

International Trade

Our principle

We comply with international trade regulations.

Policy

HOERBIGER complies with international trade regulations. This includes import and export regulations, export controls (sanctions), customs controls and duties, sales tax, transfer pricing and any other trade relevant regulations.

Definitions

Trade regulations apply to all cross-border transactions, as well as transactions between different customs zones within a country. Domestic transactions between a local entity and a foreign national may also fall under international trade regulations or sanctions.

Trade regulations apply broadly to all transfers of goods or services, including tangible and intangible goods, services, technology, know-how (e.g., drawings, designs, advice / consulting), software, digital services, financing, currencies (payments), etc.

Under international trade regulations, many countries also collect statistical information on international trade transactions.

Implementation

HOERBIGER companies shall correctly classify and declare goods and services in customs and shipping documents as well as statistical filings. This includes, but is not limited to, the correct statement of

- seller and buyer,
- product description,
- customs classification,
- origin,
- value,
- destination(s) and transport route, and
- end user / end use.

Export control

HOERBIGER companies shall implement risk-based processes and controls to comply with export control regulations. Export control screenings include several tests and verification procedures:

- Screening against sanction lists: Sanction lists typically identify countries, organizations or persons subject to trade restrictions.
- Review of ownership: Organizations may be deemed sanctioned if they are directly or indirectly controlled by one or more sanctioned entities.
- Sectoral or industry sanctions: Trade with certain industries or economic sectors may be subject to specific regulations or restrictions.
- Dual use goods: A range of products is subject to special trade controls because they may also be used for military or police applications.

HOERBIGER companies shall implement formal procedures to deal with cases where the screening or evaluation processes identify facts or risks that export control regulations may be violated. This includes procedures to block, suspend and terminate a transaction.

Warning signs (red flags) for suspect trade transactions include

- screening software or ownership analysis identify a counter party as listed or blocked,
- customer is not familiar with the industry or products,
- order of unusual quantities or unusual product mix,
- refusal to provide end use or end user information,
- freight forwarder, shipping company, warehousing company or trading company as final destination,
- unusual packaging or marking requirements,
- unusual shipping routes,
- unclear or changing delivery address or delivery dates,
- unusual payment terms or payment methods,
- insistence on secrecy or unusual security and safety measures, and
- delivery destination in or close to areas of military conflicts.

Customs brokers, freight forwarders and transporters

For all export transactions, HOERBIGER companies shall only use professional / licensed customs brokers, freight forwarders and transporters. Contracts shall include appropriate compliance and due diligence obligations, for example anti-corruption and export control provisions.

Record-keeping

HOERBIGER companies shall maintain all documents pertaining to trade transactions in a systematic manner. Preferably, such documents shall be electronically archived along with the sales or purchase order, or invoice.

Information about penalties and fines

Violations of international trade regulations may be severely punished. Even negligent errors in import or export notifications can be subject to substantial monetary fines. Given the high frequency of transactions, even small errors can result in significant financial penalties for the company and the individuals involved. In several countries, serious violations of trade regulations can lead to the imprisonment of a company's employees or officers. Authorities may also revoke trade privileges for a company. Such measures can severely disrupt the supply chain of the business and render the company inoperable.