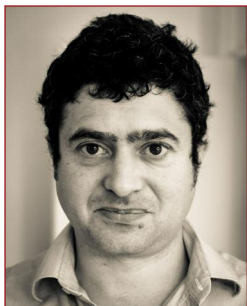
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**17-18 October 2022, at the offices of Hogan Lovells US LLP, Washington DC**

## Welcome



**Tom Blass,  
Editor,  
WorldECR**

It's been three years since the **WorldECR Forum** has been a "live" event – and we're looking forward to returning to DC in a big way.

Trade compliance and sanctions issues now resonate with an urgency that could scarcely have been predicted in 2019. Of course, one issue – Russia/Ukraine – overshadows all for the moment, even as it sheds light on broader themes and developments, for example:

- China-US relations: both watching Russia/Ukraine carefully
- Technology and security: an ever more complex interplay
- The European Union and the UK: still together on the sanctions hymn sheet?
- Human rights, sanctions and export controls: increasingly closely linked

This year's Forum follows in the footsteps of its predecessors by bringing together thought-leaders, experts and practitioners who'll be sharing actionable, bankable – sometimes provocative – perspectives in sessions which include:

- Eye to eye with AI? The future of compliance – does it lie in automation?
- Better all around: Human rights, trade compliance and ICPs
- Key US enforcement cases and their takeaways
- Preventing illicit acquisition of controlled tech and corporate knowhow
- Talent, technology and compliance challenges

At a time when nothing is off the table, the **WorldECR Forum** in DC is the place to share ideas with peers from across industry, government, and private practice on a changing world and appropriate responses.

Past attendees at the **WorldECR Forum** know that it provides an unparalleled opportunity to make contacts, exchange ideas and concerns, broaden horizons – and take the lead in the increasingly demanding and complex domain of sanctions and export control and sanctions compliance.

As in previous years, you can enjoy an **optional dinner** on the first evening of the Forum, following a networking drinks reception. To date, this relaxed and informal dinner for speakers, panellists and delegates, held in a local restaurant, has proven a great success. It is optional – there is an additional charge – but it is always a fun end to a long day and a great opportunity to build new contacts.

### Key dates and offers

Please allow me to draw your attention to the following:

- If you register by 16 September 2022 you can save \$200
- Additional delegates from the same organisation can save an additional \$200
- *WorldECR* subscribers and past Forum attendees, along with subscribers to *WorldECR's* sister journal, *Export Compliance Manager*, can claim a 10% discount

You'll find all the registration information at the end of this document, but if you do have any questions please don't hesitate to contact my colleague Mark at [mark.cusick@worldecr.com](mailto:mark.cusick@worldecr.com)

Join us in DC this October. We're very much looking forward to seeing you.

Tom Blass  
Editor, WorldECR



### **Blake Pritchett – 2022: A Critical Year for Sanctions and the World, indeed**

By dint of grim coincidence, Blake Pritchett, Deputy Director of Sanctions Policy & Implementation at the US State Department, first addressed *WorldECC* Forum delegates (virtually) on 24 February of this year. The title of the panel at which he spoke: ‘2022: A Critical Year for Sanctions and the World?’ The question was answered on that very day.

In the intervening months, the western world has galvanized to show Russia that the price of its invasion is economic isolation, demonstrating its shared resolve to return to Ukraine its territorial integrity, however long that takes.

Other panelists at this year’s Forum will be walking through the technical details of the sanctions measures imposed by the United States and others against Russia; but we are delighted that Blake returns – in person – to discuss the phenomenal speed with which consensus between allies was built, the ‘translation’ of political goals into concrete sanctions policies, and the US government’s expectations of the private sector and the challenges that lie ahead, against the backdrop of a war which, some have said, may last for years, not months.



### **Aleksandar Dukic, Lourdes Catrain and Aline Doussin – Russia: sanctions, strategy and risk**

Much has been written and said about the slew of sanctions punishing Russia for its invasion of Ukraine: new designations of banks, businessmen and officials, energy import bans, export controls, closing of airspace, and more. And the Russian government has imposed its own counter-sanctions.

