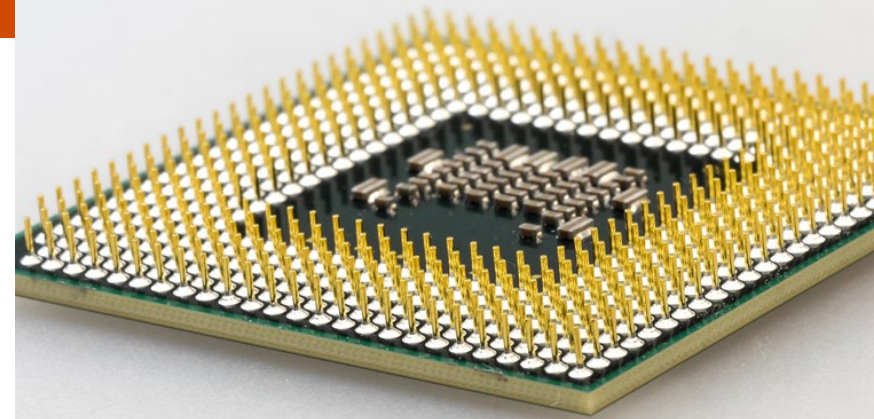


# Trade Compliance – Technology Control Plan

## SECO Exportkontrolltagung

Architecture for a Technology Control Plan

[www.pwc.ch/en/services/tax-advice/customs.html](http://www.pwc.ch/en/services/tax-advice/customs.html)



# Agenda

- |    |  |    |
|----|--|----|
| 1. | Vorstellung PwC Team   | 03 |
| 2. | Was bedeutet Trade Compliance                                | 08 |
| 3. | Der Technology Control Plan (TCP) (Fokus immaterielle Güter) | 12 |



# 1

Vorstellung PwC Team

# PwC Team – Trade Compliance – Technology Control Plan



**Simeon Probst**  
Partner

## Qualifications

- lic. iur. University of Basel
- Certified Swiss Tax Expert with federal diploma

## Professional Experience

- Simeon joined PwC in 2000. He is leading the Customs and International Trade team in Basel and is the leader of the customs consulting of PwC Switzerland.
- With his extensive experience and background, Simeon participates as a speaker in PwC and external VAT and customs seminars and has teaching assignments at «EXPERTsuisse», the Swiss Fiduciary Chamber and the Swiss Accountancy Academy.
- He has published articles in professional journals and is co-author of the Swiss customs commentary (export and bonded warehouses)

## Relevant Experience

- Simeon's biggest clients, Swiss quoted multinationals, have all introduced new centralized supply chain models in recent years, giving him detailed knowledge of VAT, customs planning opportunities, export controls and the pitfalls of such projects.
- Simeon has worked on a wide range of projects including VAT, customs and export control support
- Introduction of a new distribution model for a Swiss steel group using fully fledged manufacturers and agents (e.g. preferential origin), VAT and customs support for the implementation of a worldwide principal structure for a Swiss manufacturer of medical technology



**Lorenz Neher**  
Senior Manager

## Qualifications

Compliance Management, Diploma of Advanced Studies, Executive Master of Business Studies, Lucerne School of Business, Bachelor of Science, Electronic Engineering (Lucerne University of Applied Sciences and Arts), CISSP (ISC)<sup>2</sup>, CISA, CRISC (ISACA), TOGAF® 9 Certified

## Professional Background

Lorenz has a proven track record of more than 20 years in supporting organizations to design, implement and run IT- and Security-Solution in order to protect data appropriately and achieve compliance, cybersecurity and resilience. He has vast experience in life science, healthcare, government, financial services, and telecommunication.

