
A Few of DHC's Thoughts on Dodd-Frank Conflict Minerals (DFCM): Year One & Year Two

1. What did we learn about DFCM in Year One?
 - The SEC rule and the OECD Due Diligence framework aren't completely compatible.
 - Membership and consistent involvement in industry trade associations really pay off.
 - Data management is harder than you think.
 - It's an SEC filing. SEC attorneys call the shots.

2. What didn't we learn about DFCM in Year One – or you learned it way too late?
 - It's not all about DFCM compliance.
 - We have to do this again. It's a process, not a project.
 - We still don't know who the "users" are.

3. What lies ahead for DFCM programs in Year Two?
 - Roles and responsibilities will change. Conflict Minerals team composition will change.
 - Some people will begin to realize that Year Two is the last "transition year."
 - Companies will begin issuing part- or business-level declarations.
 - More companies will require Independent Private Sector Audits than they think.

4. What tips would you give someone starting you're a major role for DFCM?
 - Take the "compliance blinders" off when you design / improve the business processes. Think about ISO, COSO, Sarbanes-Oxley, and your own procedures.
 - Many people still don't know DFCM, or what is required of them, and the consequences of inaction/ wrong actions. Ramp up training & engagement with all relevant stakeholders.
 - Don't allow your organization to place major hopes on regulatory relief. Even if that happens, customer pressures will still require you to build and improve your conflict minerals program.
 - Document whatever you've done, and whatever you're doing. Then improve it.

5. What questions would you like to ask?
 - Have you read the final DFCM Rule, the OECD Due Diligence framework, and the SEC's FAQs?
 - What group inside your organization is the most problematic in getting the help you need for an effective conflict minerals program?
 - Have you had to discontinue any suppliers for conflict minerals reasons? If so, how did that work?

These are a few of my perspectives and predictions; what are yours?

Share yours in a survey; see www.DFCMTraining.com for the link.

"Soft close" on or about July 26, 2014. "Hard close" two weeks after first distribution of results.