



**Reports from the Business, Innovation and Skills, Defence, Foreign Affairs  
and International Development Committees**

**Session 2013-14**

**Strategic Export Controls: Her Majesty's Government's Annual Report for  
2011, Quarterly Reports for 2011 and 2012, and the Government's policies on  
arms exports and international arms control issues**

**Response of the Secretaries of State for Defence, Foreign and  
Commonwealth Affairs, International Development and Business, Innovation  
and Skills**

Presented to Parliament  
by the Secretaries of State for Defence, Foreign and Commonwealth  
Affairs, International Development and Business, Innovation and Skills  
by Command of Her Majesty

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## **The Committees' Conclusions and Recommendations**

33. The Committees conclude that the giving of Oral evidence to the Committees by the Secretary of State for Business, Innovation and Skills and the Foreign Secretary at the last two annual Oral evidence sessions of the Committees reflects the importance that the Government rightly attaches to arms export and arms control policies. The Committees continue to recommend that given the far-reaching significance of arms export and arms control decisions for the Government's foreign, trade, defence and international development policies, Oral evidence should continue to be given to the Committees on Arms Export Controls by both Secretaries of State. (Refer to Volume II, paragraphs 1–6.)

**The Government will continue to make Ministers and senior officials available for Oral Evidence Sessions. A decision on whether the Ministers giving evidence will be the Secretaries of State will be taken nearer the time of the next Oral Evidence Session.**

*The Government's "United Kingdom Strategic Export Controls Annual Report 2011" (HC 337)*

34. The Committees conclude that neither the quarterly updates on the Countries of Concern in the Government's annual Human Rights report nor the quarterly updating of statistical data about export licensing on the BIS and FCO websites in themselves meet the entirety of the Committees' scrutiny requirements, particularly given the substantial time lapse between the year covered by the Government's Strategic Export Controls Annual Report and the Report's publication—usually 6–18 months. The Committees recommend that the Government informs the Committees directly and promptly of all material developments and changes to the Government's arms export and arms control policies. (Refer to Volume II, paragraphs 7–11.)

**The Government notes the Committees' recommendation. The Government is already active in informing the Committees directly of significant relevant policy developments and is committed to continuing to do so.**

*The Committees' Report of 2011–12 (HC419)*

35. The Committees conclude that as their 2012 Report (HC 419) was published on 13 July 2012 and as the Government's Response (Cm8441) was published in October 2012 and did not defer the responses to any of the Committees' recommendations, the Government has achieved a welcome improvement in the timeliness of its Responses to the Committees' Report. The Committees recommend that this improvement is maintained. (Refer to Volume II, paragraphs 12–14.)

**The Government notes the conclusion and will, as always, endeavour to provide timely and detailed responses to the CAEC.**

*The Committees' questions on the Government's quarterly information on arms export licences*

36. The Committees continue to recommend that the Government, in its Quarterly arms export licence reports, and in its answers to the Committees' questions on those reports, should provide the maximum disclosure of information on a non-classified basis consistent with safeguarding the UK's security and trade interests. The Committees conclude that it is disappointing that the Government only noted, rather than accepted, this same recommendation made in the Committees' 2012 Report. (Refer to Volume II, paragraphs 15–18.)

**The Government accepts this recommendation which coincides with current practice.**

### ***Arms export control legislation and procedures***

#### *Extra-territoriality*

37. The Committees conclude that it is not justifiable to enable a UK person to escape UK criminal jurisdiction by engaging in arms export or arms brokering activities overseas which would be a criminal offence if carried out from the UK. The Committees, therefore, continue to recommend that extra-territoriality is extended to the remaining military goods in Category C. (Refer to Volume II, paragraphs 19–27.)

