



The Spirit & The Letter of Our Commitment

International Trade Controls

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What to know

International Trade Control (ITC) laws regulate the movement of goods, services and technology across borders for customs, national security and foreign policy reasons. These laws apply to many areas of GE's operations including shipping/receiving, logistics, manufacturing, engineering, sourcing, finance, sales/marketing, customer service, IT and EHS. Software and technical information exchanges across national boundaries, including e-mail, fax, web, server and SupportCentral use, are subject to trade controls. The United States also controls the release of technical information to non-U.S. nationals within the United States as a "deemed export." It is critical that we carefully observe ITC laws in connection with these activities.

What to do

- Follow relevant ITC regulations of all countries in which you operate and your business's own ITC procedures as they relate to importing, exporting and reexporting goods, technology, software, services and financial transactions, including following licenses and authorizations obtained and retaining appropriate ITC records.
- Report all relevant information to your import manager to ensure accurate and complete import declarations. Ensure GE or its agent provides accurate and complete information to government authorities.
- Follow local laws and regulations governing the importation of goods, including the presentation of accurate and complete information needed to determine classification, country of origin and value.
- Request guidance from your business' ITC personnel or company legal counsel if you are unsure whether your transaction requires authorization.
- Check the export classification of the product, software, service or technology prior to export and reexport to determine whether any authorization is required. Follow your business' process to ensure jurisdiction and classification are determined prior to export.
- Screen your transactions against all applicable rules that restrict transactions with certain sanctioned countries, persons and prohibited end uses, such as nuclear proliferation, chemical/biological weapons and ballistic missiles.
- Screen all your business partners, suppliers and parties involved in your international transactions against Watchlists. Follow your business' Know Your Customer/Know Your Supplier policies. Ensure that customs brokers, freight forwarders, distributors, and other providers that deal with governments on GE's behalf are subjected to the due diligence process set out in the Implementing Procedures to the Improper Payments policy. Also see the GE policy on Money Laundering Prevention and the Watchlist Screening Guidelines.
- Do not do business with countries subject to GE policy restrictions, such as State Sponsors of Terrorism. A current list of these countries is available from the International Law & Policy website (<http://ilp.corporate.ge.com>).
- Ask counsel or ITC personnel for guidance if your transaction involves a party confirmed to be on a Watchlist to determine whether it is necessary to terminate the transaction and/or notify any government authorities and to avoid concerns about "tipping off" a party of interest.

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- Do not cooperate with any restrictive trade practice or boycott prohibited or penalized under U.S. or applicable local laws, and report any request to provide boycott-related information.
- Consult with Corporate International Law & Policy if your transaction involves a conflict between U.S. law and applicable local laws, such as the laws blocking certain U.S. restrictions adopted by Canada, Mexico and E.U. members.
- Understand who is receiving controlled technical information to ensure you obtain any necessary authorization prior to discussing or transmitting documents.
- Understand when providing services may require government authorization, such as the U.S. requirement to obtain permission prior to providing cross-border military-related “defense services.”
- Carefully watch for warning signs or “red flags” of extraordinary requirements, improper customs clearance, illegal activities or any other violations of this or related GE policies.
- Consider ITC compliance in acquisition due diligence, and where appropriate take action to resolve any identified violations prior to closing.

Penalties for violation:

Employees who violate the spirit or the letter of GE’s policies are subject to disciplinary action up to and including termination of employment. In addition, if laws are violated, employees and/or the company could be subject to criminal penalties (fines or jail time) or civil sanctions (damage awards or fines). GE could also lose the ability to contract with governments and its ability to export. ITC issues can also involve parties and activities that pose significant reputational risks for GE.

What to watch out for

Exports

“Red flags,” which suggest your customer may be attempting to evade ITC laws include:

- Unfamiliar customer without convincing references;
- Unusual transaction for this consignee, customer, end use or location;
- Evasive, reluctant, false, inconsistent or otherwise unsatisfactory answers by a customer to questions about end use, end user, delivery dates or delivery locations;
- Unusually favorable payment terms or willingness to pay in cash;
- Lack of concern for normal training and warranty service;
- Freight forwarder, trading company, shipping company or bank listed as ultimate consignee;
- Abnormal packing, marking or routing of goods or vague/unexpectedly changing terms of delivery;
- Abnormal shipping route for the product and destination;
- Unusual security or safety measures;
- Links to the military that seem inappropriate to the stated business or transaction;
- Involvement of parties related to countries engaged in the development of biological, chemical and nuclear weapons, or ballistic missiles.

Current U.S. sanctions

Q: What countries are currently subject to U.S. sanctions?

A: Consult the GE International Law and Policy website (<http://ilp.corporate.ge.com>) for the current listing of countries subject to U.S. sanctions.

Examples of violations

- Exporting or reexporting products, services or technical information without the required license/authorization from any country that regulates that transaction.
- Transferring controlled technical data to non-U.S. persons inside or outside the United States without required authorization.

- Providing financing to an entity on a government terrorism list, such as those maintained by the United Nations, Australia, Canada, Singapore, the U.S. and other countries.
- Providing, or failing to raise a concern about a request to provide boycott-related information, for example, a request to certify that none of the components of a product are of Israeli origin.

