

THE **WORLDECR** EXPORT CONTROLS AND SANCTIONS FORUM **2024**

WASHINGTON, D.C.



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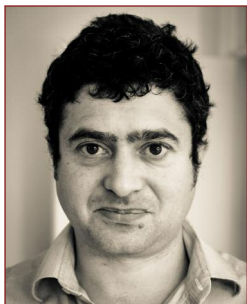
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18-19 November 2024, at the offices of Hogan Lovells US LLP, Washington, D.C.



**Tom Blass,
Editor,
WorldECR**

A world on the cusp

2024 is likely to be remembered as an election year that will shape US domestic politics and foreign policy perhaps for even decades to come, with the Middle East on the brink of escalating conflict, and continuing war in Ukraine dominating the geopolitical agenda in the United States, Europe and beyond.

With the world on the cusp of change, the fundamentals of compliance become increasingly important.

In November, our panelists will be taking stock, not only of the election result and global situation but of the many far-reaching changes in export control and sanctions developments through 2024, with a look to those that may be in store in 2025, and will tackle topics including:

- How semiconductor export controls impact not only the chip industry, but every company that includes them in its supply chain
- The new rules on foreign military/intelligence end use and end users
- Updated “red flags” as Russia and its allies step up efforts to evade and circumvent sanctions and export controls
- Compliance beyond domicile jurisdiction: an obligation – but does it have to be a challenge?

As has become established practice, this year’s Forum brings together government, industry, policy and legal private practice, to lead the trade compliance debate with sessions on:

- The impact of new rules on the import and sale of connected vehicles and some technology
- Recent enforcement actions by OFAC, BIS, and DDTC – and what they mean for your ICP
- Muscles in Brussels? The EU toughens up its “national” security toolkit

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, panelists 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.

Register today

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

We look forward to you joining the discussion in D.C. in November.

Tom Blass
Editor, WorldECR



Disruptive action: Strike Force Update

Matthew S. Axelrod, Assistant Secretary for Export Enforcement at the Department of Commerce's Bureau of Industry and Security

Assistant Secretary Matthew Axelrod leads, as the Bureau of Industry and Security states, “a cadre of special agents and analysts dedicated to a singular mission – keeping our country’s most sensitive technologies out of the world’s most dangerous hands.”

Since February 2023, Assistant Secretary Axelrod has been deeply involved with the Disruptive Technology Strike Force, which has charged an ever-growing number of cases involving alleged sanctions and export control violations, smuggling conspiracies, and other offenses related to the unlawful transfer of sensitive information, goods, and military-grade technology to Russia, China, or Iran.

We are delighted that Matt Axelrod will be present at the Forum to brief industry practitioners on the work of the multi-agency Strike Force, and the lessons for compliance its activities bring to bear.



National security, geopolitics and the election: All change in 2025?

Nick Baker, Managing Director, co-leader of export controls, sanctions and trade, Americas, FTI Consulting

Togzhan Kassenova, expert in non-proliferation, senior fellow with the Project on International Security, Commerce, and Economic Statecraft

With the US presidential election concluded, in this session, panelists will look at how the new administration is likely to address key national security issues through the prism of sanctions and related legislation: How will a new president respond to the escalating challenges posed in the Middle East? Or change course on Russia as it continues its war in Ukraine? Will G7 consensus on key issues hold? And is it full steam ahead for AUKUS?

In this discussion, Nick and Togzhan will also address possible change to the key enforcement agencies, and, while the future is by definition unpredictable, will set out strategies that business and compliance can adopt to plan for uncertainty.





Full force of the law: compliance lessons from 2024 enforcement actions

Barbara Linney, Partner, Baker Hostetler

Enforcement notices, such as those issued by OFAC and BIS, provide the richest possible seam of sanctions and export control learning, detailing not only the reasons for a finding of an (alleged) violation, but also the factors considered to be either mitigating or aggravating.

In this session, Barbara Linney talks through the most significant enforcement actions of 2024, including (though not limited to, and potentially subject to revision!):

- The DDTC consent agreement with RTX for alleged ITAR breaches
- OFAC's settlement with SCG Plastics for alleged Iran sanctions breaches
- The BIS penalty imposed on Streamlight for alleged violations of antiboycott rules

In her talk, Barbara will focus on the key compliance learnings of these and other actions and the steps organizations should take to incorporate them into their own ICPs.



Point of sale and import bans: new dimensions in ICTS controls and security

Elizabeth "Liz" Cannon, Executive Director Of Office Of Information And Communications Technology And Services, BIS

Stephen Propst, Partner, Hogan Lovells

In late September, BIS published a notice of proposed rulemaking that would prohibit the sale or import of connected vehicles integrating specific pieces of hardware and software, or those components sold separately, with a sufficient nexus to the People's Republic of China or Russia.

