Explore Global Trade Fundamentals
Compliance at HPE is everyone’s responsibility
**Navigation**

Before you begin, let’s show you how to navigate throughout this course.

Click the back button to return to the previous slide.

To advance to the next slide, click the forward button on the right side of the screen.

The progress bar will show you where you are in the course.
Navigation

Before you begin, let’s show you how to navigate throughout this course.

Click the Resources link to access Global Trade resources and policies.

If you have any problems or questions about this course, click the AskHR link to send an email to the Learning & Development team.

The Legal Disclaimer link will display the legal disclaimers for this course.
A message from Heather Burroughs
Vice President, Global Trade

Welcome to the annual Global Trade awareness training!

After completing this course you will have a better understanding of Global Trade's role in supporting HPE worldwide, ensuring compliance with global trade laws and regulations.

There are three main pillars of global trade laws and regulations:
1. Export
2. Embargoes and Sanctions
3. Customs

These laws govern the transfer of hardware, software, technology and services across borders and applies to nearly all businesses or functions at HPE.

You play an important role in ensuring compliance. Included on the page is a link to our Corporate Policy.

Please take a moment to review the policy and enjoy the training.
Welcome to the annual Global Trade awareness training!

After completing this course, you will have a better understanding of GT’s role and how we support HPE to ensure compliance with global trade laws and regulations.
A message from Heather Burroughs
Vice President, Global Trade

There are three main pillars that govern global trade compliance:

- **Export**
- **Embargoes and Sanctions**
- **Customs**

These laws govern the transfer of hardware, software, technology and services and apply to nearly all businesses and functions at HPE.
You play an important role in ensuring compliance. Included on the page is a link to our Corporate Policy.

Please take a moment to review the policy and enjoy the training.

Our Corporate Policy

Click to learn more.
Global Trade Fundamentals overview

HPE conducts business globally and we need to understand how to do business the right way.

Many countries, including the United States, apply various global trade laws for national security and foreign policy reasons.
Compliance responsibilities at HPE

All HPE employees are responsible for complying with Global Trade laws and regulations. To help ensure compliance, the Global Trade (GT) team provides support as needed:

<table>
<thead>
<tr>
<th>Global Trade</th>
<th>HPE Business Unit/Global Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Sets trade compliance policy and guidelines</td>
<td>- Export &amp; Customs laws apply to nearly every business and global function</td>
</tr>
<tr>
<td>- Manages the Internal Controls Program (ICP)</td>
<td>- Understands and have processes in place to meet HPE Global Trade policies and legal</td>
</tr>
<tr>
<td>- Assigns the Customs (HTS) and Export (ECCN) classification</td>
<td>requirements</td>
</tr>
<tr>
<td>- Executes export screening and licensing controls</td>
<td>- Ensures employees are trained on Global Trade requirements/topics</td>
</tr>
<tr>
<td>- Investigates and remediates incidents of potential noncompliance</td>
<td>- Escalates gaps/issues to Global Trade</td>
</tr>
<tr>
<td>- Advocates for the most favorable position for HPE possible</td>
<td></td>
</tr>
<tr>
<td>- Provides assistance to BU/Global Functions</td>
<td></td>
</tr>
</tbody>
</table>
How do Global Trade laws impact your organization?

Click your function to reveal an example.

- Human Resources
- Sales, Marketing, and other customer-facing teams
- Procurement activity
- Research and Development, Engineering, and other technical personnel
- Manufacturing, Supply Chain, and Logistics
- Global Real Estate and Facilities
- Finance
- IT
- Pointnext Services, Warranty and Technical Support
How do Global Trade laws impact your organization?

Click your function to reveal an example.

**Human Resources**

HPE is legally restricted from hiring a national of an embargoed country without government authorization.

“*The credibility of the HR function is based on trust first. Trust that we will provide the ‘best work environment’ for employees and show ‘uncompromising integrity’ to safeguard the image of the company. Trade compliance [in the hiring process] plays an important role in creating that trust. While we must adhere to global and local trade regulations when employing individuals around the world, these regulations enable us to uphold our belief in a diverse, inclusive and harassment free workplace as cornerstones of the culture of HPE.*”

**Addie Van Rooij**
VP, People Operations
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources

Sales, Marketing, and other customer-facing teams

HPE is legally required to know the destinations, products, and end uses for every transaction. The GT team uses this information to determine export and licensing requirements, helping you know your customer.

“Global Trade provides awareness of the trade controls and requirements associated with countries and parties HPE can do business with and the technology and services we sell.”

Steve Lutz
SVP, Sales Strategy, Planning and Enablement
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources

Sales, Marketing, and other customer-facing teams

Procurement activity

*Global Trade laws impact customs requirements for importing goods and limited sourcing from sanctioned or embargoed countries and/or restricted parties.*

Tax and pricing teams

Warranty and technical support activity
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources
Sales, Marketing, and other customer-facing teams
Procurement activity
Research and Development, Engineering, and other technical personnel

Global Trade laws have a critical impact on how we create products, starting with how we share technology as it may require government approval, even between HPE employees.

Additionally, the New Product Introduction process requires you to work directly with the GT team, giving them the critical details they need to for impact and export classifications.
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources
Sales, Marketing, and other customer-facing teams
Procurement activity
Research and Development, Engineering, and other technical personnel

Manufacturing, Supply Chain, and Logistics

Global Trade laws drive the Export and Customs requirements for the physical movement of product across borders.

“HPE’s Global Supply Chain plays a critical role in safeguarding HPE’s competitive advantage in a global marketplace. We depend on Global Trade’s training and Internal Control Program to assure we conform to the global import laws and regulations.”

