



## Project Alpha

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*"Improving the implementation of trade compliance"*

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### Open Invitation to Participate in the Partners Against Proliferation Initiative<sup>1</sup>

The "Partner's Initiative" is a voluntary and inclusive mechanism to share good practices between companies in the area of export and trade compliance. Participation will reduce the likelihood that your company's goods or services will aid proliferation or that your company will breach trade control obligations. At heart of the initiative are guidelines and a related peer-review mechanism. Firms undertake to work towards implementing the internationally-recognised<sup>2</sup> "good practice guidelines" (See below) and to demonstrate to other "Partners" how they go about this.

Other service providers and trade associations are encouraged collaborate with the partners initiative, by for example by creating working groups for their own members.

Involvement with the initiative will have the following benefits you company:

1. Improving your company's implementation of trade controls. This is not just about complying with the law, but also about ensuring the compliance system you implement is robust, proportionate and effective. Getting implementation right may even reduce your company's trade compliance burden.
2. Enabling customers or suppliers to build confidence in your compliance system. Your business partners are dependent after all on your company's implementation of trade controls either to safeguard their controlled technologies or to provide them with correct trade control information, such as control status the control status of the goods you sell to them. They care if your company 'gets compliance'.
3. Demonstrating to stakeholders that your company is socially responsible. Non-compliance with export controls is socially unacceptable and threatens international security. Your stakeholders will want to know if you are compliant, or perhaps worse, if you are not. Participation in the Partners Initiative provides a route to demonstrate your commitment.

The partner's initiative is a peer-based network and is governed by consensus. The initiative will be overseen by a "Partner's Board", membership of which will be determined based upon nomination and vote (with one vote being allocated to each participating institution). Presently there is no entry criteria to become a partner other than a willingness to work towards implementation of the good practice guidelines (see below). Companies will be asked to demonstrate in what ways they implement each of the elements of the good practices to their peers on at least on an annual basis.<sup>3</sup>

#### Good Practice Guidelines on Export Compliance

**These guidelines were submitted by the British government to the Nuclear Suppliers Group and have been recognised internationally. Click here to read more about the international recognition of this code.**

- 1.0 Implement internal systems to ensure due-diligence checks are carried out on potential customers and business partners and on the goods, software and technology that they wish to acquire, utilising public information such as early warning lists, red-flag checklists and questionnaires provided by the United Nations, states and other parties with an interest in supporting the multilateral non-proliferation effort, and to consult with the relevant government authorities as necessary;
- 2.0 Monitor, collate and vet enquiries within the scope of due-diligence, relating to the acquisition of proliferation sensitive goods, software and technology;
- 3.0 Consult government export control authorities before having any dealings with entities identified as being of proliferation concern either from public sources, from corporate monitoring systems or from contact with relevant competent authorities in states themselves;
- 4.0 Implement best efforts to share information about illicit attempts to procure items for Weapons of Mass Destruction programmes with security and other relevant agencies in the state where they are established and with business partners and others in instances where the state judges that broader publicity would be appropriate;
- 5.0 Promote the adoption of due-diligence and information sharing within the supply chain and with other business partners within the boundaries of legitimate protection of business and company information;
- 6.0 Incorporate non-proliferation measures and export control compliance into existing corporate social responsibility statements;
- 7.0 Encourage relevant industry-wide trade and professional bodies to recognise the importance of supporting and encouraging the non-proliferation effort and the measures set out herein; and
- 8.0 Foster an open and transparent relationship with appropriate government and regulatory authorities.
- 9.0 Train all relevant staff against a trade compliance competence framework

<sup>1</sup> The Partner's Initiative is free and collaborative in nature. All firms are encouraged to participate. Alpha, which hosts the initiative, provides a separate "membership" scheme for companies based around the provision of certain services. While partners are encouraged to become members, there is no requirement to do so.

<sup>2</sup> Adherence to the guideline has been recognised by members of the Nuclear Suppliers Group as a "good practice".

<sup>3</sup> The partners Initiative is a peer-based initiative intended to implement the good practice guidelines. Failure to work toward implementation of the guidelines or egregious examples of not working to the guidelines such as being found non-compliant with export control legislation can, based on a 2/3 majority vote of the Partners board, result in companies being excluded for a period of time to be determined by the board