According to BIS, such imports could present an undue risk to "both US critical infrastructure and those who use connected vehicles."

Earlier, in July, the government banned the sale of Kaspersky antivirus software citing security fears. Given the potential impact of new restrictions (and with echoes of early 5G-related fears), the question is: How can businesses anticipate and prepare for such decisions?

In this not-to-miss session, Liz and Stephen take stock of the new terrain.





The CHPL and “supplier lists” – challenges and responses

Kevin Cuddy, Government & Regulatory Affairs Executive in the Export Regulation Office, IBM

Amongst the innovative sanctions tools to have emerged since Russia’s 2022 invasion of Ukraine has been the February 2024 publication (with allies the EU, UK and Japan) of the Common High Priority List (“CHPL”), which includes 50 items identified by six-digit Harmonized System (HS) Codes which the US Bureau of Industry and Security says “Russia seeks to procure for its weapons programs.”

Similarly focused innovations have included the distribution by BIS of third country “supplier list” letters, notifying companies of “parties of national security concern.”

Considering the questions, “What steps should companies take to implement the CHPL into their own compliance procedures?” and “What are appropriate steps on receipt of such ‘supplier lists’?”, in this session, Kevin talks through the challenges posed by these developments and suggests practical steps for implementing appropriate responses on the part of the compliance team.



Chips with everything: semiconductors, export controls and your supply chain

Elizabeth Shingler, Senior Manager, Global Export Controls and Sanctions, KPMG

Tiny and brilliant, semiconductors constitute the beating heart of modern technology and also ongoing economic rivalries between nation states. Against the backdrop of technological advance and geopolitical pressures, recent years have seen the ramping up of controls on the export of semiconductors and the means of their production – in the United States, the Foreign Direct Product Rule has been especially impactful on supply chains.

This is not a sector-specific presentation – semiconductors are critical to every conceivable facet of industry, and disruption of this part of supply chain can substantially impact everything down the line. In this session, Elizabeth Shingler will address the latest developments in a fast-moving area of compliance, and address what non-semiconductor companies should also be doing to evaluate the impact and respond/prepare accordingly.



Technology mapping masterclass

Valentin Povarchuk, Sr. Corporate Counsel, Seagate Technology and Owner, Midwest Trade Law

For many multinational companies, one of the greatest compliance challenges lies in keeping track of controlled technology, hardware, and intangibles within their inventories for export control purposes. Common questions would include: Which technologies are currently controlled and how? Who has access to them? Which are intended for intra-group transfers, for sale and distribution, R&D, and what license obligations exist?

Staying on top of a technology list that can change from day to day can be daunting, but a good tech map strategy reaps dividends in rewards and supply chain efficiency. This masterclass by Valentin Povarchuk sees an industry compliance leader demonstrate how to put in place a strategy for mapping controlled technology now – and in the future.

Washington, D.C. 2024: Speakers and their Sessions



Plugging the gaps: circumvention, evasion, typologies – and enforcement

John Pisa-Relli, Senior Law Enforcement Coordinator, Office of Foreign Assets Control (OFAC)

Since the ratcheting-up of sanctions against Russia in 2022, a key concern for regulators has been to stymie attempts to evade and circumvent sanctions and export controls.

Much consideration has been given to defining circumvention in law. But in this session, OFAC's John Pisa-Relli, whose experiences span private practice, industry compliance and (as currently) government service, will use case studies to explore evasion and circumvention typologies and detection, and red flags, including examples of where agencies have sought to thwart and penalize evasive practices through enforcement actions.



Making waves across the Atlantic: EU sanctions update and trends

Dr. Gerd Schwendinger, Partner, GvW Graf von Westphalen (Hamburg/Brussels)

Tanja Galander, Local Partner, GvW Graf von Westphalen (Berlin)

Despite the challenges of making foreign policy decisions en bloc, the European Union has taken huge steps since February 2022 to beef up its sanctions and export control regime in response to Russia's aggression and Belarus's support for Moscow.

To date, Brussels has imposed 14 "Sanctions Packages" – expanding the scope of restrictive measures (and export controls), and empowering EU Member States to take stronger enforcement actions.

In this session, Gerd Schwendinger and Tanja Galander set out the main developments shedding light on the "No exporting to Russia/Belarus" clauses; on the obligation on Member States to treat sanctions violations as financial crime breaches; and on controversial provisions that, some argue, establish a de facto "secondary sanctions"-type regime, extending Brussels' jurisdiction beyond the territory of the EU.





