



Internal Compliance Program Gareth Lian

Global Tax & Trade (GTT)

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Main ICP Elements

- Management Commitment
- Nominated Personnel for STA
- Classification
- End-Users Screening
- Training
- Audits
- Record Keeping



Management Commitment

Top Management Buy-In

- Drive compliance policy and processes
- Complete support to ensure compliance

Regular training and updates

- Establish a periodic management review committee
- Raise awareness within management

Key Performance Indicators

- Monitoring performance and gap closure
- Drive Efficiencies and streamline processes



Global Export Compliance Directive

Complying with the global Export Regulations is consistent with Intel's policy on ethics and keeping Intel legal.

Non compliance can result in bad press, damage to the Intel brand and our reputation, increased government scrutiny, less ability to influence legislation, denied export licenses, loss of export privileges and civil and/or criminal fines and penalties.

The Global Export Compliance group is responsible for maintaining worldwide compliance governing exports as outlined by the U.S. Export Regulations as well as foreign import and export laws and regulations. Compliance is achieved through a variety of activities including classification of items, establishing corporate policies and internal business processes, and ensuring proper authorizations are in place (i.e. license exceptions or intra-company export licenses), in accordance with regulations.



Nominated Personnel for STA

- One person or group must be responsible for:
 - Understanding the STA control list and requirements
 - Compliance
 - Training and Awareness
 - Product Classification
- Global Export Compliance Group
 - Understand operations & product developments
 - Early engagement with the business groups
 - Thorough understanding of STA Control List and requirements
 - Control of Shipments (no export if licenses are required)

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Customer Screening

- The STA has “catch-all” provisions
- Who/where we can do business
 - United Nations Security Council Sanctions (UNS)
 - Military end-use
 - etc
- Who/what is screened?
 - Customers
 - Suppliers
 - Employees
 - Business Partners
 - Shipments
 - Software Downloads – IP blocking, email addresses (i.e. .gov or .mil)
- How is screening performed?
 - Part of process for any new contracts/customers
 - Automated via SAP
 - Included in contract language

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Sample Contract Export Clause

"Both Parties agree that neither it nor any of its subsidiaries will export/re-export any technical data, process, product, or service, directly or indirectly, to any country for which the United States government or any agency thereof or the foreign government from where it is shipping requires an export license, or other governmental approval, without first obtaining such license or approval."



Classification

Why is it important?

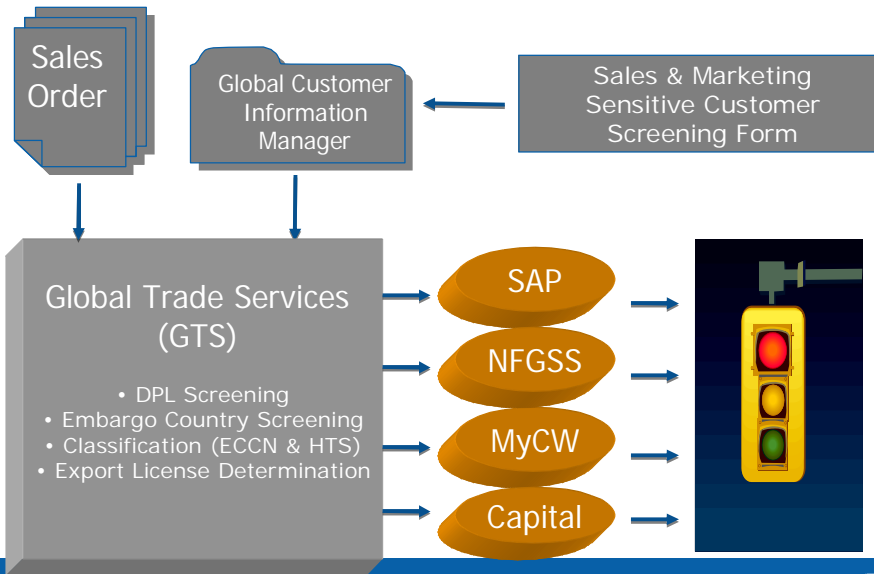
- Need to know what products are controlled and require licenses
- Need specialist that understand products and can classify against the control list

How do we classify?

- Create product classification questionnaire
- Maintain database of classifications – employees can check on their own
- Include classification in shipping system/solutions
 - We use GTS which is a module in SAP



Enterprise Systems Flow



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Training

Reach

Depth



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Internal Audit & Record Keeping

Internal Audit

- Annually
- Specific business groups
- Specific business processes
- Automation
- End User Sales Transactions
 - Embargoed
 - Sanctioned Countries

Record Keeping

- Minimum of 7 years
- Maximum of 10 years
- Includes digital and hard copy information
- Maintained on servers or kept off-site
- Suppliers are also contractually required to retain digital and/or hard copy information



Key Take Away

- Management Buy-In is Key
- Whole company responsibility to ensure compliance
- Specific Department/Personnel need to drive and enforce processes
- Automation
- Internal Audit
- Record retention



Questions?