In this presentation, Hogan Lovells partners Aleksandar Dukic (Washington, DC), Lourdes Catrain (Brussels) and Aline Doussin (London) will take you beyond the legal requirements to examine key strategic and operational dilemmas faced by companies with operations or a presence of any sort in Russia – i.e., those invested in the country financially, strategically, and in terms of assets – physical, human, and IP.

Among many questions, they will consider:

- What are the respective costs of weathering a geopolitical storm of unknowable duration, or indeed, of retreating?
- What are the lessons learned from this unprecedented wave of sanctions legislation and how is this going to impact the development of sanctions policies going forward?
- How can global businesses navigate (successfully) diverging interpretations of sanctions laws not only in the US, UK and the EU, but even the application/enforcement amongst the 27 EU Member States, and what appear to be contradictory sanctions rules/counter-sanctions regimes?
- How are companies assessing their options for exiting or remaining in the Russian market?



These are the kinds of challenges to business that the Hogan Lovells international team has been asked to advise on since February this year, and while the situation remains fluid and ongoing, we look forward to their insights gleaned at this time of unprecedented activity.





### **Dr. Gerd Schwendinger – EU sanctions update: Russia and beyond**

When Russian forces rolled into Ukraine on 24 February, the European Union was ready with an initial package of sanctions which, in subsequent months, has been broadened and strengthened so that it now extends to almost every aspect of business life: banking, energy, shipping, insurance, franchising, the export of services and beyond – as well as imposing constraints on the activities of wealthy Russians within the Union.

Negotiating sanctions within the bloc has required a huge coordination of resources and diplomatic efforts between Member States to forge a ‘palatable’ response to Russian (and Belarusian) aggression. And, as a direct consequence of the invasion, a reshaping of the sanctions landscape more generally lies in store, with Brussels looking at creating a new, EU-wide crime of sanctions evasion.

There’s a lot to take in, but in his presentation Dr Gerd Schwendinger, partner at German law firm GvW Graf von Westphalen, will set out the key elements of the EU sanctions response: Who do the sanctions affect and how? What steps should a company take or now be taking? Where do the most significant risks lie? And what might subsequent ‘sanctions waves’ have in store?

This is a must-attend session for all US businesses with activities in the EU.



### **Renato Antonini and Eva Monard – Developments in EU export controls regarding emerging technologies**

On 20 May 2021, the European Parliament and the Council adopted a modernized EU dual-use Regulation, following the European Commission’s proposal of 2016. The purpose was to implement a comprehensive system upgrade, including by giving the EU the tools to respond to the challenges posed by emerging dual-use technologies.

This is an ongoing focus of the EU, which has also been discussing the need to align export controls focused on emerging technology transfers with the US in the context of the EU-US Trade and Technology Council (TTC). In this context, Renato Antonini and Eva Monard, partners in the Brussels office of international law firm Steptoe, will discuss recent developments in EU export controls regarding emerging technologies.





### **Stephen Wilcox – Beyond export control compliance: preventing illicit acquisition**

Cyber intrusions, intelligence collection, and illicit procurement (or foreign material acquisition) are the fundamental methods employed by some governments to steal other, more modernized countries' current and future capabilities. The approach boasts the great advantage of being more cost-effective than having to invest to develop comparable capabilities.

Given those incentives, it is imperative that industry takes a multi-pronged approach to countering illicit acquisition, especially where companies are developing or working with emerging technologies or their products fall within the priorities of a foreign adversary.

Using case studies and examples, Stephen Wilcox, managing director at FTI Consulting, sets out the steps that need to be taken to develop and implement a program for protecting corporate secrets and ensuring the security of assets, that commodities are properly controlled, and that cyber security measures are strong and adhered to.



### **Satish Kini and Konstantin Bureiko – The OFAC 50% Rule and its UK/EU equivalents**

Understanding the OFAC 50% Rule is a key consideration for US sanctions compliance – especially against the backdrop of ramped-up sanctions against Russia in the wake of the Ukraine invasion. The rule states that the property and interests in property of entities directly or indirectly owned 50% or more in the aggregate by one or more blocked persons are considered blocked.

