

OD/PH Module 6 - Annual Compliance Quick Look

SCA, SSA, PA, VTA

Below are *general* requirements for the annual compliance procedures with DCSA. Each mitigation agreement also includes specific requirements. Please see the applicable annual compliance report example for further information.

- *Annual Compliance Meeting*- Representatives of DCSA and the GSC shall meet annually (on or near the anniversary date of DCSA's execution of the mitigation instrument) to review the purpose and effectiveness of the mitigation instrument and to establish a common understanding of the operating requirements and implementation arrangements. The meeting shall discuss the following:
 - Whether the mitigation instrument is working in a satisfactory manner
 - Compliance or acts of noncompliance with the mitigation instrument in place, NISP rules, and other applicable laws and regulations
 - Any necessary guidance or assistance regarding problems or impediments associated with the practical application or utility of the mitigation instrument in place
 - Whether security controls, practices, or procedures warrant adjustment

- *Annual Implementation and Compliance Report*- In advance of the annual meeting, the OD/PH/VT serving as the Chairman of the GSC and the Corporate CEO shall jointly submit to DCSA an Annual Implementation & Compliance Report. This report shall include the following information:
 - Detailed description of the manner in which the Corporation is carrying out its obligations under the mitigation instrument
 - Detailed description of changes to security procedures, implemented or proposed, and the reasons for the changes
 - Detailed description of any acts of noncompliance, whether inadvertent or intentional, with a discussion of what steps have been taken to prevent such acts from occurring in the future
 - A description of any changes or impending changes to any of the Corporation's top management, including the reason for such changes
 - A statement, as appropriate, that a review of the records concerning all visits and communications between representatives of the Corporation's entities and Foreign Parent/Affiliates has been conducted and the records are in order
 - A chronological summary of all transfers of classified or export controlled information, if any, from the Corporation's entities to the Foreign Parent/Affiliates
 - A discussion of any other issues that could have a bearing on the effectiveness or implementation of the mitigation instrument in place