Cliff Henson
SVP Global Supply Chain
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources

Global Trade laws impact non-commercial shipment requirements, shipped through Global Real Estate (REWS).

Global Real Estate and Facilities

Finance

IT

Tax and pricing teams

Warranty and technical support activity
How do Global Trade laws impact your organization?

Click your function to reveal an example.

HPE is required to review financial transactions to ensure we are not conducting business with restricted parties or sanctioned/embargoed countries. GT works to review opportunities to unblock assets and funds when customers/partners are impacted by sanctions, ensuring HPE recovers fees for services and products.

Additionally, Global Trade laws define customs valuation rules for intercompany pricing. The GT team is available to support to consult on import shipments where transactional values are not defined.

“Credit & Collections is committed to ensuring that HPE wins the right way, which requires that we understand and respect all legal restrictions that impact which individuals and companies we are allowed to transact business with. Global Trade provides an invaluable service in guiding us appropriately in this area.”

Rob Diluglio
VP, Credit & Collections

Finance

Tax and pricing teams

Warranty and technical support activity
How do Global Trade laws impact your organization?

Click your function to reveal an example.

Human Resources

Sales, Marketing, and other customer-facing teams

Global Trade laws and regulations drives how HPE integrates and implements:

- Trade compliance controls into IT systems and tools
- Overseas asset production

IT

Tax and pricing teams

Warranty and technical support activity
How do Global Trade laws impact your organization?

Click your function to reveal an example.

- Human Resources
- Sales, Marketing, and other customer-facing teams
- Procurement activity
- Research and Development, Engineering, and other technical personnel
- Manufacturing, Supply Chain, and Logistics
- Global Real Estate and Facilities
- Finance
- Tax and pricing teams
- Warranty and technical support activity

Global Trade laws define customs valuation rules for intercompany pricing.

Tax and pricing teams
How do Global Trade laws impact your organization?

Click your function to reveal an example.

HPE cannot provide or offer warranty and tech support to restricted parties or customers/products in sanctioned countries.

“Global Trade and other compliance programs are fundamental to a successful business operation. When we adhere to Global Trade requirements, such as properly checking the Restricted Parties List, we protect HPE, our customers, and the countries where we conduct business.”

Kelly Ducourty,

Pointnext Services, Warranty and Technical Support
Explore HPE Global Trade Fundamentals

Select your function* to proceed

Global Trade
Global Real Estate & Facilities
HPE Financial Services
Human Resources
IT
Manufacturing, Supply Chain & Logistics
Marketing
Other Technical Personnel
Procurement
Product Design
R&D and Engineering
Sales, Order Management, Sales Ops
Pointnext Services, Warranty & Support
Finance

*Legal employees: take the course best aligned with your client base.
Export Controls & Sanctions
Export Controls

As a US-based company, HPE must comply with US export control and sanctions laws worldwide, as well as the national laws applicable to transactions taking place outside the United States.

Export Control laws regulate exports and transfers of products and technology. This includes physical shipments and intangible transfers such as software and technology transferred digitally or exchanged orally or via documents.
**Restricted Party List (RPL)**

Compiled by Governments and HPE, the Restricted Party List (RPL) is a list of persons, companies, and entities that may be blocked from doing business with HPE.

**What?**
- Government agencies

**Why?**
- Ensure compliance
- Avoid business with dangerous entities or persons

**How?**
- Customers
- Suppliers
- Companies

**More information**
- RPL Website
- Ask an Expert
Compiled by Government and HPE, the Restricted Party List (RPL) is a list of persons, companies, and entities that may be blocked from doing business with HPE.

Global Trade manages the RPL screening process centrally across HPE.

HPE is required to ensure we do not sell, lease, procure, have financial transaction with or otherwise transfer any item or engage in any transaction (including internet downloads) with a party listed on the RPL.
Restricted Party List (RPL)

Compiled by Government and HPE, the Restricted Party List (RPL) is a list of persons, companies, and entities that may be blocked from doing business with HPE.

HPE cannot provide false information or make changes in order to avoid RPL Screening. All blocked transactions should be kept on hold until direction is provided by Global Trade.
In April 2018, the US imposed a Denial Order against Zhongxing Telecommunications Equipment Corporation (ZTE).

As a result, restrictions were placed on nearly all facets of HPE’s business relationships with ZTE.

Click here to see more alerts.
Non-Proliferation Screening (NPS) is a screening process used to prevent HPE products/technology from being used in the development of missiles, chemical and biological weapons, nuclear weapons, or unsafeguarded nuclear programs. Such end uses are subject to tighter restrictions.
Non-Proliferation Screening (NPS)

Non-Proliferation Screening (NPS) is a screening process used to prevent HPE products/technology from being used in the development of missiles, chemical and biological weapons, nuclear weapons, or unsafeguarded nuclear programs. Such end uses are subject to tighter restrictions.

Sales of HPE products and services to end users involved in proliferation activities may:
1. Require a government approval
2. Be prohibited entirely
Non-Proliferation Screening (NPS) is a screening process used to prevent HPE products/technology from being used in the development of missiles, chemical and biological weapons, nuclear weapons, or unsafeguarded nuclear programs. Such end uses are subject to tighter restrictions. You are responsible for completing the Non-proliferation Screening process.
Non-Proliferation Screening (NPS) is a screening process used to prevent HPE products/technology from being used in the development of missiles, chemical and biological weapons, nuclear weapons, or unsafeguarded nuclear programs. Such end uses are subject to tighter restrictions.

Transactions with proliferation entities will go on RPL hold for further review by Global Trade.
Embargoes and Sanctions

Sanctions laws target specific persons, companies, governments or other entities with measures that block HPE and others from doing business with them. When an entire country’s economy and government are sanctioned, this is called an Embargo.