## Relevant Experience and Projects (extract)

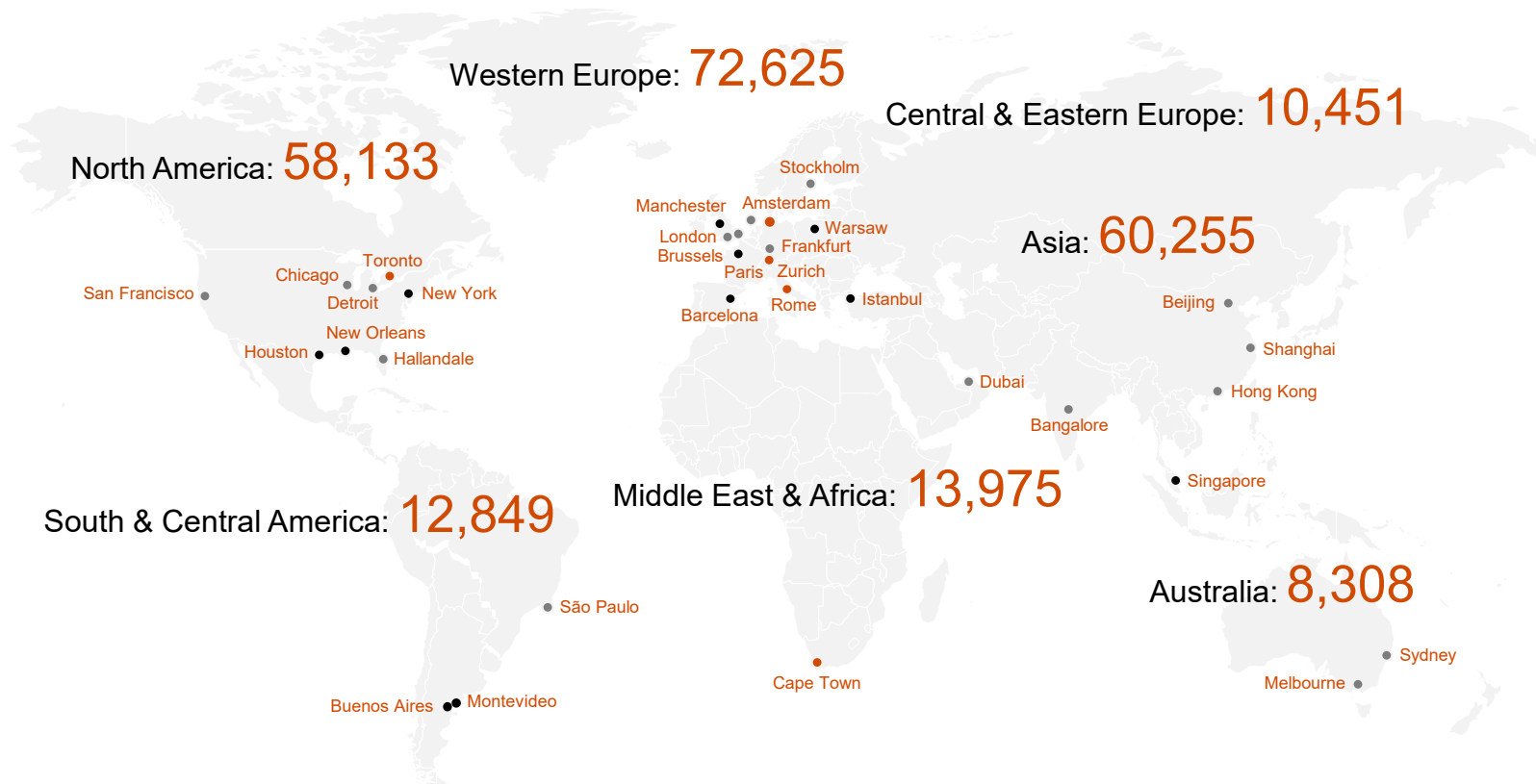
- Subject Matter Expert for compliance management for IT and technology. This includes:
  - IT Governance to identify, categorise and classify compliance relevant data
  - Derive from legal and regulatory requirements a control framework for organisational and technical controls in the IT
  - Technology enablement for access control and data protection
  - Compliance Monitoring
- Security Architecture reviews and implementation planning for mid size and large enterprises to ensure compliance to various legal and regulatory requirements

# PwC Switzerland & Principality of Liechtenstein

as per April 2021



# Our trade and SAP experts are part of a global network that provides you with local expertise and industry best practices



• PwC Office • PwC Experience Center

**284'000** – Overall number of PwC employees

## PwC key facts

- > 7,500 SAP professionals
- > 550 Customs, trade, export controls & sanctions specialists
- > 35 SAP GTS specialists
- > 150 Countries
- > 700 Locations

## PwC Advantage

- ✓ PwC has a global alliance with SAP
- ✓ Ability to support worldwide in local languages and time zones
- ✓ Access to internal regulatory and transformational resources
- ✓ In-house digital services capability to enhance SAP solutions