**The Government has set out its position in relation to extra-territorial controls on brokering of Category C goods on a number of occasions, most recently in the Response to the Committees' Report of the 2012-13 Session (paragraph 8 of Cm 8441) and in the Business Secretary's oral evidence to the Committees on 19 December 2012. We remain unconvinced that there is a compelling public interest in applying controls on UK persons outside the UK engaged in brokering of Category C goods between non-embargoed destinations that would outweigh the administrative burdens placed upon UK nationals engaged in legitimate business activity. We will continue to consider amending the scope of Category B in order to bring under control brokering of additional items by UK persons overseas where necessary and where justified by evidence of a need to act. In this respect see also the response to the Committees' question in paragraph 40 below.**

#### *"Brass Plate" companies*

38. The Committees conclude that it is most regrettable that the Government have still to take any action against "Brass Plate" arms exporting and arms brokering companies who have the benefit of UK company registration but carry out arms exporting and arms brokering activities overseas in contravention of UK Government policies. The Committees recommend that the Government sets out in its Response to this Report what steps it will take to discontinue the UK registration of such companies. (Refer to Volume II, paragraphs 28–33.)

**The Government confirms that existing export control legislation does, in certain circumstances, allow enforcement action to be taken against brass plate companies and their officers. However there needs to be sufficient evidence to justify any such action. The Government also continues to pursue utilising other legislation to discontinue the UK registration of such companies on public interest grounds.**

## *Arms brokers*

39. The Committees conclude that as 4 of the 19 individuals and companies who are listed as having received criminal convictions for arms export offences in the Government's Strategic Export Controls Annual Reports for 2010 and 2011 had previously received Government SPIRE registration, as had Mr Gary Hyde and Mr Michael Ranger both of whom have since received criminal convictions, the Government's reliance on its SPIRE registration system to regulate arms brokers falls far short of what is required. The Committees further conclude that as the BIS Secretary of State has now acknowledged to the Committee that: a) SPIRE registration does not constitute Government approval of an arms broker;

b) the only check that the Government makes for SPIRE registration "is to ensure that any person registering on behalf of an entity is properly authorised by that entity to act on its behalf"; and

c) it is possible to apply for a licence on SPIRE without "registering" to use the system

the Government's regulation of arms brokers is patently inadequate. The Committees continue therefore to repeat their recommendation that the Government carries out a full review of the case for a pre-licence register of arms brokers.

**The Government questions the Committees' conclusion that "regulation of arms brokers is patently inadequate". On the contrary, the fact that a number of individuals have been successfully prosecuted for illegal brokering activity is evidence of robust regulation and enforcement.**

**The Government does not rely on SPIRE to regulate arms brokers. Brokering is regulated through the relevant provisions of the Export Control Order 2008. Any person wishing to carry out a controlled brokering activity must do so under the authority of a trade control licence granted by the Secretary of State. SPIRE is simply the means by which companies and other entities or persons apply for Standard and Open Individual Trade Control Licences (SITCLs, OITCLs) or register for Open General Trade Control Licences (OGTCLs). As such SPIRE holds details of all those companies, entities and persons that have ever been authorised to engage in brokering of military goods. It performs one of the functions of a register, i.e. it contains a list of known brokers. The Government would never claim that SPIRE registration "constitutes Government approval of an arms broker". Indeed we would be wary of "approving" an arms broker in isolation from other considerations such as the risks associated with particular transactions. Our focus has always been on the assessment of proposed transactions against the Consolidated Criteria and either granting or refusing licences for those transactions, as appropriate.**

**A number of those persons or their associated companies convicted of export or brokering offences were granted licences for legitimate export or brokering activity many years before they engaged in the illegal activity for which they were subsequently prosecuted. Those licences were granted because there were no grounds for refusal against the Consolidated Criteria at the time the licence**

application was made. If a pre-licensing register had existed at that time it is not at all clear that we would have had sufficient grounds on which to refuse entry to the register given that we would have to provide the applicant with reasons for any such refusal which would be subject to appeal and, potentially, judicial review. The activities that led to conviction were undertaken without a licence – either because one was not granted or one was never applied for. If a person is willing to export or broker without a licence it is unlikely that they would seek registration.