Sales to Sanctioned parties, anywhere in the world, and to Embargoed countries may be totally prohibited for HPE.

You are responsible for:
Embargoes and Sanctions

Sanctions laws target specific persons, companies, governments or other entities with measures that block HPE and others from doing business with them. When an entire country's economy and government are sanctioned, this is called an Embargo.

Sales to Sanctioned parties, anywhere in the world, and to Embargoed countries may be totally prohibited for HPE.

You are responsible for:
Knowing the end user and destination country where our products, services, and/or technology are being shipped or used.
Sanctions laws target specific persons, companies, governments or other entities with measures that block HPE and others from doing business with them. When an entire country's economy and government are sanctioned, this is called an Embargo.

Sales to Sanctioned parties, anywhere in the world, and to Embargoed countries may be totally prohibited for HPE.

You are responsible for:
Ensuring that any HPE portal providing support does not allow embargoed or sanctioned countries or entities to download material.
Embargoes and Sanctions

Explore the graphic to learn more.

Sales to some countries may be totally prohibited because of an embargo.

Sanctions may prevent HPE from undertaking in any type of dealing/financial transactions with targeted countries or entities, unless authorized by sanctions regulators—which is extremely rare.

You are responsible for:

Click to see a sanction alert

In April 2018, The U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) added 26 individuals and 15 entities from Russia to the OFAC Specially Designated National (SDN) List along with an update to the OFAC Sectoral Sanctions Identifications (SSI) List. This resulted in changes to HPE’s ability to do business with these individuals or entities.

Click here to see more alerts
Knowledge check

Read the following scenario and then select the best response in this situation.
Knowledge check

Brianna, a salesperson for HPE, has given a sales presentation to GlobalEarth, a foreign recycling company. She asks how the product will be used. Doug, her customer explains that all the hardware will be used to track their country of origin and destination recycling shipments. Doug signs the order. The following day, Brianna receives the order and notices that GlobalEarth is listed as the buyer, but that the equipment is to be shipped to another company called Metal Savers in a different country. Doug had never mentioned this to her in their meeting.
Knowledge check

What should she do?

- Research Metal Savers to see if they are connected to GlobalEarth. If they are affiliated, then go forward with completing the order for shipping.

- Contact GlobalEarth and get more information regarding the shipping destination. If satisfied with their response, complete the order.

- Contact the Global Trade team to assist with learning more about where GlobalEarth and Metal Savers does business. Until she gets approval, put the order on hold.
Knowledge check

What should she do?

- Research Metal Savers and check if they are affiliated to GlobalEarth.
- If affiliated, complete the order.
- If not affiliated, contact GlobalEarth for more information.
- If satisfied with their response, complete the order.
- Contact the Global Trade team to learn more about businesses and how they do business.
- Until approval is given, put the order on hold.

Correct!

The Global Trade team is here for the purpose of ensuring we all stay in compliance with current regulations that affect whom we do business with and how we do business.
Knowledge check

What should she do?

- Research Metal Savers to see if they are connected to GlobalEarth. If they are affiliated, then go forward with completing the order for shipping.
- Contact GlobalEarth and get more information regarding the shipping destination. If satisfied with their response, complete the order.
- Contact the Global Trade team to assist with learning more about where GlobalEarth and Metal Savers does business. Until she gets approval, put the order on hold.

You are incorrect.

While it is appropriate to reach out to your customer for clarifications, there may be more specific information you need to discover or are unaware of. If unsure of your customer’s intentions, the best course of action is to reach out to the Global Trade team for guidance.

Try again
Knowledge check

What should she do?

- Research Metal Savers to see if they are affiliated with GlobalEarth. If they are, then go forward with completing the order for shipping.
- Contact GlobalEarth and get more information regarding the shipping destination. If satisfied with their response, complete the order.
- Contact the Global Trade team to assist with learning more about where GlobalEarth and Metal Savers does business. Until she gets approval, put the order on hold.

You are incorrect.

It is always a good idea to research the companies you do business with. However, when there is an inconsistency with a buyer and shipping destination, this may be a risk indicator that the HPE hardware will be exported improperly if the order is fulfilled.

Try again
Knowledge check

You are completing a Non-Proliferation screening form for a new customer that is a Russian missile manufacturer.

What can you expect to happen with the transaction?

- The order will go on hold pending additional review by the Global Trade Team.
- The order could require government approval (license).
- The order could be prohibited.
- All of the above
Knowledge check

You are completing a Non-Proliferation screening form for a new customer that is a Russian missile manufacturer.

What can you expect to happen with the transaction?

- The order will go on hold pending additional review by the Global Trade Team.
- The order could require government approval (license).
- The order could be prohibited.
- All of the above

You are incorrect.

All of these things can be expected to happen with the transaction.

Try again
Knowledge check

You are completing a Non-Proliferation screening form for a new customer that is a Russian missile manufacturer.

What can you expect to happen with the transaction?

- The order will go on hold pending additional review by the Global Trade Team.
- The order could require government approval (license).
- The order could be prohibited.
- All of the above

Correct!

All of these things can be expected to happen with the transaction.

Continue
Explore HPE Global Trade Fundamentals

Click Export Licensing to continue.

Export Controls & Sanctions
- Restricted Party List
- Non Proliferation Screening
- Embargoes & Sanctions

Export Licensing
- Exporter of Record
- Export Control Classification Number
- Know Your Customers

Technology Transfer
- Deemed Exports
- Visitors, Training & Hiring

Other Export Controls
- Contract Terms and Conditions
- Diversion Risks
- Boycotts
- Primary Boycotts

© 2019 Hewlett Packard Enterprise Development V2
Export licensing

Export license requirements are defined by US and local country regulations. The Global Trade team reviews the destination country, end use, end user, and Export Control Classification Number (ECCN) of the product or technology in determining the export license required.
Export licensing

Export license requirements are defined by the US and local country regulations. The destination country, end-use and/or end user, and Export Control Classification Number (ECCN) of the product or technology are all considered.