# 2

Was bedeutet  
Trade Compliance

# What is Trade Compliance ?

Focus area – for intangible goods



National and international treaties / regulations governing the movement of goods, software and technologies



There are two main reasons for a government to have export control regulations in place:

1. **Protection of national security** by restricting the supply of goods and technology for the purpose of:
  - Preserving national military superiority and ensuring the protection of the armed forces or their infrastructure,
  - Limiting the development of weapons of mass destruction, chemical or biological weapons, nuclear proliferation or items for internal repression or other serious human rights violations and the effects of terrorism.
2. **Respect for foreign policy** by :
  - Ensuring the support of allied countries,
  - Applying international agreements and treaties,
  - Following international boycotts or embargoes



Are subject to export control:

- **Products** (incl. models, demonstrators, prototypes...), their test / maintenance means (benches...), their hardware (PCB...) or software components
- **Software**
- **Services** (technical assistance, maintenance...)
- **Data & documents** (specifications, manufacturing and maintenance data...)



Exports can be carried out:

- By **tangible** means (shipments, mail...)
- By **intangible** means (e-mail, file downloads...)
- **Orally** (technical meetings, trade shows...)
- To a **foreign entity**
- To a **foreign or even national person** who is **not entitled** to receive controlled information.



# Trade Compliance is an interdisciplinary task

## People, Governance, Process and Technology

### People

Sufficient resources with expertise to define requirements, implement controls, execute tasks.  
→ A person holds the overall responsibility for compliance

### Governance

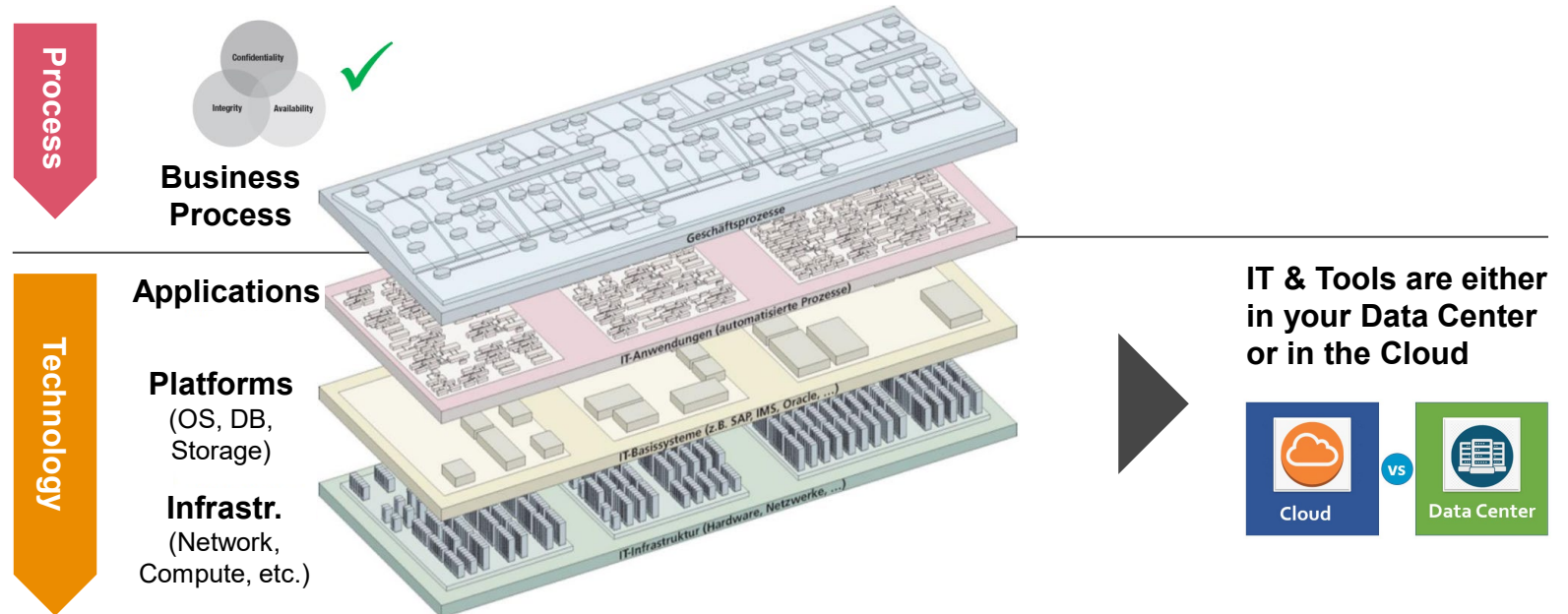
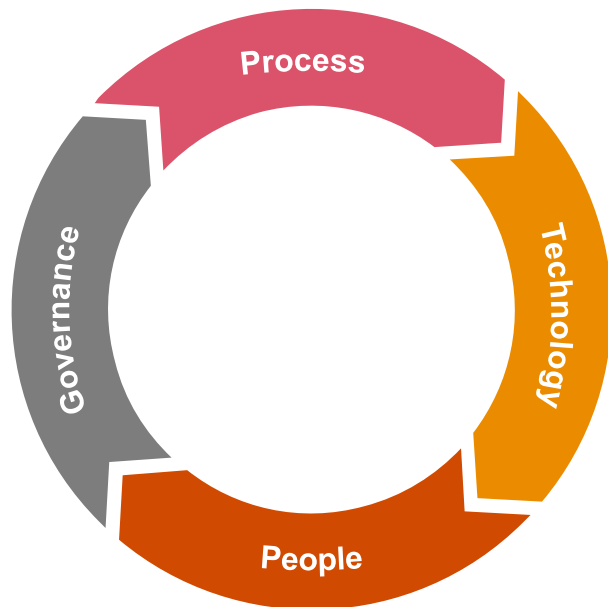
Defined roles and responsibilities to execute compliance relevant tasks by people following processes using technology