While the rule can prove tricky in practice, especially where ownership structures are opaque or complex, OFAC provides guidance and FAQs for those looking to apply it and to make accordingly compliant business decisions. But the situation is complicated by the fact that the EU and post-Brexit UK each apply their own equivalent but different rules, each demanding its own calculation of risk.

In this presentation, Debevoise partner Satish Kini and international counsel Konstantin Bureiko bring their firm's multijurisdictional expertise to the table, explaining areas of divergence and overlap with practical examples.





### **Barbara Linney – Key US enforcement cases and their takeaways**

US regulatory enforcement agencies, such as OFAC and the Bureau of Industry and Security, routinely post notices outlining the details of agreements with companies that have settled for alleged violations of sanctions and export control laws and regulations.

There is more to this exercise than naming and shaming for its own sake: by setting out the circumstances of the alleged breaches and the nature of the violations, the intention of the agencies is to provide insight into their concerns and enforcement priorities. In other words, such cases should be seen as a valuable learning tool, feeding directly into compliance training and best practice.

In this presentation, Barbara Linney, International Trade and National Security team co-leader at law firm BakerHostetler, walks participants through key recent settlements, narrowing in on those elements most valuable to compliance learning, and outlines best practice for reviewing, and benefiting from, published enforcement notices.



### **Kevin Cuddy and Elizabeth Shingler – On the agenda: Human Rights and Trade Compliance**

Lawmakers and regulators in the United States and the European Union have made human rights a driving force behind significant new rules and sanctions in the past few years. From the Magnitsky sanctions regimes, regulatory prohibitions on forced labor, to additional end-use/end-user and importer due diligence requirements for exporters, businesses are increasingly faced with new human rights-related compliance requirements.

Industry has incorporated many of these requirements as part of their compliance programs, and how companies respond to human rights issues – in and outside the supply chain – is understood to say much about corporate values and identity.

In this timely and practical session, Kevin Cuddy, Government & Regulatory Affairs Executive in the Export Regulation Office at IBM, and Elizabeth Shingler, Senior Manager, Trade & Customs at KPMG, will consider such topical questions as:

- What practical steps should the compliance function adopt to rise to this challenge?
- What are ‘ethical decision-making’ practices?
- What are the practical implications of possible forced labor being used by suppliers or contractors?
- Should companies include human-rights related clauses into contracts – and what do they look like?
- What best practices exist for multi-stakeholder engagement, especially in parts of the world where human rights-related risks are at their greatest?





### **Jenna Leigh Glass – Talent, technology and compliance: strategies for success**

Take two realities of the current times:

One – the demand for skilled technical workers, whether in ICT, or biotech, or any other complex and critical part of the global chain, is at an all-time high, with the right people in short supply, and commanding commensurately big salaries and perks.

Two – national security concerns (not just in the United States but across EU Member States, the United Kingdom and elsewhere) are driving legislation aimed at preventing foreign nationals accessing/acquiring tech secrets for their own countries' advantage.

Against such a backdrop, it's essential that any company working with controlled technology has a compliance strategy that ensures it understands the appropriate visa and licensing requirements for personnel, contract workers and employees of foreign subsidiaries, to ensure access to top talent in tech, but not at the risk of loss of business-critical data or possible export control breaches.

Here, Jenna Leigh Glass, Senior Manager, Trade – Export Controls & Sanctions at KPMG, sets out potential scenarios and case-studies on how such issues can arise and looks at how those challenges should be addressed.



### **Valentin Povarchuk and Dr. Scott Jones – Managing data: the devil in the database?**

It is increasingly the practice of the modern company to collect customer data – and even customers' customer data – for a multitude of purposes. But that data can create new compliance demands. With the prospect of dealing with potentially thousands of 'false positives' looming large, and the risk of sanctions violations going unnoticed in the mass of data, this presentation, drawing on recent case studies, is an introduction to the challenges presented by 'Big Data'.