You're responsible for providing Global Trade with the information needed to obtain an export license. Depending on the product, this could include end user statements and contracts. Global Trade will then submit and manage the export licensing request.

Click to see an export licensing alert
Export licensing
Export license requirements are defined by the US and local country regulations. The destination country, end-use and/or end user, and Export Control Classification Number (ECCN) of the product or technology are all considered.

Global Trade Communications
Global Trade Alert: Dutch Export Licensing Changes – Updated Effective Date of February 9th, 2018

To: WW GT and Business Partners

Background
Global Trade was notified by the Dutch Ministry of Foreign Affairs on Monday, February 5th, 2018 that the changes referenced in the GT alerts sent on February 1, 2018 will go into effect at 5pm PT on Friday, February 9th, 2018, instead of the originally notified date of Friday, February 16th, 2018. Due to administrative processes to enable country licenses, there are 12 countries that may be impacted.

In February of 2018, The Netherlands made changes to export licensing regulations which impacted controlled product shipping out of the HPE hubs in Czech Republic or Netherlands. As a result, HPE had a change in documentation requirements to support exports.

Click here to see more alerts
Exporter of record (EOR)

In most countries, the party that is legally responsible for compliance with Export controls and Sanctions regulations is called the Exporter of Record (EOR). The EOR is responsible for all export documentation.

HPE remains the EOR even when using third-party vendors to assist with export clearances.

Export documentation can include:

- An invoice, which must include a Destination Control Statement advising the buyer that US and EU Export Controls, if applicable, apply to the resale of the product
- Packing list
- Bill of lading
**Export Control Classification Number (ECCN)**

The Export Control Classification Number (ECCN) is used to identify export requirements. It is a critical piece of information when determining the application of export controls.

Some HPE products contain cryptography which plays a role in determining the product’s ECCN.

The Global Trade team owns the process and responsibilities for export classification. Products are classified during the New Product/Service Introduction (NPI/NSI).
Export Control Classification Number (ECCN)

The Export Control Classification Number (ECCN) is used to identify export requirements. It is a critical piece of information when determining the application of export controls.

Some HPE products contain cryptography which plays a role in determining the product’s ECCN.

What is Cryptography?

Cryptography is the “art and science” of keeping information secure from unintended audiences. It helps maintain the integrity and confidentiality of our data. With the need for security and authentication techniques growing in a global economy it is important to recognize the HPE products that contain Cryptography.

The Global Trade team owns the process and responsibilities for export classification. Products are classified during the New Product/Service Introduction (NPI/NSI).
Knowing your customers plays a major role in Global Trade Compliance

HPE is legally required to know:

- **Who** we are doing business with
- **What** they are doing with the products and services
- **Where** activities with those products and services will take place

HPE employees who work with potential customers should be alert to suspicious inquiries and transactions.
**Knowledge check**

*What are all of the factors that determine whether an Export license is needed?*

- Destination country and ECCN
- ECCN and end user
- Destination country and end use, end user (government/military) and ECCN

Submit
What are all of the factors that determine whether an Export license is needed?

- Destination country
- ECCN and end user
- Destination country and end use, end user (government/military) and ECCN

You are incorrect.

The ECCN and end user are just two of the three factors the Global Trade team considers when determining whether an export license is required.
Knowledge check

What are all of the factors that determine whether an export license is needed?

- Destination country and ECCN
- ECCN and end user (government/military)
- Destination country and end use, end user (government/military) and ECCN

Submit

You are incorrect.

The destination country and ECCN are just two of three factors the Global Trade team considers when determining whether an export license is required.

Try again
Knowledge check

What are all of the factors that determine whether an Export license is needed?

- Destination country and ECCN
- ECCN and end user
- Destination country and end use, end user (government/military) and ECCN

Good job!

The Global Trade team uses the destination country, end use, end user, and ECCN of the product or technology when determining what license is required. You are responsible for providing the team with the information that they need to complete the process.

Continue
**Export-controlled information/technology transfer**

At HPE, we share *intangible* and *tangible* information about our research and development, manufacturing, assembly, procurement and other supporting functions.

While we typically think of an export as material “leaving” a country, sharing export controlled *information and/or technology* with a *foreign national* may be “deemed” an export to their home country.

*You are required to consult with Global Trade* anytime you work with export controlled *information and/or technologies*. Both tangible and intangible information may be subject to regulation.
What are Deemed Exports?

Tangible vs. Intangible Information

Export-controlled information/technology transfer

At HPE, we constantly share **intangible** and **tangible** information about our research, procurement, and other supporting functions throughout the day. While we typically think of an export as material "leaving" a country, sharing export controlled information and/or technology with a foreign national may be "deemed" an export to their country. Because we are a global company, it is critical that we consider this when working with employees and partners around the world.

You are required to consult with Global Trade anytime you work with export controlled information and/or technologies. This is critical as both tangible and intangible information may be subject to regulation.

Under US Law, a **foreign national** is a person who is not one of the following:
- A US citizen
- Permanent resident alien (Green Card Holders)
- Asylee
- Refugee

Examples of foreign nationals include:
- Any person in the U.S. with a non-immigrant status such as international students, visiting scholars, or residing on a skilled visa such as an H1B1
Export-controlled information/technology transfer

At HPE, we constantly share intangible and tangible information about our research and development, manufacturing, assembly, procurement and other supporting functions throughout the day.

What are Deemed Exports?

Tangible information is captured in written, electronic, or physical forms. This can include operating manuals, schematics, manufacturing process documents, technical information, research, and/or data.

