



International Trade and Transport Compliance Solution

Ensures airlines comply with constantly changing international trade regulations.



The Background

International Trade and Transport brings increased risks as every border crossed means new and different watchlists, including sanctions, export control, law enforcement most wanted, and more. Some government customs offices do their own checks, others do not or are themselves watchlisted. The penalty, in other words, will always fall on the carrier or shipper.

Having sanctioned banks the world over, governments are moving to impose heavier penalties on the aviation industry. However, currently, the aviation industry is especially vulnerable due to compliance processes that have been very manual, error-prone, and expensive.

In 2019, IATA published guidance stating that “Risk mitigation at acceptance and during transportation as well as preventive actions to comply with export sanctions are therefore a priority for airlines.” Currently, forty-eight airlines and aviation support companies are watchlisted globally, as are 250 aircraft. Active compliance management by airlines and their partners in the supply chain must be a top priority.

The Main Challenges

Parties involved in international trade and transport have to deal with some major compliance challenges:

- Government agencies constantly publish sanction lists relating to entities, persons and/or restricted commodities and issue embargoes prohibiting or restricting transport of certain goods to certain countries. As a result, 72% of organizations find it challenging to deal with the changing regulatory paradigms in the regions they do business (Accuity, 2019).
- Airlines are obliged to know the content of all shipments on board and need to check the content and parties involved against the applicable legislation.
- Airlines need to check each shipment against all applicable regulatory lists to verify that the involved parties, commodities, and countries do not appear on these lists.
- Any activity with parties, goods, and countries subject to sanctions or export controls can only occur when appropriate approvals, licenses, or exemptions are in place.

- Checking shipments against applicable lists and demonstrating that all appropriate approvals, licenses, or exemptions are in place is crucial. However, this is still a manual and knowledge-intensive process that requires specific compliance expertise.
- Failure to comply with these regulations can lead to civil and criminal penalties for airlines and their staff, removal from trusted trader programs, and loss of business. For instance, in 2020, an airline systems firm paid \$7.8 million for US sanction violations (Freightwaves, 2020).

Airlines need to comply with sanctions, trade regulations, and export controls. These processes, however, are complex, time-consuming, costly, and are interrupting airline business processes.

The Solution

We have developed a solution that helps airlines comply with these regulations – The International Trade and Transport Compliance Solution (ITTS). ITTS automatically checks every shipment for potential compliance issues and supports airline staff in resolving these issues. It supports airline staff in ensuring that the appropriate approvals, licenses, or exemptions are in place and automatically builds an audit trail to evidence this to regulators.

ITTS checks all aspects of a shipment for compliance with company policies and international regulations:

- **What** is being traded or transported (goods, quantities, people)?
- **Who** is involved in the transaction (consigner, consignee, agent, financier, insurer, carrier)?
- **Where**, from which country, via, and to what country?
- **Why**, what is the intended end-use of the transaction?

Unique Characteristics

- Automatically checks shipments against international regulations and internal policies.
- Adheres to IATA electronic messaging standards.
- Built around UN/CEFACT's Buy/Ship/Pay MultiModal Transport Model enabling full support for multi-modal, multi-leg transports.
- User-friendly GUI's support airline staff in resolving compliance issues and obtain the necessary approvals, licenses, or exemptions.
- Automatically builds an extensive compliance dossier.
- API first: allowing airlines and their partners to connect their systems quickly.



Flexible: quick to integrate with cargo business processes and airline operational systems



Automation Focused: people only supervising machines and managing exceptions



Scalable: including additional regulations and risk algorithms

ITTS can take data from Bills of Lading, Air Waybills, Commercial invoices, Customs declarations etc. This data is mapped to the UN/CEFACT Buy/Ship/Pay model to support international standardization efforts.

Building the world's largest compliance database

Sanctions lists, export control regulations, law enforcement notices, and other compliance data are available in different languages and data architectures. To solve this problem, we are building the world's largest compliance database. We check publicly available lists, regulations, and compliance data every 5 minutes. Our platform is powered by automated data ingestion, underpinned by a proprietary architecture, and easily accessible through powerful search capabilities.

- **Providing up-to-date data** by checking publicly 1000+ lists for updates every 5 minutes.
- **A robust search algorithm** provides solid results for the most challenging cases while minimizing false positives, including reversal, concatenation, and punctuation.
- **Search in 100+ languages**, even in Arabic, Russian and Chinese.
- **Superior data quality** through automated data cleaning, standardization, and extraction of key items like IDs and addresses from unstructured data.



Solution Architecture

ITTS takes requests for a compliance check, processes these requests, and returns the results. The solution can process both cargo shipments and passengers and is scalable regarding the number of checks that it can provide. Compliance check requests in the form Air Waybills, IATA ONE record or proprietary formats can be submitted via several channels. After receiving the compliance check request, ITTS will process the request in several steps (see figure 1):

- Create the Cargo shipment compliance dossier
- Determine the context of the Compliance Check (countries, regulatory regimes, checks)
- Retrieve additional data (if needed)
- Perform the relevant regulatory and sanctions checks
- Investigate hits, assess shipments and obtain the necessary approvals, licenses, or exemptions
- Notify the requester and relevant authorities (if needed) of the results of the compliance check.

Benefits of the Solution

For each group of users, the business benefits will be slightly different. Below we have highlighted some of the key benefits of our solution.

- Reduced costs for compliance
- Reduced risk for non-compliance
- Improved customer service through faster cargo processing
- No disruption to existing cargo business processes and systems required
- Reduced CAPEX through hosted web-based portal and services.

Get in touch with us

If you wish to learn more about how the solution works, we are happy to give you a demo!

You can reach our ITTS Advisor Geert Rensen at: [✉ g.rensen@beinformed.com](mailto:g.rensen@beinformed.com)

You can reach our Headquarters at: [✉ contact@beinformed.com](mailto:contact@beinformed.com)

Would you like to be called back? Please leave a message on our website: [🌐 www.beinformed.com/contact](http://www.beinformed.com/contact)

Figure 1: Checking International Transactions For Compliance To Company Policies

