

TRAC FAQ

TRAC Frequently Asked Questions

TRAC: an overview

TRAC, standing for TRACE Registered Access Code, is an online platform that enables the rapid exchange of baseline due-diligence information. By using TRAC, companies and suppliers are reducing the burden of compliance efforts, while ensuring transparency throughout their businesses. The TRAC system searches government watchlists daily and sends alert emails to connected parties should a TRAC holder be identified on a government watchlist. It will also send an automatic alert to any connections if any information in a TRAC holder's online profile changes.

Companies, partnerships, charities, and individuals are eligible to receive a TRAC number and to share their information with whomever they may designate, for \$80 annually. TRAC holders and companies are eligible to view another entity's TRAC profiles at no cost, but only with the express permission of the TRAC holder.

To obtain a TRAC, an Authorized Representative, chosen by the company, fills out a short form on ownership, answers a series of compliance questions, and uploads the identification documents required for their entity type. This information is then processed by TRACE analysts, and typically within one business day a unique, 12 digit TRAC number is issued. Only the Authorized Representative remains in control of managing the information within a TRAC profile.

What is a TRAC?

A TRAC is a unique, 12-digit TRACE Registered Access Code ("TRAC") assigned to companies, partnerships, charities, and individuals committed to commercial transparency. TRAC is a global identification system designed to quickly and cost-effectively establish a TRAC holder's identity, address, and information, and to allow the holder to share information with customers and to allow companies to have real-time visibility into their supply chains. Furthermore, the TRAC holder's name is screened against the various government watch lists. Key documents are uploaded by TRAC holders in order to substantiate the information associated with their code and their profile on the TRAC web portal.

Why is TRAC needed?

Until now, there has been no global identification system. Companies operating internationally struggle with expensive, cumbersome solutions for basic screening of suppliers overseas. They have been forced to deal with the huge variation in ID numbers —an EIN in the United States, a five digit number in Egypt, or a 13-digit Japanese Corporate registration number. Companies also struggle to screen each third party against the various government denied parties lists and manage the hundreds of false hits that arise. TRAC harmonizes these systems, and verifies key information to create a robust compliance solution.

Who should get a TRAC?

Everyone. TRAC helps any company or sole proprietor that hopes to improve their business by making their compliance process more efficient and transparent. This improved transparency increases business opportunities and provides an efficient way for partners to verify each other's identity.

I have been required by a business partner or customer to obtain a TRAC number. Do I have to obtain a TRAC number?

Companies ask their customers and third-parties to obtain a TRAC as a matter of good business practice, and not because they are under any suspicion. Companies use TRAC as an initial compliance screening tool for vendors and potential business partners, and to obtain basic information on those companies with which they do business. For specific questions as to why your customer requires TRAC, please contact that customer directly.

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How does it promote efficiency and transparency?

TRAC enhances compliance by enabling companies to quickly and reliably verify their third parties' ownership, address, length of time in business and other compliance details in one place through the web portal. Relying on TRACE's traditional shared-cost compliance model, the entity seeking a TRAC number pay a modest fee and make their information available on the TRAC site at no charge to whomever that TRAC holder designates, saving both parties the cost and delay of duplicated efforts. This promotes transparency by providing a platform for companies to better control their identifying information and more efficiently and securely disseminate that information to their business partners.

How would a large company use TRAC as part of its compliance program?

Companies use TRAC as an initial compliance screen by requiring that their potential business partners and vendors obtain a TRAC. TRAC then acts as a vetting tool of potential third-parties or as their lowest level of due diligence for low risk suppliers and third-parties by assuring the company that basic information such as address, ownership, denied parties matches, and other compliance material is obtained.

How much does it cost to look up a TRAC?

It is free. It is free to look up a TRAC Number and it is free to look at the TRAC profile information associated with the TRAC. Though the TRAC holder must grant permission to access their full TRAC profile and documents, the access is free of charge.

How much does it cost to obtain a TRAC?

The database always will be available at *no cost* to multinational companies or any others who view, with the TRAC holder's approval, the TRAC holder's information and full profile. Individual TRAC holders are charged an \$80 annual fee to obtain and maintain a TRAC.

How long does it take to get a TRAC?

A TRAC is typically issued in one to two business days, unless there is a "match" on a government watch list, which will usually be resolved within two business days.

Who will see the TRAC information or "profile" associated with the TRAC?

Only the entity name, location and TRAC number are visible to the public. All other information can be viewed only with permission provided by the TRAC holder. Once given permission, a company can access the TRAC holder's entire profile of compliance information at a length of time designated by the TRAC holder.

Who will control my TRAC information?

The TRAC holder only, meaning you or the authorized users within a company. The TRAC holder, be it an individual or a company or an organization, must supply their required information to receive and maintain a TRAC. The TRAC holder controls the information associated with the TRAC number in the profile and has control over that information. TRACE does not manage or create that information other than to review and verify key pieces of information.

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What kind of security does TRAC have?