Access to information

- Q:** May I fax, e-mail, or give electronic access to an engineering drawing or other technical information to a GE employee located in another country?
- A:** Check with ITC personnel – if the technical information is export controlled, providing access may require authorization. For example, U.S. technical information may require authorization if it relates to military items (including items modified or adapted for use with military products) or involves technology on the Commerce Control List. ITC personnel can help you identify the classification of the technical information, determine whether a license is required and provide any necessary citations or statements to accompany the transmission. If the employee is located in the United States and is not a U.S. person (e.g., U.S. citizen, permanent resident alien), similar authority may be required.

Imports

- Any payment to the exporter or benefiting the exporter that is not included in the invoice price or otherwise reported to customs officials.
- Transfer prices between related parties that fail to cover all costs and profits.
- Inaccurate or incomplete invoice description of the imported goods.
- An invoice price that does not reflect the full value of the imported goods.
- Inaccurate identification of country of origin (country of manufacture) of the imported goods.
- Use of an import tariff classification that does not seem to describe the imported goods accurately.

Product descriptions and classifications

- Q:** What should I do if I learn that someone is trying to revise the description and classification of an imported product to reduce the rate of duty?
- A:** First consult with your import Coordinator. Customs product classification is subject to interpretation and it is appropriate to review classification decisions as relevant laws and rulings may evolve. However, proper product classification is a requirement of both U.S. and international law. If you are concerned with the proposed resolution of an immediate problem or that there is an adequate process to insure that all products are properly classified, raise your concern with your import coordinator or through the Integrity reporting process.

- Designation of GE as the importer of record (party responsible for an importation) without maintaining necessary processes to comply with import laws.
- Entry of goods under a preferential duty program (GSP, NAFTA, Lomé Convention, ASEAN FTA, return of domestically-manufactured goods, etc.) without supportive procedures assuring compliance with the program's requirements.

Preparing documentation

- Q:** What should I do if I am asked to provide a NAFTA Certificate of Origin?
- A:** You should not execute a NAFTA Certificate or any other document to be submitted to a government unless you are knowledgeable about the program and have been delegated authority to do so. Consult with legal counsel or the person in your business authorized to execute NAFTA certificates.

What leaders must do

- Establish procedures to screen international transactions to comply with the legal requirements of the countries in which you are doing business, U.S. law and GE policies. Understand that requirements from multiple countries may apply to the same transaction.
- Establish procedures to determine classification and jurisdiction for all products, software and technology you manufacture and/or export according to applicable export regulations. Incorporate classification into NPI and sourcing processes.
- Establish physical and information security procedures for your site to ensure no unauthorized foreign national employee or visitor accesses controlled technical information directly or as a “deemed export.”
- Establish processes to ensure the business complies with all applicable recordkeeping requirements.
- Make sure your compliance procedures incorporate tollgates to check whether authorization is required to export the product, service or technology and to check the end user prior to export or reexport.
- Coordinate with information technology/management and other functions to ensure adequate protection of controlled technical information on servers, websites and other electronic tools.
- Understand how U.S. sanctions and GE’s policy not to do business with State Sponsors of Terrorism impact your business.
- Establish procedures to ensure that all GE importations into any jurisdiction are controlled by a responsible party who understands import law requirements and has access to all information needed to ensure that customs declarations are completed accurately. In general, unless local law provides otherwise, GE’s compliance responsibilities may not be delegated to the freight forwarder or import agent.
- Protect GE from potential harm by conducting appropriate due diligence related to international trade controls in potential targets and ensuring that timely integration of compliance processes is a priority for acquisitions. Require controlled affiliates to adopt corresponding policies and encourage affiliated companies, such as minority-owned joint ventures, to follow practices consistent with this policy.
- Appoint a person (or persons) responsible for international compliance for exports, imports, services and transactions to manage these activities:
 - Maintain and communicate the policy and procedures for each business unit consistent with company standards;
 - Establish regular training programs and compliance communications;
 - Appoint and train site coordinators/focal points and technical experts in various business functions;
 - Integrate due diligence measures, tollgates and responses to warning signs of possible policy violations into the compliance program;
 - Manage and monitor transaction and watchlist screening, licensing, reporting and recordkeeping;
 - Ensure accurate export and import classification, valuation, license determination, licensing, documentation and reporting; and
 - Ensure that freight forwarders, carriers and customs house brokers are properly instructed, vetted and trained in accordance with the Improper Payments policy and that forwarders/brokers are authorized as GE agents by power of attorney, as appropriate.
- Consult with GE legal counsel in executing your responsibilities under this policy.

Remedial action

- Consult with the vice president and senior counsel for Corporate International Law & Policy (IL&P) and senior designees in interpreting this policy.
- Coordinate all substantive interactions with government enforcement officials with IL&P.
- Review substantive compliance concerns or possible violations of this policy with business counsel and with IL&P to determine the appropriate company response and disclosure requirements.

Where to learn more

- Your business ITC contact or legal department
- IL&P Website
- Watchlist Compliance and Screening Guidelines
- Importing into the United States, U.S. Customs Publication 504-A
- Customs and Border Protection's Focused Assessment and Importer Self Assessment program documentation

Related policies, procedures and guidelines

- Controllership
- Improper Payments
- Money Laundering Prevention
- Supplier Relationships
- Working with Governments