Co-panellists Dr. Scott Jones, DHL Express's Regional Export Control Officer for the Americas, and Valentin Povarchuk, Sr. Corporate Counsel, Trade Compliance & Regulatory Affairs for Seagate Technology LLC, will consider the compliance issues around:

- Point of sale ('POS') data
- OFAC's liability standards: knowledge, imputed knowledge
- End-use/user data
- Restricted end-uses, including military end-uses
- Ideas for best practices and risk mitigation



This is a must-attend for all companies still finding their way in the Brave New World of data collection, management, and compliance.



## Washington, DC 2022: Speakers and their Sessions



### **William Reinsch and Emily Benson – Beyond the analog model: Can compliance be digitized? Setting out the challenge**

Export control regulations as they stand, have (as is often pointed out) evolved from the analog world of widgets. But ever more rapid technological advances mean that trade is increasingly digitized – the know-how to build the widget can fly across the world at the press of a button – and the challenge to compliance (and enforcement) is commensurate.

But does digital technology also provide compliance solutions, for example, in tools which restrict access only to verified end-users (faceprints, voice identification), or technology that could track the activities of an exported product, triggering a ‘kill-switch’ were it to be operated outside of the terms of its export licence?

Already such solutions are in development, heralding, potentially, a whole new paradigm of enforcement and compliance. But when? And how? And how might your company anticipate this shift?

Those are issues which, *WorldECR* is delighted to announce, former Under-Secretary of Commerce for Export Administration William Reinsch and Emily Benson – both of the Center for Strategic and International Studies (CSIS) – will set out in a valuable and forward-looking presentation.



### **Tracy Gronewold and Elizabeth Cannon – Windows into best practice: Microsoft, ITT and deemed export compliance**

For many companies dealing with technology, putting in place systems for managing ITT (Intangible Technology Transfer) export control compliance is one of the most daunting aspects of compliance. ITT transfers can happen so easily: inadvertent sharing of data on a memory stick, through an email attachment to a colleague or subcontractor abroad – or even at home, sitting side-by-side a colleague who happens to be a third party national, via a ‘deemed export’.

For a company of the scale and reach as Microsoft, having the know-how to manage thousands of potential such transfers while staying ahead of the compliance curve is crucial – as it is to the myriad companies that rely on Microsoft and its products.

We are delighted that, at this year’s Forum, Microsoft Senior Export Control Manager Tracy Gronewold and Senior Corporate Counsel Global Trade Elizabeth Cannon will be presenting on the unique challenges the government sector tech industry faces with ITT – and deemed export – compliance, with valuable takeaways for companies of all sizes and across the spectrum of industry sectors.







### **Sanjay Notani – Two-way traffic: India, the world, and trade compliance**

In recent decades, the Indian economy has been propelled by its success in, *inter alia*, the ICT sector, both as a developer and manufacturer of technology, and as an important partner, market, and destination for foreign investors, as well as a source of investment. Ties with the west, both commercially and politically, are strong.

India boasts one of the most sophisticated export control systems in Asia, and membership of the key multilateral regimes. And yet, it very much follows its own path on the global stage, as the current Ukraine crisis demonstrates.

In this presentation – essential for any company with Indian partners, R&D facilities or other commercial relationship – Sanjay Notani, of the Mumbai office of law firm Economic Law Partners (ELP), describes some of the potential compliance choke-points (and areas of least friction) in commercial relations with India and proposes strategies for maximizing efficiencies and opportunities in trade.

Sanjay will also explore India's stance on sanctions – of keen interest on the current world stage.



### **Aline Doussin, Lourdes Catrain and Stephen Propst – New rules of engagement? The changing relationship between China and the West**

Up until the day before Russia launched its aggression against Ukraine, China was the dominant strategic concern of trade and security policy-framers both in the US and in the EU and UK – as expressed through, for example, the tightening of investment clearance regimes, the forging of AUKUS, and the creation of the EU-US Trade and Technology Council (TTC).