However, the Business Secretary has now decided to take a fresh look at the evidence for and against a register. As he stated in his letter to the Committees of 30 July this will involve a public consultation to run in the autumn and will address a number of questions including:

- What should be the criteria for acceptance onto the register?
- Should the register be made public?
- How would a register help to prevent illegal brokering activity?
- What would be the additional costs to business of complying with a registration scheme on top of the costs already incurred in complying with the licensing requirements? What offsetting benefits would a register bring?

We will also consider the administrative costs to Government of setting up and maintaining a register. In addressing these questions we will seek to learn lessons from those countries that have introduced registration of brokers.

We will publish the conclusions of this review.

40. The Committees further recommend that the Government in its Response to this Report states whether, when the Arms Trade Treaty comes into force, the UK Government will be compliant, or non-compliant, with the provisions of the Treaty relating to the regulation of arms brokers and, if non-compliant, what action it will take. (Refer to Volume II, paragraphs 34–44.)

**Article 10 of the Arms Trade Treaty requires States Parties to “take measures, pursuant to its national laws, to regulate brokering taking place under its jurisdiction for conventional arms covered under Article 2(1). Such measures may include requiring brokers to register or obtain written authorization before engaging in brokering.”**

**Any persons in the UK, and in certain circumstances UK persons overseas, are already required to obtain “written authorisation” in the form of a trade control licence before engaging in any controlled brokering activity.**

**In the context of the ATT we interpret “under its jurisdiction” to mean brokering by UK persons anywhere in the world. Therefore we need to ensure that a licence is required by UK persons brokering the items listed in Article 2(1) of the Treaty wherever in the world those persons are located.**

**As a result we will add to Category B of the trade controls those items in Article 2(1) of the Treaty that are not already specified in Category B, namely; main battle tanks and armoured fighting vehicles, large calibre artillery systems, certain missiles and rockets and their launchers, combat aircraft and attack helicopters, and certain warships. We will do this through an amendment to the Export Control Order 2008. This amendment will be made before the UK ratifies the Treaty. We therefore expect the UK to be fully compliant with the Treaty when it comes into force.**

**Separately from this, and as noted above, the Business Secretary has committed to review the evidence for and against a pre-licence register of brokers in addition to the requirement to obtain written authorisation (i.e. a licence) (see response to paragraph 39). However this is not necessary in order for the UK to comply with the ATT's obligations on arms brokering.**

#### *EU dual-use controls*

41. The Committees recommend that the Government in its Response to this Report:

a) sets out what information it currently has as to the extent the European Commission has, or has not, accepted the Government's concerns about certain proposals in the EU Commission's Green Paper *The dual-use export control system of the European Union: ensuring security and competitiveness in a changing world*;

**The European Commission has not published any proposals in relation to possible amendment of the EU export control regime for dual-use items and therefore we are unable to say whether they have or have not accepted the Government's views set out in our response to the Green Paper.**

**The Commission received more than 100 responses to the Green Paper. A summary of the views expressed are contained in the Commission Staff Working Document (CSWD)**

**[http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc\\_150459.pdf](http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc_150459.pdf) In developing formal proposals it is likely the Commission will want to demonstrate that they have taken account of a wide range of the views expressed by respondents. This process is ongoing and they continue to seek the views of stakeholders on the issues raised in the Green Paper – for example the Member States met in Dublin in May and an exporter conference was held in Brussels in June specifically to discuss these issues. The Government is fully engaged in these ongoing discussions.**

b) states whether the Commission's forthcoming dual-use legislation will be decided upon by Qualified Majority Voting and, if so, what steps the Government is taking to try to ensure that EU dual-use legislation is not enacted which will be detrimental to the British Government's arms export control policies and procedures; and