### Process

Trade Compliance needs to be integrated in the supply chain and the business process landscape to identify, categorise and classify relevant (intangible) goods (information) subject to trade compliance and what measures need to be applied

### Technology

This is the IT environment and Tool landscape that needs to support data protection, access control and accountability  
→ who did what and when



Dazwischen  
Präsentation – Export Controls & Cloud  
Computing von Harald Zimmermann

# What is a Technology Control Plan (TCP)?

Focus area – information security plan for intangible goods



A Technology Control Plan is part of the Internal Compliance Program (ICP)



## Why is a Technology Control Plan required?

Not only semi- and finished goods are subject to export controls, but also **software and technology**.

The **US, EU** and other export control regulations require a **Technology Control Plan** in order to **prevent unauthorised access** to and transfer of **information** that could be used for any kind of proliferation of weapons of mass destruction (WMD), targeted human rights violations, the threats of international terrorism or, by a foreign country to improve its missile or space launch capabilities.



## What is understood as “information”?

Information can be **software, data, documents, services and technical discussions (Technical Data)**.



## A TCP consist of following elements:

1. Management commitment to export compliance
2. Physical security plan
- 3. Information security plan**
4. Personnel screening procedures
5. Training and awareness program
- 6. Self-evaluation program**



**Scope of our presentation:** This presentation covers **Information security plan**, as well as a **Self-evaluation approach**. The control of any oral discussions or the physical export are excluded.

No	TCP Element	In scope / Out of scope
1	Management commitment to export compliance	✗
2	Physical security plan	✗
3	Information security plan	✓
4	Personnel screening procedures	✗
5	Training and awareness program	✗
6	Self-evaluation program and verification	✓

# 3



## Der Technology Control Plan (TCP)

# Deploying a TCP: includes this four key compliance measures

Goal: enable control of software and technology, and strict protection of technical data