Intangible information has no physical form. This can include information heard at an educational event, from technical support as well as “know how” you have discussed.

You are required to consult with Global Trade anytime you work with export controlled information and/or technologies. This is critical as both tangible and intangible information may be “deemed” an export to a their country.

Because we are a global company, it is critical that we consider this when working with employees and partners around the world.

What do we mean by “Foreign Nationals?”

Tangible vs Intangible Information

What are Deemed Exports?
A **deemed export** is the release of controlled technology or information to a foreign national visiting the US. This could include visiting students, business people, scholars, researchers, technical experts, salespeople, military personnel and/or diplomats, etc. Examples of common violations of the deemed export rule include:

- Giving a foreign national access to controlled data on a restricted server
- Giving a foreign national direct access to controlled information

HPE must obtain an export license before “releasing” controlled technology or information to a foreign national.

There may be cases of deemed re-export outside of the US. Contact Global Trade if you have questions.
Visitors, Training and Hiring (VTH)

HPE’s Visitors, Training and Hiring (VTH) process prevents the release of restricted technology and information to foreign nationals and restricted parties. Anyone in HPE can host a foreign visitor.
Visitors, Training and Hiring (VTH)

HPE's Visitors, Training and Hiring (VTH) process prevents the release of restricted technology and information to foreign nationals and restricted parties. Anyone in HPE can host a foreign visitor. After you notify your manager, you are required to enroll in GT VTH training before hosting an outside visitor.
Visitors, Training and Hiring (VTH)

HPE’s Visitors, Training and Hiring (VTH) process prevents the release of restricted technology and information to foreign nationals and restricted parties. Anyone in HPE can host a foreign visitor.

When sharing controlled technology or information, you must use due diligence in understanding to whom the information/technology is being released.

This includes collecting information that will help Global Trade determine whether an individual is a restricted national.
Visitors, Training and Hiring (VTH)

HPE’s Visitors, Training and Hiring (VTH) process prevents the release of restricted technology and information to foreign nationals and restricted parties. Anyone in HPE can host a foreign visitor.

As part of due diligence, ensure that all completed VTH forms are in place prior to a visit, training event, or hiring of a foreign national.
Visitors, Training and Hiring (VTH)

HPE’s Visitors, Training and Hiring (VTH) process prevents the release of restricted technology and information to foreign nationals and restricted parties. Anyone in HPE can host a foreign visitor.

Incorporating VTH requirements within operational procedures
**VTH: Manager responsibility**

*People Managers are responsible for:*

- Knowing and understanding VTH policies and procedures
- Working with HR during the hiring process (especially for restricted national applicants)
- Providing oversight when hosting outside visitors
- Managing, hosting, or sending restricted national employees for training or visiting at other HPE sites

**ATTENTION:** Managers visit the [Global Trade Visiting, Training and Hiring](#) pathway to see the modules available for VTH Training.
VTH: Manager responsibility - Outside visitors

Anyone at HPE can host foreign visitors.

As a people manager you must ensure that the GT VTH process is followed. [Click here for additional details.]
Knowledge check

True or False: Government controls exist for technology exports as well as product (physical) exports.

- True
- False
True or False: Government controls exist for technology exports as well as product (physical) exports.

**Good job!**

Government controls exist for technology exports as well as product (physical) exports.
Knowledge check

**True or False:** Government controls exist for technology exports as well as product (physical) exports.

- True
- False

Incorrect.

Try again
Knowledge check

True or False: When you discuss technology with a foreign national this could be considered an export to the foreign national's home country.

- True
- False

Submit
Knowledge check

True or False: When you discuss technology with a foreign national this could be considered an export to the foreign national’s home country.

Good job!

Government controls exist for technology exports as well as product (physical) exports.
Knowledge check

True or False: When you discuss technology with a foreign national this could be considered an export to the foreign national's home country.

Incorrect.

Try again
Explore HPE Global Trade Fundamentals

Click Other Export Controls to continue:

Export Controls

- Restricted Party List
- Non Proliferation Screening
- Embargoes & Sanctions
- Export Licensing
- Exporter of Record
- Export Control Classification Number
- Know Your Customers
- Technology Transfer
- Deemed Exports
- Visitors, Training & Hiring

Other Export Controls

- Contract Terms and Conditions
- Diversion Risks
- Boycotts
- Primary Boycotts
**Contract terms and conditions**

There are standard Global Trade terms and conditions that must be included in all contracts/agreements.

If you are involved in contract negotiations with customers and business partners you are responsible for knowing those standard terms and conditions.

If you see any non-standard language, ask Global Trade and Global Trade legal council for approval.
Diversion risk

A diversion occurs when a partner or customer exports or reexports an HPE commodity, software or technology to an end user, end use, or location that is prohibited by applicable export regulations. HPE Business Units and Global Functions must not engage in a business transaction where there may be a risk of diversion.

What does this mean for you?

Exercise due diligence when dealing with customers to ensure that exports and re-exports of commodities and technology are not used for or diverted to prohibited end users, end uses, or locations.

Promptly escalate any and all business transactions that indicate a potential diversion risk. These must be placed on export hold for Global Trade review.

Be alert for any transaction, information request, or unusual delivery instructions that appear to be abnormal or that may signal a potential diversion.

Retain all business records with diversion risks for audit purposes.

To determine what action is required when you have a potential diversion concern, refer to the Diversion Risk Escalation Procedure.
Boycotts

The U.S. maintains a set of anti-boycott laws that require US companies to refuse to participate in foreign boycotts that the US government does not support.