**As a measure falling within the EU's Common Commercial Policy any proposal to amend or replace Council Regulation 428/2009 (the 'Dual-Use Regulation') will be subject to the Ordinary Legislative Procedure meaning that the agreement of both the European Parliament and the Council will be required. Strictly speaking the Council acts by Qualified Majority Voting on matters falling within the Common**

**Commercial Policy; however by convention decisions relating to the Dual-Use Regulation are taken by consensus. We expect this arrangement to continue.**

c) explains whether the Government agrees with the European Commission's view that: "it has been commonly accepted that dual-use export controls constitute an exclusive competence of the European Union and form an integral part of the EU's Common Commercial Policy." (Refer to Volume II, paragraphs 45–50.)

**The Government does accept this view. Since 1994 the EU has adopted legislation applying export controls to dual-use items under the Common Commercial Policy which is exclusive EU competence. That these controls fall within the Common Commercial Policy was confirmed by a ruling of the European Court of 17 October 1995 (Case C-83/94).**

*EU end-use control of exported military goods*

42. The Committees recommend that the Government in its Response to this Report sets out what information it currently has as to the extent the European Commission has, or has not, accepted the Government's concerns about the adequacy of the Commission's military end-use proposals in the Commission's Green Paper *The dual-use export control system of the European Union: ensuring security and competitiveness in a changing world* with particular reference to ensuring that military end-use control:

a) can be applied to the export of complete items which are to be used as complete items; and

b) will permit preventing the export of unlisted items that are to be modified for military purposes, either in the destination country or in an intermediate destination.

The Committees further recommend that the Government states whether it has provided to the Commission the draft text it has offered to the Commission on a) and b) above. (Refer to Volume II, paragraphs 51–55.)

**The Green Paper did not contain any proposals in relation to the military end-use control – rather, the Government's response to the Green Paper highlighted what we believe to be the limitations of the current military end-use control which is set out in Articles 4(2) to 4(4) of Council Regulation 428/2009. We have no information on the Commission's thinking on this issue. We have not provided any text to the Commission.**

*Torture end-use control and end-use control of goods used for capital punishment*

43. The Committees recommend that the Government states in its Response:

a) what is the current position on the European Commission's review of the Torture Regulation and what steps it is taking to hasten that review;

**The Commission has initiated preparatory work on a broad review of the Torture Regulation, including consultation with an informal Experts Group\*, and has indicated that it intends to convene a meeting later this year for formal discussion with Member States on its proposals.**

**\*The following link provides more information on the informal Experts Group: <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2718>).**

b) whether the Government has yet made any submission to the Commission relating to this Review;

**The Government does not have full information as yet on the scope or form of the Commission's review. We have however provided some information on an informal basis to the Commission to aid its preparatory work. We will consider the need for any formal submission to the Commission once we have full details on the form and scope of the review.**

c) whether, in the context of the EU Torture Regulation, the Government still considers that list-based controls are more likely to be effective than end-use controls, and whether it has considered pressing for both; and

**The Government continues to believe that list-based controls are more likely to be effective than horizontal end-use controls, which can have uncertain impacts on legitimate trade and be problematic to enforce. However, the two approaches are not mutually exclusive and we remain ready to engage positively with the Commission should they seek to consider a potential torture end-use control.**

d) whether the Government intends to introduce new end-use controls on torture and death-penalty goods and, if so, by what date.

**We have no current plans to legislate at national level for end-use controls on torture and death-penalty goods. Experience has shown us that list-based controls are more likely to be effective than horizontal end-use controls. However, list-based and end-use controls are not mutually exclusive and we remain ready to engage positively with the Commission should they seek to consider an EU-wide torture end-use control.**

The Committees further recommend that the Government states in its Response:

a) whether it is the case that wholly owned or majority owned subsidiaries of UK companies that are domiciled in other countries are not subject to UK export controls and, if so, whether the Government has any plans to bring forward amending legislation; and

**A subsidiary of a UK company incorporated under the jurisdiction of a foreign country is not subject to UK export or trade controls. It is inherently problematic to attempt to enforce UK export controls outside of the UK's legal jurisdiction and the Government has no plans to bring forward relevant amending legislation.**

b) whether UK parent companies are subject to UK strategic export controls legislation in respect of transfers made by their subsidiaries domiciled in other countries and, if not, whether the Government has any plans to bring forward amending legislation. (Refer to Volume II, paragraphs 56–65.)