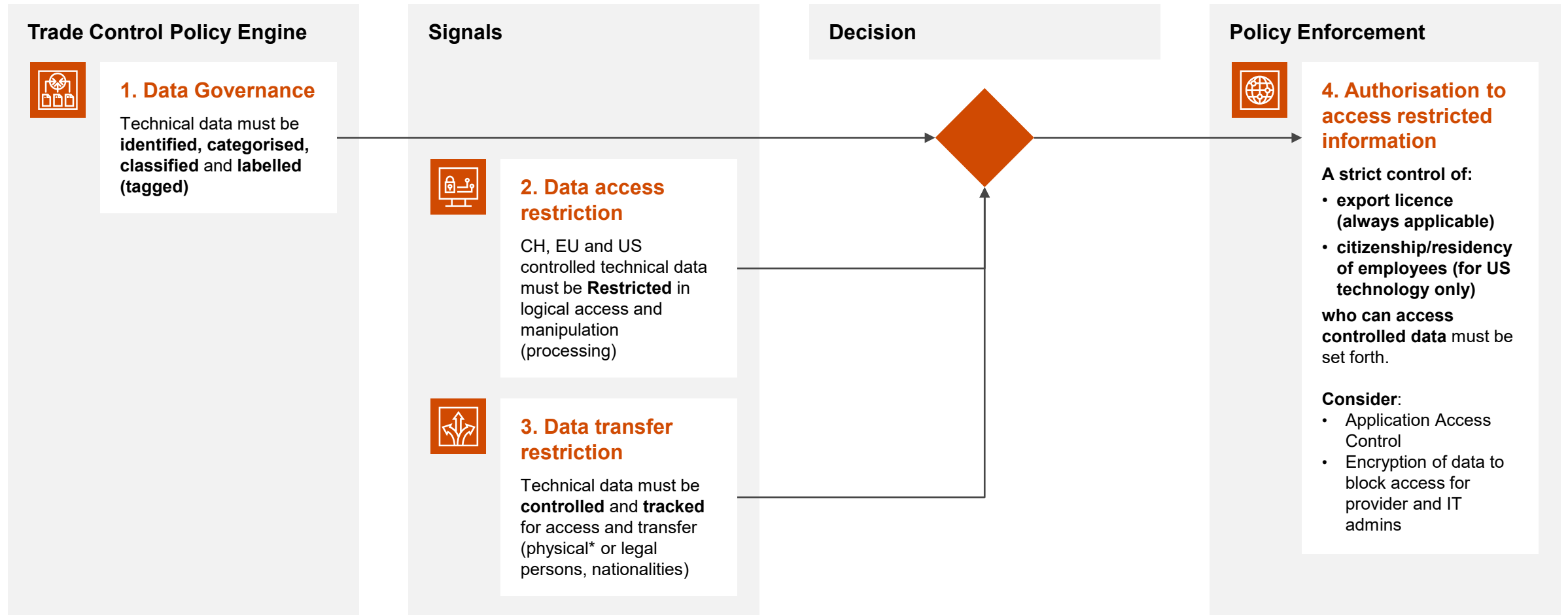
Scope: Dual Use and Special Military Items → **Rüstungsgüter (ITAR) in the other stream**

1. Data Governance	2. Data access restriction	3. Data transfer restriction	4. Access Control
<p>Technical data must be <b>identified, categorised, classified and labelled (tagged)</b></p> <ul style="list-style-type: none"><li>• Data Owner responsible for compliance</li><li>• Process (Lifecycle) to receive, allocate to a process step, and deliver / destroy the controlled item</li><li>• Legacy: already received data shall be rapidly sorted out to limit the risk of an export control violation</li><li>• “labelling” is a best practice. An alternative can consist in a systematic warning message</li></ul>	<p>CH, EU and controlled US technical data must be <b>Restricted</b> in logical access and manipulation (processing)</p> <ul style="list-style-type: none"><li>• The identify of all potential user needs to be defined and assessed</li><li>• Each User needs to have a defined “role” to assign access rights to the user role</li><li>• Access can only be granted as long as the individual needs to know and complies with citizenship/residency restrictions</li></ul>	<p>Technical data must be <b>controlled</b> and <b>tracked</b> for access and transfer (physical* or legal persons, citizenship/ residency permission)</p> <ul style="list-style-type: none"><li>• All accesses and transfers, whether by employees or sub/ co-contractors must be recorded/ controlled by the Trade Compliance Officer (TCO)</li><li>• This includes local IT and data centre or cloud / outsourcing</li><li>• Third parties who can access and manipulate the data shall be assessed and compliant to US and EU regulations (ex: IT Admin, sub/co-contractors, auditors...)</li></ul>	<p>A strict <b>control</b> of <b>employees</b> (citizenship/ residency permission) and <b>subcontractors</b> who can access controlled technical data must be set up.</p> <ul style="list-style-type: none"><li>• Clients who need access to restricted information</li><li>• Employees working in the frame of a TCP shall be briefed (by the TCO) about the security measures and restrictions implied</li><li>• They shall formally acknowledge that the TCP has be presented to them and that they understood the TCP requirements.</li><li>• Entity shall keep records of acknowledgement</li></ul>