Compliance beyond the G7 and multilateral regimes

Marwa Hassoun, Associate General Counsel, Global Trade Services, TE Connectivity

Jay Nash, Principal, Nash Trade Services

While much attention is given to the need to comply with sanctions and export controls within the G7 countries and signatories to the multilateral export control regimes, a key question is: How should MNCs address compliance issues in nations that don't "align" with the regulatory values to which they are not accustomed or familiar? And how should they conduct training relevant to employees outside of the home jurisdiction?

It's a question that raises myriad issues, including potential conflicts of law, rapidly evolving regulations, potential expansion of governments' authority to implement and enforce export and sanctions regulations, and the imposition of legal values and expectations. But the risks of not having in place a watertight policy are those of diversion of goods and potentially significant exposure to circumvention and evasion.



Why it matters: illicit acquisition, diversion – and the consequences

Ron Orzel, Principal Counterproliferation Specialist, Argonne National Laboratory

Donald Pearce, Senior Advisor, Torres Trade Advisory

From a corporate perspective, good compliance is about ensuring that goods are correctly classified, exports are appropriately licensed, standard due diligence like KYC and end-user checks performed – thus reducing the risk of becoming subject to an enforcement action.

But ultimately, the dangers of diversion and the illicit acquisition of even non-listed goods extend to loss of lives (not only on the battlefield) and the degradation of national and regional security to the benefit of state and non-state adversaries.

In this session, Ron Orzel and Donald Pearce will explain who the "bad actors" are that are attempting to acquire technology for illicit activity, the kinds of technology that they're seeking, from whom, and for what ends.

In a presentation touching on catch-all, transshipment risk – and ultimately, outcomes that potentially extend even beyond corporate reputation and financial damage – Ron and Don will set out recommendations for companies to ensure that their own supply chains are secure, and that they understand the nature of threats posed by the products they manufacture or export.





Definitive changes? The new Military and Intelligence End Uses and End Users rule

Josh Gelula, Counsel, Hogan Lovells

In July, BIS sought comment on a proposed rule which would “enhance restrictions on exports, reexports, or support to military or intelligence end users and end uses in countries of concern.”

The controls, it said, would extend to activities supporting foreign police and security services, including those known to violate human rights, as well as new controls on facial recognition technologies that can enable mass surveillance.

(Complementary changes to the definition of “defense services” are also on the cards for the ITAR.)

Yet to come into effect, the rule has the potential to significantly increase compliance workload, requiring companies to, in effect, prove negatives in their end-use checks.

In his presentation, Josh will consider the new requirements and the strategies that organizations can adopt in response, and how they may ensure best practice in complying with regulations currently in force.



A guiding hand: compliance in practice

Marwa Hassoun, Associate General Counsel, Global Trade Services, TE Connectivity

Valentin Povarchuk, Sr. Corporate Counsel, Seagate Technology; Owner, Midwest Trade Law

Vedia Biton Eidelman, Head of the Global Trade Law Office for the Americas, DHL - Global Business Services

In recent months, US regulators have issued numerous best practice memoranda, FAQs and guidance notes to help companies, banks and other organizations understand and put into practice their compliance obligations relating to Voluntary Self-Disclosure, Record-Keeping, Reporting Requirements, Screening, and more.

Meanwhile, service providers develop new solutions for helping to keep compliance obligations manageable and reduce risk.

In this session Marwa, Vedia and Valentin will describe how they have understood and implemented new requirements, addressed best practice, and responded to inquiries from agencies, inviting questions and suggestions from delegates in a spirit of collegiate raising of standards and awareness.



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18-19 November 2024, at the offices of Hogan Lovells US LLP,
555 13th St NW, Washington, D.C. 20004

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Registration fees

For delegates from industry/academia/government: \$595

For delegates from legal/professional/consulting firms: \$1255

Optional dinner upgrade: add \$130

Timetable

Day 1: light breakfast and registration from 8.00am; Chairman's welcome 9.00am; drinks reception 5.30pm; optional dinner 7.00pm

Day 2: light breakfast from 8.20am; sessions start 8.50am; close 12.30pm

HOW TO PAY

1) ☐ I will pay by card on line: please go to

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2) ☐ Please invoice me for payment by bank transfer.

Please email your completed registration form to mark.cusick@worldocr.com

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Date

For all payment enquiries, contact WorldECR's publisher,

Mark Cusick at mark.cusick@worldocr.com

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Registration policy

Delegates may not 'share' a registration without the organiser's authorisation.

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Payment must be received in full by the conference date. 'Additional delegate' prices are only available to delegates from the same organisation as the original full-fee delegate.

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You must notify the conference organiser 48 hours before the conference if you wish to change the delegate.

If you wish to cancel your registration, you can do so incurring the following charges:

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

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