The approach to security for TRAC is based on the segmentation of logical roles or a “defense-in-depth” strategy. All data resides on servers in the United States. The highly secure datacenter facility that houses the infrastructure is compliant with SAS 70 Type 2. The web portal transport layer security is handled via the use of the HTTPS protocol with an SSL certificate. Encryption level on the SSL certificate is 256 bit—higher than most online banking encryption.

Who is an Authorized Representative?

The authorized representative is the person who is designated to have control of the information on the TRAC site, manage the information for the company, and determine who will have access to update the TRAC profile as appropriate. In all cases, the authorized representative must have authority to act on behalf of the TRAC holder. In some cases, the Authorized Representative must be a particular individual. For example, for a Sole Proprietor the Authorized Representative must be the Sole Proprietor. For Partnerships or LLCs, the Authorized Representative must be a managing partner, general partner, managing member, or officer of the joint venture.

If the data can be changed by the TRAC holder, how is integrity maintained?

Certain key pieces of information cannot be changed without losing and/or requiring the TRAC holder to apply for a new TRAC. For example, once a TRAC is issued, a TRAC holder cannot change the entity name or entity type, but must apply for a new TRAC. If other key information is changed, including ownership, address, registration documents, etc, then the TRAC is re-reviewed and, if necessary, re-screened and notifications sent. TRAC is designed as a way to shift some of the compliance burden and control onto individual companies themselves.

Is TRAC or TRACE Inc affiliated with the U.S. Government, or any other government office or agency?

No. TRACE Inc is a corporation based in Maryland and TRACE International was founded as a 501(c)(6) non-profit membership association by private sector anti-bribery practitioners in 2001. Neither TRACE Inc nor TRACE International is affiliated with - nor does it accept funding from - any government.

Do I need to be a Member of TRACE International to get a TRAC?

No.

Is a TRAC meant only for anti-bribery compliance?

No. TRAC is designed to improve overall transparency and efficiency between companies and entities, while enhancing not only anti-bribery compliance, but also compliance with government regulations such as import and export laws, anti-money laundering laws, or forced labor trafficking to name a few.

What is the process of getting a TRAC?

The TRAC process begins when an entity, individual, company, supplier, or distributor visits the web site, answers key questions, and uploads identification documents through the web portal. Once verified and approved in one to two business days, they will be issued a TRAC number.

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Why must I provide proof of address?

In an increasingly global marketplace, verifying the address of business partners, suppliers, and customers has become important for companies to know who they are doing business with and to verify a business partner's location for compliance purposes. Acceptable verification documents for Proof of Address vary, but may include mail or utility bills from a government or quasi-government authority. For example a water or electricity bill would be acceptable.

What is the difference between a TRAC and a D&B D-U-N-S® number?

TRAC focuses on regulatory compliance and reviewing the information associated with the TRAC number. The DUNS system focuses on credit-worthiness and the commercial aspects of an entity. In addition, TRAC information is reviewed by a TRACE employee and entity names and associated individuals are screened against government sanctions lists.

Where can I learn more about TRACE?

[About Us](#)

Is the TRAC system available in other languages?

The website will be available in over twenty languages by the fall of 2012, though TRACE is able to review applications in 19 languages today. Currently the portal is in English, with instructions available in Chinese, French, Korean, Russian, and Spanish.

How many entity types are there in TRAC?

Nine. See the [TRAC Entity Types](#) section for more detail. There are nine broad categories of entities within TRAC, each corresponding to the first number of the TRAC:

- 1-Individual
- 2-Sole Proprietor
- 3-Publicly Traded Company
- 4-Private Company
- 5-Partnerships / Limited Liability Company / SARL / Joint Venture
- 6-Trust
- 7-Charity / Non-Profit Organization / Membership Association
- 8-State-Owned Enterprise
- 9-Government Entity

What are the types of business registration documents that are required during the TRAC application process?

The Business Registration document is an electronic copy of the basic government registration required by the TRAC applicant's state or country in order to do business in that country. It is a written document generated by the government in your country that confirms your entity exists under the laws of your government. The basic or "express" registration document is acceptable. The document should be in electronic form such as a PDF or JPG to upload into the TRAC system for review.

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What information does TRAC establish?

- Beneficiary ownership of the entity
- That an entity is headquartered where it claims to be
- Whether the entity or individual has any hits on government sanction lists
- Birth date and citizenship of an individual to help resolve sanction list hits
- Associations with other entities at same address or with same owners
- Know Your Customer practices within vendor management

In what ways is it practical to use TRAC as a tool?

- for supply chains and as an important first scrub with third-parties
- for business intelligence
- for accounts payable departments to ensure they're paying the hired entity
- for AML purposes by financial institutions
- for screening passenger lists on airlines and cruise lines

What does your compliance questionnaire cover?

Our questionnaire includes questions on anti-bribery, anti-corruption, human trafficking, conflict minerals, child labor, felonies and criminal acts, and bankruptcy.