**UK trade controls may apply to the activities of any person within the UK involved in the supply of military and certain other goods between overseas destinations, to the extent defined in Part 4 of the Export Control Order 2008. In certain circumstances the controls may also apply to the activities of a UK person**

**overseas. These controls apply regardless of whether or not the activity is conducted by or through an overseas subsidiary. However, a UK company is not accountable under UK export or trade controls simply by virtue of the fact that an activity is carried out by a subsidiary incorporated under the jurisdiction of a foreign country. The Government has no plans to bring forward amending legislation to make UK companies accountable under UK law for the activities of subsidiaries in another country's legal jurisdiction.**

*Re-export controls and undertakings*

44. The Committees recommend that the Government states whether it has any information about controlled goods with export licence approval from the Government having subsequently been re-exported for undesirable uses or to undesirable destinations contrary to the Government's re-export controls and undertakings which became compulsory from July 2010 and, if so, provides the Committees with details. (Refer to Volume II, paragraphs 66–71.)

**We are aware of one case, as follows: two sniper rifles were exported under a UK licence to France and the rifles were exported from France to a defence exhibition in Armenia in 2012.**

*Licensed production overseas*

45. The Committees recommend that the Government states whether it has any information that, during the lifetime of the present Government, breaches of UK arms control policies may have occurred as a result of the export of UK-designed goods, including components, from licensed production facilities overseas, and, if so, provides the Committees with details. (Refer to Volume II, paragraphs 72–76.)

**The Government has no evidence that any such breaches have occurred.**

*The Consolidated Criteria and EU Common Position*

46. The Committees recommend that the Government states in its Response to this Report whether it will be consulting publicly on its updating of the UK Government's Consolidated Criteria on arms exports and when it will be carrying out this updating. The Committees further recommend that the Government confirms in its Response that it will adhere to the policy unequivocally endorsed by the Foreign Secretary to the Committees on 7 February 2012 that "The longstanding British position is clear. We will not issue licenses where we judge there is a clear risk the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression." (Refer to Volume II, paragraphs 77–86.)

**As stated in the Government's Annual Report published on 12 July, we intend to review the UK's Consolidated Criteria in order to bring it in to line with the EU Common Position. Two factors made it desirable to delay doing so in 2012: firstly, the EU had been reviewing the Common Position for several months during 2012: this review process was completed provisionally in late 2012. Secondly, progress on the Arms Trade Treaty made a further delay desirable in the event that the EU**

**Common Position would have to be changed to bring it into line with any additional requirements contained in an Arms Trade Treaty. In view of these factors the preferred option was to await the outcome of each and then return to the issue. We are now studying the impact of the ATT on the EU Common Position and in light of that will be updating the Criteria.**

**All export licensing applications are assessed on a case by case basis against the Consolidated European Union and National Arms Export Licensing Criteria. This policy was stated by the then Minister of State for Foreign and Commonwealth Affairs, Peter Hain in the House of Commons on 26 October 2000 and the Government will continue to adhere to this policy until updated Criteria are formally announced. With regard to exports that might be used for internal repression, the UK's longstanding policy is set out in the Consolidated Criteria. The Government will not grant an export licence if there is a clear risk that the proposed export might be used for internal repression.**

### ***Organisational and operational Issues***

#### *Export Control Organisation—Remit and responsibilities*

47. The Committees recommend that the Government states in its Response whether the present remit and responsibilities of the Export Control Organisation fully meet the Government's policy objectives, and, if not, what changes it will be making. (Refer to Volume II, paragraphs 87–90.)