These laws prohibit US companies from implementing foreign policies of other nations that run counter to US policy such as contracts and agreements that require discrimination against other people or countries.
HPE cannot engage in a boycott

HPE is required to identify, reject, and report certain boycott-related requests to the US Government, which include requests to:

- Discriminate against other persons based on race, religion, sex, national origin or nationality
- Furnish information about business relationships with or a boycotted country or its companies
- Furnish information about the race, religion, sex, or national origin or nationality of another person

If you receive any boycott-related requests, please engage Global Trade for guidance.
Several countries maintain “primary boycotts” against another country. These boycotts ban both the selling and importing of goods from one country to another. These primary boycotts can be unilateral (one country against the other) or mutual (each country enforces the boycott against the other.)

Countries with boycotts include:

- Arab League Nations – Israel
- Malaysia – Israel
- India – Pakistan
- Ethiopia – Eritrea
- China – Taiwan
- Bahrain – Bangladesh
- Oman-Qatar – Saudi Arabia

**HPE cannot legally enter into an agreement with a supplier who requires us to support a boycott. If you see this type of language in an agreement, always escalate it to the Global Trade Export Policy Manager for review.**
Knowledge check

You are a salesperson working with a customer who is interested in purchasing 30 HPE Superdome X servers. This is a new customer and through your research you discover that the customer has 3 employees and one small warehouse. During a conversation with the customer, you ask about the intended use for the servers. The customer gives a vague response and attempts to quickly change the subject.

Should you:

- Proceed with the deal.

- Put the order on hold and flag the transaction for Global Trade review. An order for 30 high end super computers for an operation with only 3 employees and a small warehouse seems inappropriate. Additionally, the customer’s vague response and need to change the subject when asked about the end use raised red flags.
Knowledge check

You are a salesperson working with a customer who is interested in purchasing 30 HPE Superdome X servers. During your conversation with the customer, you discover that the customer has 3 employees and one small warehouse, and at the end of your conversation, the customer gives a vague response and attempts to change the subject when asked about the end use for the servers.

Should you:

- Proceed with the order as is.
- Put the order on hold and flag the transaction for Global Trade review. An order for 30 high end super computers for an operation with only 3 employees and a small warehouse seems inappropriate. Additionally, the customer’s vague response and need to change the subject when asked about the end use raised red flags.
You are a salesperson working with a customer who is interested in purchasing 30 HPE Superdome X servers. Through your research, you discover that the customer has 3 employees and one small warehouse. During a conversation with the customer, you ask about the intended use for the servers. The customer gives a vague response and attempts to quickly change the subject. An order for 30 high end supercomputers for an operation with only 3 employees and a small warehouse seems inappropriate. Additionally, the customer’s vague response and need to change the subject raised red flags.

Should you:

- Proceed with the deal.
- Put the order on hold and flag the transaction for Global Trade review.

Incorrect.
Good work! You have completed the Export Controls section. For more information see the [HPE Global Trade Resource page](#).
Now that you have gained a stronger understanding of the Export Controls of Global Trade, let’s look at Customs Controls.
Customs Controls
Customs compliance at HPE

As a global company, HPE is subject to international laws and regulations.

Customs regulations establish the requirements HPE must meet to import goods into every country where we sell our products.
This section will give you an understanding of Customs Controls.

Click Importer of Record to continue.
In most countries, the party that is legally responsible for compliance with Customs regulations and the supervision of Customs brokers is called the Importer of Record (IOR). IOR responsibility is critical as it defines the party that is directly responsible for Customs activities.

What does this mean for HPE?
Importer of Record

In most countries, the party that is legally responsible for compliance with Customs regulations and the supervision of Customs brokers is called the Importer of Record (IOR). IOR responsibility is critical as it defines the party that is directly responsible for Customs activities.

What does this mean for HPE?

HPE is the IOR when HPE local entities purchase and import products for future sale in local markets.
In most countries, the party that is legally responsible for compliance with Customs regulations and the supervision of Customs brokers is called the Importer of Record (IOR). IOR responsibility is critical as it defines the party that is directly responsible for Customs activities.

What does this mean for HPE?

HPE remains the IOR even when using third-party vendors and customs brokers.
In most countries, the party that is legally responsible for compliance with Customs regulations and the supervision of Customs brokers is called the Importer of Record (IOR). IOR responsibility is critical as it defines the party that is directly responsible for Customs activities.

**What does this mean for HPE?**

**Importers of Record**

Certain documents are required for Customs clearance:

- Customs Invoice (click for more information)
- Packing list/Bill of lading
- Certificate of Origin
- Country specific requirements
**Customs invoice requirements**

Please review the following types of documentation and invoice requirements.

**Invoice requirements for Customs clearance:**

- Plain language description of the products
- Value for Customs duty assessment purposes cannot be zero dollars or any other arbitrary amount
- HTS Classification
- Country of Origin
- Currency
- Incoterms
- Country Specific requirements – local language, physical paperwork, specific ink color for signatures
Sample invoice

Critical areas for customs clearance are highlighted.
Knowledge check

You discover that a shipment of servers contained the incorrect duty valuation. After further research, you see that the Customs broker used an arbitrary valuation on the customs declaration.

Who will be held responsible for the mistake?

- The Customs broker. The incorrect valuation was their mistake.
- HPE. As the Importer of Record, is responsible for ensuring all goods are appropriately valued and declared to Customs.
Knowledge check

You discover that a shipment of servers contained the incorrect duty valuation. After further research, you see that the Customs broker used an arbitrary valuation on the customs declaration.

Who will be held responsible for the mistake?

- The Customs broker.
- HPE. As the Importer of Record, is responsible for ensuring all goods are appropriately valued and declared to Customs.

Good job!

The IOR is responsible for ensuring that all goods are properly documented, valued, and paid for.

This is the case even when HPE uses a Customs broker.

