

# Arizona District Export Council

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Arizona District Export Council

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## *Survival Guide to Hosting a Chinese Business Banquet*

April 10, 2013  
Chandler, AZ

### **What we do**




The Arizona District Export Council (DEC) provides local leadership in international trade through its 30+ member council of international trade veterans and experts, all appointed by the U.S. Secretary of Commerce.

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### **Export Help**



The Arizona District Export Council works closely with the U.S. Commercial Service's Export Assistance Centers in Arizona to help companies develop sales channels in new international markets.

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### **Events**



The Arizona District Export Council co-organizes a variety of events around the State. Please click here to see the current calendar.

[READ MORE](#) 

### **Stay Connected**

To reach out to a member of the Arizona District Export Council please click here.



### **In the news**

*US to Launch Negotiations on a  
 Transatlantic Trade and  
 Investment Partnership*

...

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*2013 High School and College  
 Essay Contest*

...

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# Agenda



- **U.S. Government Assistance for Subsidiaries of Canadian Companies**
- **Scary U.S. Legal Issues When Exporting**
- **U.S. Commercial Service and AZDEC Programs**

## **Will your Arizona subsidiary export goods and services?**

The Arizona District Export Council can help



### **Arizona District Export Council (AZDEC) assists Arizona subsidiaries with the export of products and services**

Tap into the AZDEC members' direct experience with doing business abroad in a variety of business segments. The AZDEC communicates regularly with:

- Arizona businesses and associated supply-chains
- Local, state and federal leaders
- The U.S. Commercial Service in Arizona (CS Arizona)

AZDEC members can provide one-on-one interaction with Arizona company leaders about various trade and international business matters, export-oriented training and resources, contacts to local, state, and

federal leadership and support, and connections to CS Arizona.

CS Arizona provides connections to over 150 overseas Commercial Service offices for assistance in international business expansion through:

- Contacts to international buyers
- Country-specific market intelligence
- Trade counseling and support, including commercial diplomacy when needed

AZDEC members are appointed by the U.S. Secretary of Commerce and tasked with providing leadership in international trade through AZDEC's 30+ member council of Arizona international trade veterans and experts.

**Find out more at [www.exportaz.org](http://www.exportaz.org)**



## **Scary Legal Issue #1: U.S. Export Regulations**

- **Exporting is a privilege, not a right - regulations govern legal way to export, and require a "license" to export all goods (SNAP-R)**
- **No Export to Certain Countries**
- **Export Restrictions Related to Military Uses (ITAR) – *watch out for multi-use products***
- **No Export to "Denied Parties" – *watch out if . . .***
  - Customer or purchasing agent is reluctant to offer information about the end-use of the product
  - Product's capabilities do not fit the customer line of business
  - Product ordered is incompatible with the technical level of the country to which the product is being shipped
  - Routine installation, training or maintenance are declined by the customer
  - Customer is willing to pay cash when financing would be more appropriate
  - Delivery dates are vague, or deliveries are planned for out-of-the-way destinations, or a freight forwarding firm is listed as the products final destination
  - When questioned, the customer is evasive or unclear whether the purchased product is for domestic use, export or reexport

## **Scary Legal Issue #2: *U.S. Anti-Boycott Regulations***

- U.S. Regulations prohibit honoring any boycott formed by foreign countries against nations that are friendly to the United States
- Currently, the Arab Boycott of Israel
- Boycott requests found in Contractual Documents, Shipping Instructions and Letters of Credit
- **Example: requests that products are not:**
  - of Israeli origin
  - do not contain Israeli-origin parts
  - were not produced by Israeli firm or with Israeli labor
  - Israeli certificate of origin will not be acceptable





## Scary Legal Issue #3: *Foreign Corrupt Practices Act*

- **Foreign Corrupt Practices Act** - U.S. law designed to prevent bribery of foreign governmental officials by U.S. companies in order to *influence the official's acts or decisions* if this is done to *obtain, retain or direct business to anyone*
- **Exceptions – Routine Governmental Actions**
- **Cultural Issue – Gift-giving!**



## **Scary Legal Issue #3: *Foreign Corrupt Practices Act***

### What

Offer/Promise/  
Authorization of  
Payment

with

Money/  
Anything of Value

### Who

- ◆ Foreign Government Official
- ◆ Political Party Official
- ◆ Candidate for Foreign Political Office

Agent /  Foreign  
Representative Official

### Purpose

**Influence  
Official Act/  
Decision**

**Obtain/Retain  
Business**

to  
either





## **Scary Legal Issue #3: *Foreign Corrupt Practices Act***

- ***Watch out if . . .***

- The contracting party refuses to accept an FCPA clause in the contract
- The contracting party has a reputation for offering bribes or violating other laws
- The contracting party, or one of its directors, shareholders or employees is a close relative or business associate of senior foreign government officials
- The contracting party is getting paid unusually high commissions in relation to its scope of work and contractual obligations
- The contracting party requests payments in an account outside the country of its residence
- The contracting party has undisclosed principals, associates, or subcontractors with whom it splits fees

- **Look before you leap: know your business associates, partners, consultants and sales representatives**

- STEP 1 - Conduct a Background Check – Due Diligence Required
- STEP 2 - Contractual Representations
- STEP 3 - Opinion of Counsel if Necessary



## Help for Exporters: U.S. Commercial Service

- ***Trade specialists in over 100 U.S. cities and 83 countries worldwide***
  - Locate international buyers, distributors & agents
  - Provide expert help at every stage of the export process
  - Help U.S. companies enter new markets faster and more profitably
- ***Arizona Results (U.S. Export Assistance Center – USEAC)***
  - 600+ companies counseled
  - Phoenix, Scottsdale & Tucson locations
  - 5 International Trade Specialists





## Help for Exporters

- **Counseling & Strategy**
  - USEAC Trade Specialists – Industry Expertise, State-wide availability
  - AZTEC Members – volunteer assistance
- **Education – Seminars**
  - Exporting, ITAR, IP Protection, Trade Finance, etc.
- **Fee-based Services**
  - GOLD KEY SERVICE (\$700 SME / \$2300)
  - INTERNATIONAL PARTNER SEARCH (\$550 SME / \$1400)
  - INTERNATIONAL COMPANY PROFILE (\$600 SME / \$900)
  - BORDER GATEWAY SERVICE in Sonora (Cost varies)
- **Trade Missions**
  - Beyond the Border: Arizona Trade Mission to Mexico City & Guadalajara  
12-16, 2014
- **Arizona Step Grant** via Arizona Commerce Authority

May

# Questions