**The present remit and responsibilities of the Export Control Organisation fully meet the Government's policy objectives and there are no plans to make changes.**

#### *Export Control Organisation—Charging for processing arms export licences*

48. The Committees conclude that it would be undesirable to make the Export Control Organisation financially dependent on fee income from arms exporters and that the Government's decision not to introduce a charging regime for arms export licences is therefore welcome. (Refer to Volume II, paragraphs 91–99.)

**The Government notes the Committees' conclusion that charging was no longer a viable option at the time it was being considered.**

#### *Export Control Organisation—Performance*

49. The Committees recommend that the Government in its Response to this Report:

a) sets out its reply to the criticisms made of the Export Control Organisation (ECO) by the Export Group for Aerospace and Defence (EGAD) in the course of the Committees' inquiry;

**The Export Control Organisation has to ensure a careful balance between striving to offer a licensing service that meets the needs of UK companies and ensuring the UK's global security interests are maintained. Sometimes the issues are very clear, such as deciding to revoke licences for Egypt where exports might be used for internal repression. On other occasions decisions are less clear cut and countries of concern may be priority markets for export campaigns. There is no**

avoiding this issue: we have to strike a balance between the service we provide to UK exporters and promoting global security and human rights.

When the Arab Spring began, Ministers asked to see submissions on a significantly greater range of licence applications which might pose risks to human rights. There are robust internal processes in place, backed up by the new secondary target mentioned below, such that there are typically now only a very few cases that have been outstanding for more than sixty days.

*(Responding to CAEC Report Volume II, paragraphs 103-105.)*

ECO is committed to working closely with EGAD and other trade associations to improve all aspects of its service to exporters and to address issues of concern.

ECO is one of the few export control organisations to set licensing targets and publish performance data. ECO currently works to two main targets for processing licence applications. Our primary target is to turn around 70% of SIEL applications within 20 working days. Contrary to EGAD's claim that ECO is failing to meet targets, current performance is running at around 85% (year to date for 2013 is 79%).

We listened to industry concerns that, although the old secondary target of completing 95% of licence applications within 60 working days was being met, this still left a sizeable number of licence applications (around 850 applications per annum) that were taking more than 3 months to process. We therefore, increased the secondary target from 95% to 99% with effect from July 2013. The new secondary target will further improve the efficiency of the licensing system by turning around 5000 or so of the applications that currently miss the 70% target, within a backstop of 60 working days for most cases. These cases tend to be the more difficult cases which often require additional scrutiny because of their destination. Current performance is on target at around 99%.

Our current median processing time is in the order of 13 days.

ECO is striving to reduce bureaucracy and ensure that UK companies do not experience unnecessary disadvantages in relation to international competitors. The most significant step is to develop a strategy to encourage exporters to shift from individual to open licences. By making open licences more attractive and simpler to use, more exporters would use them and thus need to apply less frequently for licences. Open licensing already gives the UK an edge over many other countries but they are catching up; the US is seeking to emulate aspects of the UK's open licensing. The open licensing strategy we are developing, with the subsequent roll out of new and simpler products, is aimed at recovering this edge over other nations.

*(Responding to CAEC Report Volume II, paragraphs 105, 106 and 109.)*

Open General Export Licences (OGLs) are pre-published licences with prescribed terms and conditions. They have been created to recognise the reduced risk in the export of less restricted goods to less sensitive destinations. To use a particular

OGL, exporters need to satisfy themselves that it meets their business needs and that they can comply with the terms and conditions. This is dependent on the individual exporter's circumstances and we may recommend that exporters consider an OGL as a simpler alternative to a SIEL or an OIEL. Advice to exporters is based on an assessment of the information given by the exporter. ECO emphasises that exporters ensure they can comply with all conditions. We sign-post additional guidance and on line tools to assist them. The text of the standard letter that we use is included below.