The West's concerns, however, are not going away: Taiwan, Hong Kong, the expansion of China's sphere of influence, human rights generally and the persecution of Uighurs particularly, are all expected to put China's relations with the West further to the test.

In this session, Hogan Lovells partners Aline Doussin, Lourdes Catrain and Stephen Propst explore that tension through the regulatory lens, noting that both China and the West have tightened export controls and implemented sanctions/counter-sanctions measures that impact trade. Against a background of change that will impact worldwide trade and investment, the panel will consider future possible frictions that could have major consequences for supply chains and global business operations, and how the conflict with Russia is likely to alter the national security relationship with China.





### **Panel discussion: Sue Gainor, Randall Cook, Jeff Merrell and Jennifer Maki – Fit to fly? Regulatory hurdles in aerospace and defense**

Aerospace and defense supply chains are hugely complex – a web of contractual and other relationships between primes, sub-contractors, subsidiaries, suppliers, distributors. These are also amongst the world's most highly regulated industries, and at a time when national security considerations are high on the agenda, there's no let-up of pressure: both to fulfil contracts, but to do so in a way that meets governments' expectations of compliance.



Which means that understanding and compliance with a suite of regulatory frameworks, such as ITAR and EAR, cybersecurity and CFIUS, data protection (as well as non-US legal regimes and the conflict of law challenges they can pose) is essential for successful supply chain management – not only avoidance of penalties, but the maximisation of profit.

What are the challenges? What strategies can companies adopt – and share – to resolve them?



We are delighted that Grey Point Consulting principal Sue Gainor, former president of Boeing's global trade controls organization, and previously rector of Trade Controls Compliance at the US Directorate of Defense Trade Controls (DDTC), will lead a panel discussion with Randall H. Cook, Senior Managing Director at Ankura, Jeff Merrell, Vice President Strategic Trade at Rolls-Royce North America, and Jennifer Maki, Director Global Trade Compliance at Micron Technology.



## Washington, DC 2022: Speakers and their Sessions



### **Magnus Nordéus – Export controls and the Internet of Things**

You can't go far these days without encountering or using the Internet of Things ('IoT'). It's what makes possible an interconnected world of devices and technologies that interact and 'communicate' with each other – devices controlled by smart phones, home security solutions, logistics trackers, even personal health monitors.

By necessity, the technology that makes the IoT 'work' is complicated, and clearly, the reach and pervasiveness of IoT technologies demands that it should be controlled. But are current export controls up to the job?

In this prescient and timely presentation, Magnus Nordéus, Group Head of Trade Compliance at Ericsson, sets out the key export control and related regulatory mesh (think encryption and software controls, data protection concerns and others), that currently catches the IoT, affecting innovation, research and development, and bringing new products to market, with suggestions both for ensuring compliance – and also for better policy.



### **Donald Pearce – OSINT and You: An exercise in open-source investigations for compliance**

'If there's one category of training that I'd advise compliance professionals to invest in, it's open source investigation – essential to due diligence, customer verification, destination confirmation, and more.'

So said former Bureau of Industry & Security Special Agent Don Pearce during his highly-acclaimed WorldECR Forum presentation in 2021 – and which led to the creation of his popular online course, 'Open-Source Investigations for the Export Control and Sanctions Professional', which covered (among other things)

- Deep-diving on a company via the internet archive
- Understanding satellite imagery available on the web
- Planning virtual site visits

...and more.

In this session, Don will review and update a case-study, 'A Shipyard In Wuhan', undertaking an end-user check based on real-world information, showing just how much can be discerned from the comfort of your keyboard.

# THE WORLDECR EXPORT CONTROLS & SANCTIONS FORUM

17-18 October 2022, at the offices of Hogan Lovells US LLP,  
555 13th St NW, Washington, DC 20004

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Please register the following delegate(s) for The WorldECR Export Controls and Sanctions Forum 2022

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Your fee includes the attendance at both days of the conference; morning, mid-morning and afternoon coffee and pastries, and lunch on both days; drinks reception on day 1; programme materials.

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The organisers reserve the right to change the venue should attendance numbers so demand.

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