Submit
Knowledge check

You discover that a shipment of servers contained the incorrect duty valuation. After further research, you see that the Customs broker used an arbitrary valuation on the customs declaration.

**Who will be held responsible for the mistake?**

- The Customs broker
- HPE. As the Importer of Record (IOR), HPE is responsible for ensuring that all goods are properly documented, valued, and paid for.

Incorrect.

**HPE remains the IOR who is responsible for ensuring that all goods are properly documented, valued, and paid for.**

This is the case even when HPE uses a Customs broker.

Try again
Knowledge check

Choose which documents are required for Customs clearance.
(Select all that apply.)

- [x] Customs invoice
- [x] Packing list/Bill of lading
- [x] Country specific requirements

Submit
Incorrect.

Review the choices and try again.
Incorrect.

All of these documents are required for Customs clearance.

Continue

Submit
Choose which documents are required for Customs clearance.

(Select all that apply.)

- ✔ Customs invoice
- ✔ Packing list/Bill of lading
- ✔ Country specific requirements

That’s right!

All of these documents are required for Customs clearance.

Continue
Click Determining Duty to continue.
Determining duty

Customs Duty is a **tariff** or **tax** imposed on goods when transported across international borders. Assessment of duty is based on three factors:

Click each to learn more.

1. **HTS Classification**
   What is the product?

2. **Customs Value**
   What is the value?

3. **Country of Origin**
   Where is it made?
Determining duty: HTS Classification

The Harmonized Tariff Schedule (HTS) is a code that describes the physical characteristics, fit, form, and function of a part or product. Business units are responsible for providing information to Global Trade in order to obtain an HTS classification.

During HPE’s new product introduction (NPI) process, a SKU or service is set up. As part of that process, business units provide information to Global Trade who is responsible for assigning every single physical commodity and software product an HTS classification prior to initial shipment.
Determining duty: HTS Classification Process

In order to assign an HTS classification, Global Trade obtains information such as material specification documents and the following information:

- What does the product do?
- How is the product being used?
- How many/what different functions can the product perform?
- Is the product a part of another product? If so, what product?
- What is the material composition of the product?
Determining duty: Customs Valuation

Customs value represents the total value of a product used to determine duty owed.

HPE determines customs value by following the transactional valuation methodology.

Transactional value refers to the actual price paid/payable by the buyer in the importing country to the foreign seller.

If no valid transactional value is available by the time of Customs clearance, alternate valuation methods based on the producer’s cost or importer’s sales price will apply.

Note that adjustments to the Customs value may apply regardless of the valuation method used to account for costs or adjustments that are not reflected in the selling price.
Determining duty: Ensuring proper valuations

As an HPE employee, you can help ensure proper valuations by:

- Looking for errors on invoices or reports that may indicate a transactional value error

- Providing audit support as requested. HPE can be subject to Customs audits that often focus on our transaction values

- Consulting with HPE GT for any import shipments for which there is no transactional value assigned according to related Accounting and Finance Manual (AFM) policies or GT guidelines
Determining duty: Ensuring proper valuations

As an HPE employee, you can help ensure proper valuations by:

- Looking for errors on invoices or reports that may indicate a transactional value error
- Providing audit support as requested. HPE can be subject to Customs audits that often focus on our transaction values
- Consulting with HPE GT for any import shipments for which there is no transactional value assigned according to related Accounting and Finance Manual (AFM) policies or GT guidelines

HPE GT requires support from Finance (including Tax, Controllership and BU Finance), Sales Operations, IT, Office of General Counsel and other stakeholders to obtain the best outcomes during Customs audits.
Determining duty: Adjustments to value

Valuation rules used in most countries require or allow adjustments to the Customs value.

**Adjustments can include:**

- Fees – certain commissions/brokerage
- Cost of containers
- Cost of packaging – labor/materials
- Assists - Products and services supplied by the buyer free of charge or at reduced cost for use in the production of the imported products
- Royalties - Royalties or licensing fees related to the sale of imported products that the buyer must pay for as a condition of buying and importing the product
- Transportation charges

Consult Global Trade if you have questions about adjustments to value.
Determining Duty: Country of Origin

Country of Origin (CoO) is the country where a product is wholly manufactured or produced.
Country of Origin (CoO) is the country where a product is wholly manufactured or produced.

For hardware products that are processed in two or more countries, the CoO is the place where the goods were last substantially transformed.
Determining Duty: Country of Origin

Country of Origin (CoO) is the country where a product is wholly manufactured or produced.

Software CoO can be determined by the location where it is:
- Recorded or burned onto the storage media
- Developed
- The final software build site depending on the country and type of sale
Country of Origin (CoO) is the country where a product is wholly manufactured or produced.

Many countries, including the US, have CoO requirements for public sector sales. This affects the duty rates, trade agreements, sanctions and quotas.
Country of Origin (CoO) is the country where a product is wholly manufactured or produced.

Customs regulations require legible and permanent CoO marking.
Knowledge check

What questions will Global Trade ask to assign the HTS Classification?
(Select all that apply.)

- What does the product do?
- How is the product being used?
- How many/what different functions can the product perform?
- Is the product a part of another product? If so, what product?
- What is the destination country for the product?
- What is the material composition of the product?
Knowledge check

What does the product do?
How much does the product cost?
How is the product being used?
How many/what different functions can the product perform?
Is the product a part of another product? If so, what product?
What is the destination country for the product?
What is the material composition of the product?

What questions will Global Trade ask to assign the HTS Classification?
(Select all that apply.)

Submit

Incorrect.
Review the choices and try again.

Try again
Incorrect.

Global Trade will ask the following to assign the HTS Classification:
- What does the product do?
- How is the product being used?
- How many/what different functions can the product perform?
- Is the product a part of another product? If so, what product?
- What is the material composition of the product?
Good job!