*"After initial assessment it seems that you may be able to export the items on your application (as listed below) using the following Open General Licence (OGL) ( Insert OGL Name )*

*( Insert goods description from SPIRE ) - rated ( Insert rating from SPIRE )*

*Our suggestion that this OGL may be applicable is based generally on goods rating, end-user and destination; no other conditions are taken into consideration by ECO when making this suggestion. Therefore you should look at the OGL carefully to determine for yourself whether your items are within its scope, and that you can meet any other conditions of the licence.*

*ECO provides the online 'OGEL Checker' tool designed to help exporters decide if they might be able to use an OGL by checking each of the licence conditions:*  
<http://www.ecochecker.bis.gov.uk>.

*Full details of all the OGLs that are currently available are found on our website via*  
<https://www.gov.uk/open-general-licences-an-overview>

*Please note that your SIEL application will not be progressed until we hear from you on this matter. If we do not hear from you through SPIRE within 10 working days, we will withdraw your application.*

*If you are unable to use the OGL, can you please explain why not as this may help in the development of future OGLs to try to make them more suitable to the needs of exporters."*

The correct use of OGLs can save exporters the time and cost of applying for multiple SIELs, although there may be added compliance costs. In addition ECO estimate that OGLs significantly reduce the number of SIELs processed annually, thus enabling licensing resources to be targeted at the higher risk export licence applications.

ECO is not aware of the particular case cited by EGAD where an exporter questioned a 'No Licence Required' assessment. We make in excess of 18,000 licence assessments per annum and employ rigorous processes and checks to eradicate errors; we have not detected any deterioration in standards. However, we continue to review our processes and procedures to drive out errors and we will develop further guidance and training for exporters to help them to improve licence applications.

(Responding to CAEC Report Volume II, paragraphs 107-108.)

**ECO's resources are primarily focused on turning around licence applications in line with published targets. While we aim to respond to Control List Classification enquiries within 20 working days, this is a non-statutory advisory service and there are other measures we are taking to enable exporters to obtain goods ratings in a timely manner. This includes using the online Goods Checker and Control List Classification Search Tool. Exporters can also enhance their understanding of export controls by attending ECO training programmes. The feedback from exporters attending these programmes is excellent. In addition, each time an exporter applies for a SIEL, we provide an attachment to the licence listing all the control entries for goods appearing on that licence, thereby further increasing the exporter's knowledge of the 'licensability' of their goods. We are also strengthening our links with trade associations to extend business outreach activities. (Responding to CAEC Report Volume II, paragraph 110.)**

b) states whether it considers ECO to be under-funded and under-staffed and, if so, what specific action it will take to rectify this;

**BIS, in line with Other Government Departments, has cut its budget to help the aim of reducing the deficit. The Export Control Organisation has not been affected disproportionately. Resources have not been reduced in the last year and there are no plans to do so in the year ahead. ECO is meeting its targets. Further improvements will involve reviewing processes, prioritising the workload and enhancing the functionality of the SPIRE system. In some areas, notably in the FCO, export control resources have increased and this has had a positive impact on long outstanding casework.**

c) states what further improvements to its efficiency the Export Control Organisation intends to make under its Service Improvement Project over and above those set out in paragraph 96 of the Chairman's Memorandum, and the date by which the Government intends to implement each of these improvements; and

**We recognise that the focus on targets is not enough. We need to become a more customer focused organisation and will concentrate our service improvements in a few key areas alongside our focus on targets:**

- A. Improving our relationship with clients who experience difficulties and responding more quickly to their needs.**
- B. A stronger focus on raising business awareness in partnership with other parts of Government and a new partnership with business organisations.**
- C. Ensuring export controls are factored into export campaigns right from the start.**
- D. Providing greater transparency in the way the controls operate.**
- E. Cutting bureaucracy by creating an attractive and simple open licensing offer to UK exporters.**

d) further confirms that in determining arms export licence applications the Government will adhere strictly to its arms export control policies as set out in the UK's Consolidated Criteria, the EU Council's Common Position and the Foreign Secretary's statement to

the Committees on 7 February 2012 that it remains the Government's policy that: "We will not issue licences where we judge there is a clear risk the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression." (Refer to Volume II, paragraphs 100–112.)

