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Navigate the Compliance Universe

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Shoring up trade compliance in the wake of Seagate

By Matthew Silverman

In April of last year, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) handed Seagate—a U.S. data storage company—a $300 million civil penalty for violating a ban on the sale of hard disk drives to the Chinese telecommunications company Huawei.[1]

It wasn't just a large fine; it was the *largest* fine in BIS history. It came as the result of activity taken by Seagate that violated the Foreign Direct Product Rule (FDPR)—a complex export regulation that the U.S. Department of Commerce has wielded in recent years to prevent companies from selling to those it considers to be a national security threat. While the experienced trade-compliance professional may be familiar with the FDPR, the nuances of the rule and its evolving iterations are not easily understood by the average compliance practitioner.