These are all the questions Global Trade will ask to assign the HTS Classification.

Continue
Knowledge check

If a hardware product is processed in two or more countries where is the Country of Origin determined to be from?

- The first country the goods are processed in
- The country the goods ship from
- The country where the goods were last substantially transformed

Submit
If a hardware product is processed in two or more countries, the Country of Origin (CoO) is determined to be the place where the goods were last substantially transformed.
Knowledge Check

The first country the goods are processed in
The country the goods ship from
The country where the goods were last substantially transformed

If a hardware product is processed in two or more countries where is the Country of Origin determined to be from?

Submit

Good job!

If the hardware is processed in two or more countries, the CoO is the place where the goods were last substantially transformed.

Continue
Good work! You have completed the Customs Controls section.

For more information see the HPE Global Trade Resource page.

Continue to Closing
HPEFS – Why is screening necessary?

The U.S. government and other national governments are concerned with the illegal export and diversion of products, services and technology. Screening is therefore necessary to ensure all business is conducted in compliance with applicable trade regulations. Screening applies to all businesses/functional areas.

The HPEFS affected areas of the business are:

- In-country leasing and financing transactions
- In-country end-of-lease re-marketing transactions
- Cross-border transactions
- All other transactions including:
  - Consulting services
  - Purchases
  - Employment
RPL Screening Procedure – Leasing or Financing Transactions

- RPL validations for customers, suppliers, guarantors and their contacts at lease origination will be done under the **RPL Semi-Automated Screening Process**, which is reconciled and managed by Global Financial Solutions (GFS), formerly known as Global Business Services.

- For the customers where its credit line is not auto-decisioned, Credit Analysts will complete the compliance section of the Credit Write-Up and Reseller Templates for GFS to identify officers, directors, and major shareholders provided during the normal course of business for the credit decision process.
RPL Screening – Portfolio Procedures

- For existing customers, the Delivery Support Specialist (DSS LC) team will continue to reconcile RPL validations twice a month from the information available in Pyramid.

- If there is an Exact Match, an escalation will be sent to Customer Delivery, Legal and Credit. The customer will be blocked and no additional transactions or portfolio management activity (including the exercise of a purchase option or the extension or renewal of a lease) will be allowed until the customer has been cleared by Legal.
RPL Screening – Asset Management Procedures

- The RPL Semi-Automated Screening Process is used for certain Asset Management transactions, while manual RPL validations are also done when there is an immediate need to check the RPL.

- For more information on the RPL process used for Asset Management transactions, please see the Asset Management RPL policy:

Click here to view the RPL policy
HPEFS Procedure: Non-Proliferation Screening

**Step 1**
Prior to credit approval, funding or entering into a Portfolio or an Asset Management transaction, determine if an exemption exists for the transaction.

[Click here for more information.]

**Step 2**
If an exemption does not exist, the customer/end-user must be screened in the NPS Central Repository Tool. At credit approval, and prior to funding or entering into a Portfolio or an Asset Management transaction, place a request for GFS colleagues to screen all recipients (and where known, end-users) of HPE or HPEFS products, services, in the NPS Central Repository, if additional information is needed GFS will go back to the requestor.

[Access the tool here.]

**Step 3**
If the customer is engaged in one of the following activities (proliferation risk industry): aerospace, chemicals, defense, energy, and or university/research additional detailed screening must be completed with the NPS Central Repository to determine if the customer is engaged in activities related to the development of weapons of mass destruction.

[Click here for additional information relating to Non-Proliferation Screening.]

**Note:** NPS Screening must be completed once, unless there is a change in the customer industry.
Key Points for HPEFS – Global Trade Reminders

- Screening procedures for all transactions conducted by HPEFS is the responsibility of all colleagues
- Record keeping is extremely important
- Restricted Parties List (RPL)
  - Must have evidence that screening took place
  - Updated daily
  - Transactions must be checked against RPL
- More RPL Information
- HPE policy prohibits HPE and its subsidiaries (including HPEFS) from participating, either directly or indirectly, in “unsanctioned economic boycotts”
- All HPEFS colleagues must familiarize themselves with the Anti-boycott Screening Process
HPEFS Additional Resources

- For additional HPEFS questions reach out to the following resources:
  - Desrie Mason-Jimerson and Amy Sharshan - ICP Leads for HPEFS
  - Local HPEFS Legal colleagues
- For trade specific questions engage Global Trade Export Policy and Compliance Manager

Continue to Closing
Closing
Preventing non-compliance: We all play a role

HPE GT offers tools to help prevent improper sales, service and support of HPE products. By identifying and communicating potential non-compliance to Global Trade, you can help to prevent a violation and the negative consequences including:

- Severe fines or penalties - these laws are grounded in national security, and are vigorously enforced
- Increased inspections, audit or criminal investigations by US and non-US authorities
- Delays and disruption to customer deliveries
- Incorrect duty payments
- Damage to the HPE brand with customers, partners, and government authorities
- Violation of Standards of Business Conduct
You did it!

Thank you for helping strengthen our efforts at HPE to comply with Customs and Export laws and regulations. Together, we can ensure compliance and the successful sales of our products and services throughout the world.

To ensure you get credit for taking this course:

1) Click the X on the top right corner of your current browser window to exit.

2) Click the X on the top right corner of the Accelerating U tab. Accelerating U will update and show that you've completed the course.

Click here to access the Global Trade Resource Page.
Copyright 2018 Hewlett Packard Enterprise Development LP

The information contained herein is subject to change without notice.

This is an HPE copyrighted work that may not be reproduced without the written permission of Hewlett Packard Enterprise.

Confidential—For Training Purposes Only