\* Physical access controls are not part of this proposal

# The first steps towards deploying a TCP – data governance

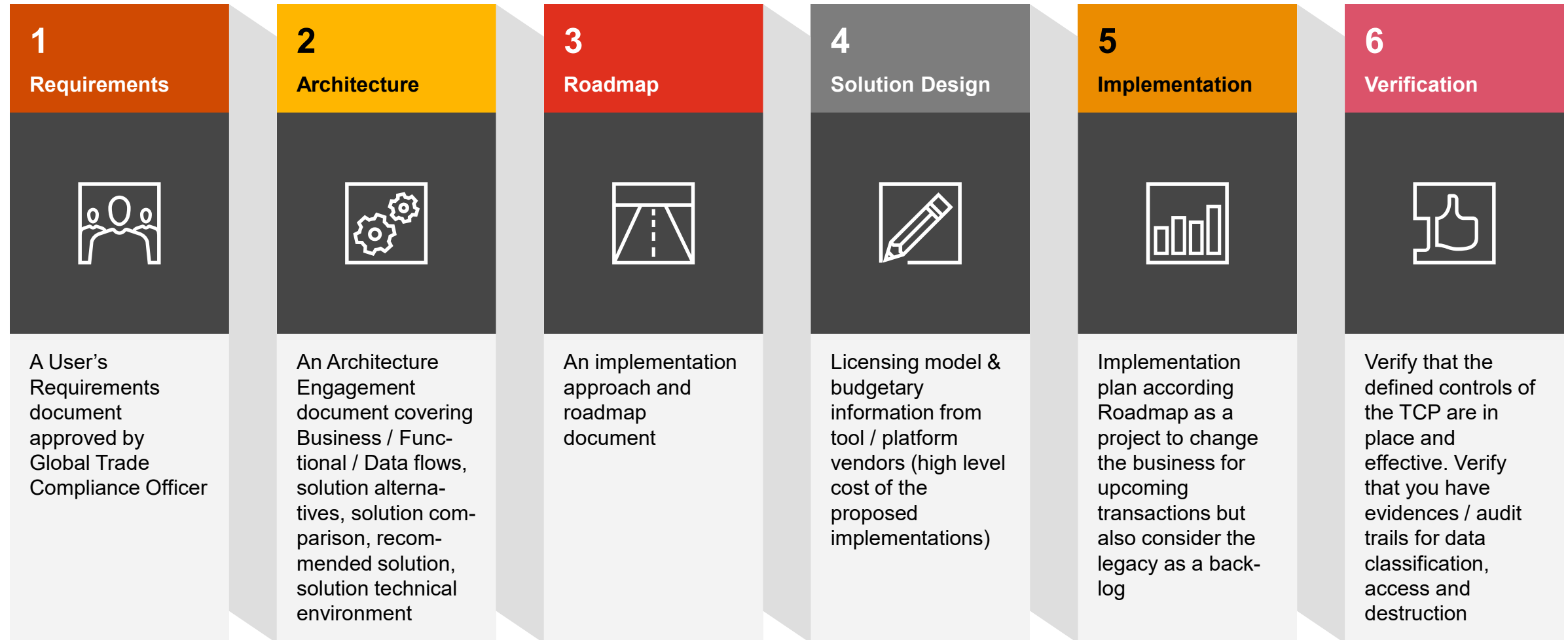
Define Data Ownership, categorisation & classification and how to control access



