

A BOARD GUIDE

# Trade & Sanctions

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Export controls, sanctions screening, and cross-border trade compliance

Sanctions screening, export classification and licensing, restricted and denied-party checks, and end-use diligence governing all cross-border transactions

# Why Trade Compliance Matters

One wrong shipment can cost the license to ship at all

## Trading is a privilege

Violations bring fines, forfeiture, criminal penalties, and loss of trade privileges

## Strict, personal liability

The organization stays liable even when brokers or forwarders err on its behalf

## No de minimis on sanctions

Facilitating a prohibited transaction is illegal regardless of the amount

## Five questions per deal

What, who, where, why, and how must be answered before every transaction

## ZERO DE MINIMIS

Facilitating a transaction for a sanctioned party is illegal regardless of the transaction amount

# The Compliance Backbone

Classification, licensing, and screening on every transaction

## Trade classification

Every good, technology, and software item needs accurate classification

## License determination

Decide whether a license is required before any transfer

## Restricted-party screening

Screen customers, vendors, intermediaries, and visitors against prohibited lists

## Sanctions screening

Block dealings with embargoed countries, entities, and listed persons

## End-use diligence

Verify end-user, end-use, and destination to prevent diversion

## Valuation & origin

Declare accurate value and country of origin to customs

# Screening Operations

Continuous, governed screening with regulator reporting

## Board governance

The board retains ultimate responsibility for adopting and maintaining the program

## Screen at onboarding

Capture and screen each customer before the first transaction processes

## Re-screen on change

Re-screen on customer changes and against updated list batches

## Manual review

Potential matches are investigated; accounts suspended pending resolution

## Regulator reporting

Report blocked assets and rejected transactions within deadlines

## Licenses & exceptions

Pursue licenses where permitted; exceptions need assessment and approval

# Restricted-Party Categories

Sanctioned and denied-party categories

Specially designated nationals

Embargoed countries & territories

State-owned enterprises

Debarred / arms-export parties

Nonproliferation-sanctioned parties

Denied & entity-list parties

Non-cooperative jurisdictions

Restricted banks & logistics

## STOP

If a warning signal cannot be resolved, stop the transaction immediately and report it

# Definitions

## **Restricted-party screening**

Verifying a party against government prohibited-party lists before transacting

## **Sanctions**

Government restrictions banning trade with targeted countries, entities, or persons

## **Export classification**

Categorizing an item to determine its export-control and licensing requirements

## **Warning signal**

An abnormal circumstance suggesting possible diversion or prohibited end-use

# Questions the Board Should Ask

A few questions test whether trade risk is controlled

1

**Are all counterparties screened before every deal?**

Screening must be universal, not selective or delayed

2

**Who owns classification and license determination?**

Controlled items must be identified before shipment

3

**How are sanctions hits escalated and reported?**

The program must meet regulator-reporting obligations

4

**Are we exposed to broker or forwarder error?**

Liability persists despite delegated logistics

# Firm Lawyers

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## Matthew Boyden

is a trial lawyer and former federal prosecutor with more than thirty-five years of experience. He represents companies and executives in high-stakes criminal, civil, regulatory, and governance matters, and is regularly engaged where litigation risk, regulatory scrutiny, and institutional exposure intersect. His practice includes federal criminal defense, complex civil litigation, internal investigations, and board-level advisory work, including securities, sanctions and trade controls, anti-corruption, and anti-money laundering.

## Larry Finder

is a trial lawyer and former United States Attorney with more than four decades of experience handling complex criminal, civil, and regulatory matters of national significance. He represents individuals, corporations, and boards confronting serious legal, institutional, and reputational risk. He served in increasingly senior roles at the U.S. Department of Justice, including Chief of the Criminal Division and First Assistant U.S. Attorney, before being appointed United States Attorney for the Southern District of Texas in 1993.

## Ryan McConnell

is a former federal prosecutor and trial lawyer who represents companies, boards, and executives in high-stakes criminal, civil, and governance matters. He has tried nearly twenty federal jury trials and conducted hundreds of investigations involving complex fraud, cross-border enforcement, and sensitive regulatory issues. His practice focuses on federal criminal defense, complex civil litigation, internal investigations, and advising boards and senior executives on matters requiring judgment under pressure.