

Directions to Identify Companies Implementing the Internal Compliance Program

Nine articles promulgated on August 8, 2012 by the Bureau of Foreign Trade, Ministry of Economic Affairs as per its directive, Mao-Guan No.1012850250A

Articles 4, 5 and 6 amended on January 28, 2015 by the Bureau of Foreign Trade, Ministry of Economic Affairs as per its directive, Mao-Guan No.1042850027A.

Articles 3 and 5 amended on August 22, 2019 by the Bureau of Foreign Trade, Ministry of Economic Affairs as per its directive, Mao-Guan No.1081450347A, which entered into force on November 1, 2019.

1. The Bureau of Foreign Trade, Ministry of Economic Affairs (hereafter referred to as BOFT) has established these directions to identify exporters that implement the Internal Compliance Program for exportation of Strategic High-Tech Commodities.
2. An exporter can submit written documentation to the BOFT for identification concerning implementation of the Internal Compliance Program within the company.
3. The company's Internal Compliance Program should set up the following management items and screening lists (contents of the management items and screening lists are available on the BOFT's website: <https://www.trade.gov.tw>):

(1) Management items:

- a. The company's official statement: It should be addressed to all employees and outline the company's intention to implement the Internal Compliance Program for exportation of Strategic High-Tech Commodities.
- b. Authorization and responsibility: The accountability and responsibility of employees should be delegated according to the company's organizational structure.
- c. Record keeping: Complete management and transaction files should be kept.
- d. Training programs: Regular training and instruction of employees

should be provided to those involved in export-related activities.

- e. Information circular: Standard procedures should be in place to notify the company's department in charge of export control if the staff encounters suspicious transactions.
- f. Order processing: Written standard procedures for the processing of orders should be in place to implement screening and document cross-checks for exportation of Strategic High-Tech Commodities.
- g. Internal review: All departments of the company should be audited and reviewed regularly to ensure that they comply with the company's Internal Compliance Program procedures.

(2) Screening Lists:

- a. Screening according to the Entity List for Strategic High-Tech Commodities:

The exporter should screen its transaction parties in accordance with the Entity List for Strategic High-Tech Commodities announced on the BOFT website. If a transaction party is found to be on the Entity List for Strategic High-Tech Commodities, the exporter should reject the transaction or apply for an export permit from the BOFT with supporting documents.

- b. Screening according to the Export Control List of Strategic High-Tech Commodities:

The exporter should screen commodities for export to determine whether they are on the Export Control List of Strategic High-Tech Commodities and correctly identify the export control classification number of relevant products. The exporter should apply for an export permit when commodities for export are included on the Export Control List of Strategic High-Tech Commodities.

- c. Red flag screening:

The exporter should establish a red flag list for aberrant transactions based on the characteristics of the commodities. Notification of aberrant transactions should comply with standard procedures in the information circular so that the department in charge of export control can decide whether to reject the transaction or provide supporting documents for an export permit application to the BOFT.

- 4. An exporter that implements the Internal Compliance Program and is identified by the BOFT (hereafter referred to as ICP Exporter), can enjoy

privileges granted under Article 15, Article 15-1, Article 16 and Article 17 of the Regulations Governing Export and Import of Strategic High-Tech Commodities (hereafter referred to as The Regulations) when applying for export permits for Strategic High-Tech Commodities from the BOFT.

5. An ICP Exporter should upload the digital file on customs clearance transaction details for the Strategic High-Tech Commodities export permit to the BOFT's Electronic Visas for Export and Import Commodities system before the deadlines listed below for a BOFT audit.
 - (1) Submitting data from October to December of the previous year before March 31 of each year.
 - (2) Submitting data from January to March before June 30 of each year.
 - (3) Submitting data from April to June before September 30 of each year.
 - (4) Submitting data from July to September before December 31 of each year.
6. An ICP Exporter should submit an internal review of the previous year to the BOFT before March 31 of each year in accordance with Article 15-1 of The Regulations. The BOFT may conduct document or on-site inspections to review the internal compliance procedures of the ICP Exporter.
7. The ICP Exporter should submit written documents to the BOFT for each red-flagged transaction that was denied.
8. The BOFT will nullify the ICP Exporter's qualifications and revoke the export permit referred to in Paragraph 1, Article 15-1 of The Regulations if there are violations that match the circumstances stated in Paragraph 3, Article 15-1 of The Regulations.
9. An ICP Exporter whose qualifications have been nullified for over one calendar year can re-apply for re-identification from the BOFT.