



# 10 things you should know about compliance in the A&D industry

Whether you're a commercial aircraft assembler, defense contractor, or a maintenance and repair provider, there's more at stake than just penalties and fines if you violate regulatory or OEM compliance standards. Violations can erode customer and stakeholder confidence, resulting in lost contracts, project delays and difficulty getting new business.

## What's at stake?

- 1** According to Trace International, **the A&D industry represents 13.6% of all global anticorruption enforcement actions** that have occurred between 1977 and 2013.
- 2** Violating U.S. International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) can result in up to a **\$1 million fine and 20 years in prison** per violation.
- 3** Under EAR, any goods that contain "more than 10% U.S. content for embargoed destinations and 25% U.S. content for all other countries" are considered "U.S.-origin products," and are subject to U.S. export controls; "the incorporation of even **a single ITAR-controlled item subjects the entire downstream product to U.S. jurisdiction.**"
- 4** A&D companies that have "end-to-end visibility into quality across the value chain" saw a **3% improvement in product compliance**, according to Quality Magazine.
- 5** When the Executive Order on Fair Pay and Safe Workplaces goes into effect in 2016, U.S. government contractors will be required to **"disclose whether they have been found to have violated, within the past 3 years, any of 14 different labor laws."**

## How do you improve regulatory and OEM compliance?

- 6** **Improve the oversight of your regulatory compliance programs** with a solution that is fully compliant with the Defense Federal Acquisition Regulation Supplement (DFARS) Material Management and Accounting System (MMAS) standards.
- 7** Eliminate the need for costly, time consuming, and unreliable manual reporting by **automating regulatory and OEM compliance processes** for your multi-phase programs.
- 8** **Empower your employees** to address and mitigate operational risks before regulatory authorities or customers become involved by implementing a continuous controls monitoring solution.
- 9** Ensure on-time delivery with a solution that gives you full visibility into your end-to-end supply chain. You need tools for demand planning and scheduling, supplier performance management, supplier quality management, and **collaborating directly with your suppliers.**
- 10** Automatically **keep your processes up-to-date on all relevant regulations** and OEM requirements with a modern ERP system with A&D functionality built in.

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