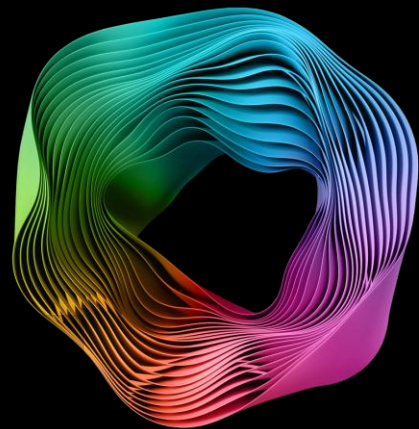




Reports under the Foreign Trade and Payments Ordinance

Risks in Reporting Requirements

Companies engaged in cross-border capital and payments movements may be subject to extensive reporting requirements under the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*). Failure to comply with these reporting requirements constitutes an administrative offence subject to fines and may, accordingly, result in significant administrative charge.

In practice, violations often do not arise from intentional misconduct within the company, but rather from a lack of awareness of the relevant reporting obligations, complex group structures, or fragmented internal responsibilities and processes. Once a breach of reporting requirements has been identified, it is crucial for companies not to act without first obtaining a comprehensive legal and strategic assessment. Indeed, an ill-considered response may give rise to even greater risks. Affected companies are therefore immediately faced with the question of how to deal with the violation that has already occurred in a legally compliant and proportionate manner.

Structured Legal Assessment

A structured assessment aimed at obtaining a comprehensive overview is essential: Which entities and underlying facts are affected? Which reporting requirements may have been violated, to what extent, and over what period? How is the breach to be legally classified? Only based on such an assessment the appropriate course of action can be identified and implemented with legal certainty. Accordingly, the careful and legally grounded assessment of the relevant facts constitutes not only the initial step, but also the key element in dealing with violations of reporting requirements. The thoroughness and legal robustness with which a matter is reviewed are critical to the overall outcome of the matter. A legally structured process thus not only creates clarity but also establishes a solid foundation for any further action.

Courses of Action in the Event of Reporting Violations

In cases involving breaches of reporting obligations, companies generally have a range of legal options at their disposal. The appropriate approach in any given case depends largely on the specific circumstances of the matter at hand, including the company's overall situation, its risk profile, and the requirements and expectations of other stakeholders. A thorough legal assessment is therefore essential. Uncoordinated or rushed action may increase the risk of escalation and significantly limit the legal options available.



Why Act Now? The key is not swift action, but immediate and carefully considered action. A legally well-founded assessment of the overall situation is a prerequisite for a legally secure, cost-effective, and proportionate response.

Legally Sound Assessment – Our Approach

The effective implementation of any course of action requires a thorough and legally sound analysis of the situation at hand. Only on this basis potential risks can be identified and appropriate measures be developed and implemented in a legally sound manner.

In particular, we support you with the following:

- ✓ **Scope Analysis:** Identification of your company's existing reporting obligations, including payments, liabilities and assets reporting requirements.
- ✓ **Compliance Assessment:** Identification of existing or potential violations of reporting requirements, as and their legal classification, including an assessment of the associated potential consequences.
- ✓ **Courses of Action:** A systematic and legally grounded assessment of potential options for action, including advice on the risks associated with each alternative.
- ✓ **Legal Implementation:** Legal Support in implementing the selected course of action, including a full review of the relevant facts, the preparation and submission of all relevant reports. Development of new or the enhancement of existing compliance processes.
- ✓ **Litigation:** Legal advice, including advice on the defense against impending or ongoing investigation or administrative fine proceedings.

Our Services

We provide comprehensive advice on how to handle reports under the Foreign Trade and Payments Ordinance

- ✓ **Legal support in the preparation, subsequent filing, or correction of omitted or outstanding reports**
- ✓ **Development of legally sound courses of action, including guidance on the implementation of appropriate measures in cases of potential violations of existing reporting requirements**
- ✓ **Representation and defense in impending or ongoing administrative fine proceedings**

YOUR CONTACT

We provide legal support in meeting reporting requirements and addressing the associated challenges. Our advisory approach is holistic and covers all relevant stages – from the initial scope assessment and analysis of applicability, through the development of appropriate courses of action, to the implementation of concrete measures.



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