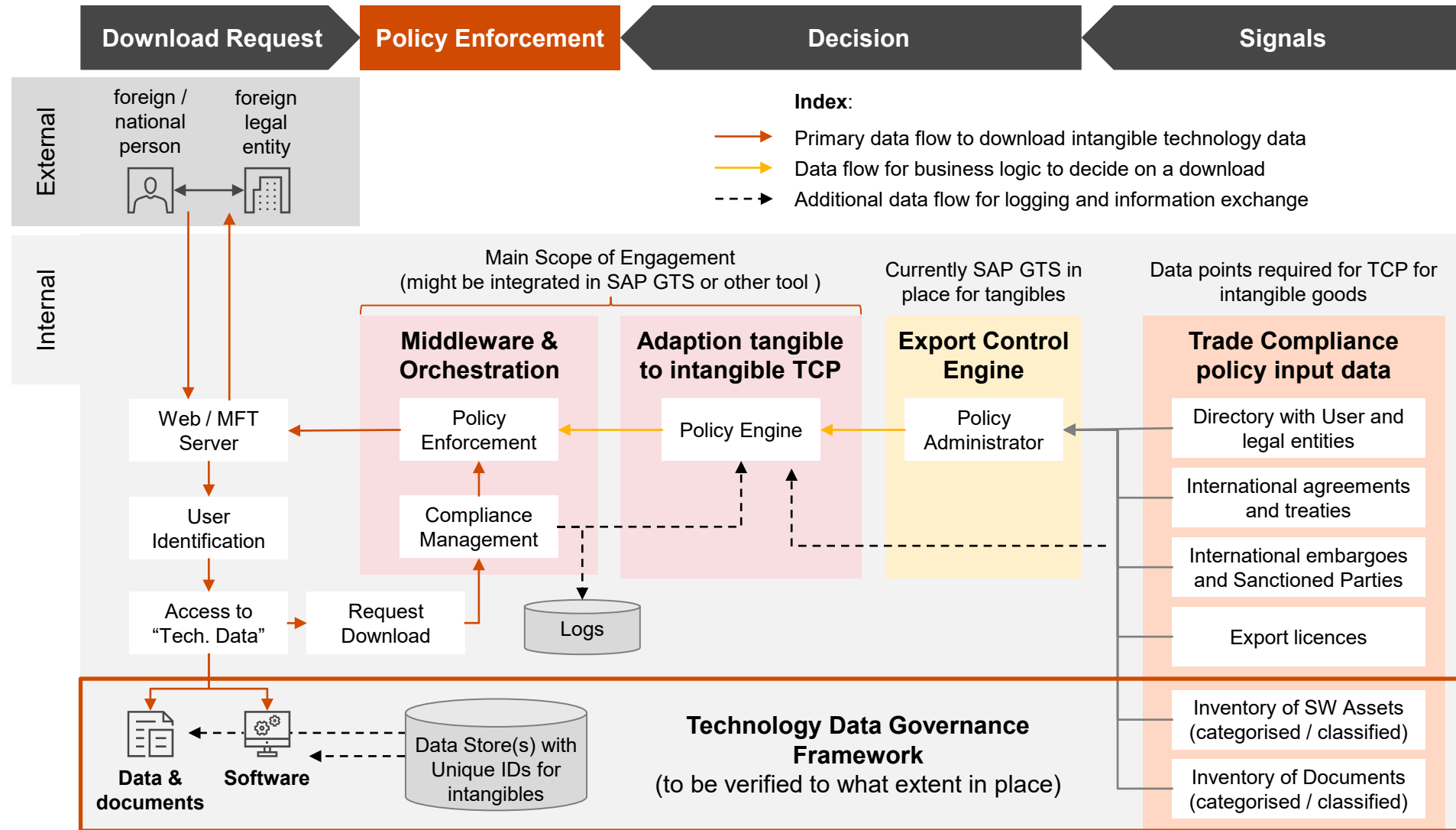
\* Physical access controls are not part of this proposal

# Self-evaluation program

Checklist to verify that your TCP addresses all relevant and applicable requirements, is complete, in place and effective



# High level architecture blueprint– TCP for intangible goods



## Architecture Building blocks

- **E.g SAP – GTS** is in place and has already the business logic to control *tangible* goods. Therefore, it is assumed that some/most rules can be re-used / adapted for intangibles
- **Adaption tangible to intangible** is a technical function to collect and normalize decisions enriched with additional signals to have a concise policy set for intangibles
- **Middleware & orchestration** acts as “policy enforcement” for the external access and request for downloads. It provides interfaces & security functions for “conditional access” and log transactions
- **Data Governance** enables you to identify and classify relevant technology data subject to TCP and steer decision for policy enforcement



# Q&A

Questions and  
Answers

# Thank you!

[pwc.ch](https://pwc.ch)

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# Layered Security – multiple lines of defence

Before you can enforce a policy, you have to define the relevant technical standards

