



Internal Compliance Program – Series (1) – Why should I get an ICP ?

In our newsletter 8 (18 Aug 2020), we are starting a new series of hands-on practical advice allowing exporting companies to engage into the drafting or revision of an Internal Compliance Program for Export Control. Our tips are based on our daily work assisting companies in that task, and take into account the EU Commission Recommendation of 30 July 2019.

Part 1 – Why should I have or get an ICP ?

Pros:

- allows to apply in Luxembourg for a global license, valid up to 4.5 years
- simplifies license management
- focus on yearly reporting, instead of applying for individual licenses for each transaction or customer
- demonstrates compliance in export control to Government, licensing authorities, suppliers, customers and business partners
- result of a step-by-step process, raising internal awareness of compliance, and taking into account the risk level of the company
- creates a valuable knowledge basis and working document for export control staff and all employees
- allows Management to sleep well, knowing that any violation of export control laws is heavily sanctioned by important fines (in Luxembourg up to 1 million euros) and imprisonment (in Luxembourg up to 10 years)

Cons:

- cannot be copy-pasted from other companies' ICP, as each company has different risks and tolerances, different products and customers
- requires a proper risk assessment (and an effort) before starting to draft the document
- needs that products are correctly classified with regard to export control lists and have a correct CN number (see the template provided in Annex to the Luxembourg ICP Guidelines)
- needs periodic updates
- needs to be drafted in a language that can be read and understood by all employees

Note: All these cons are, in our eyes, in fact pros.

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