**The Government confirms that it continues to adhere strictly to the terms of the Consolidated Criteria as set out in the statement to Parliament on 26 October 2000.**

*Export Control Organisation—Review of ECO*

50. The Committees recommend that the Government sets out in its Response to this Report what further progress it has made in its review of the Export Control Organisation over and above that stated to the Committees in paragraph 112 of the Chairman's Memorandum. (Refer to Volume II, paragraphs 113–115.)

**Service improvements have led to significantly better performance. In 2011 the Government completed 65.4% of SIELs within 20 working days, against a target of 70%. For 2012, this increased to 71%. For the year to end July 2013, performance has further increased to 79%, with current performance now running at around 85%.**

*Export Control Organisation—Transparency of arms export licensing*

51. The Committees recommend that the Government, in fulfilment of its transparency policy on arms exports, sets out in its Response to this Report:

- a) whether a facility is now in operation on SPIRE to obtain additional information on arms exports and, if not, when it will be;
- b) whether the Government has decided on the mechanism for making this additional information public, and, if not, by what date it intends to do so; and

**As set out in the Business Secretary's letter to the Chairman of the Committees of 30 July 2013, users of Open General and Open Individual licences will be required to make reports on their usage of those licences on an annual basis. They will provide information on the destination country, type of end-user, and the number of times the licence has been used for that country/end-user type. The revised reporting requirements will apply from 1 January 2014 and the facility to collect this information will be available on SPIRE from that date. The first year's data will be published in 2015 via the 'Strategic Export Controls: Reports and Statistics' website. In determining the detail of how the reporting will operate, the Business Secretary has sought to strike a balance between providing greater transparency and ensuring that Government does not place an unnecessary burden on businesses seeking to grow through exports.**

c) whether it is still the Government's policy to appoint an independent reviewer to scrutinise the operation of the Export Control Organisation's licensing process and, if not, the reasons why this policy has been abandoned. (Refer to Volume II, paragraphs 116–123.)

**The Government's position on an "Independent Reviewer" – including the reasons why we are not, at this time, taking forward this specific proposal – remains as explained in the Business Secretary's letter to the Chairman of the Committees of 21 January 2013.**

### *Powers to create new categories of export licence*

52. The Committees conclude that Article 26 of the Export Control Order 2008 enabling the Secretary of State to create new types of arms export licences without Parliamentary approval is unsatisfactory and could be used in a way that would significantly diminish the ability of Parliament to scrutinise the Government's arms export policies. The Committees recommend that the Government should amend the Export Control Order 2008 accordingly. (Refer to Volume II, paragraphs 124–128.)

#### **The Government does not accept the Committees' Recommendation.**

**Article 26 permits the Secretary of State to grant "individual" and "general" licences. It is not clear what "new types" of licence might be created under article 26. In any event, and given that the Government currently receives more than 18,000 individual licence applications each year covering a very wide range of circumstances, it is important that the Secretary of State is able to exercise his licensing powers in a flexible and timely manner. We would be wary of placing any limitation on his ability to do so. We repeat our previous commitment to inform the Committees when any new general licence is granted.**

### *Priority Markets for UK arms exports*

53. The Committees conclude that it is fundamentally anomalous, not least in terms of public perceptions, for countries listed by the Foreign and Commonwealth Office as being of human rights concern, such as Libya and Saudi Arabia, then to be listed by the United Kingdom Trade and Investment Organisation within the Department for Business, Innovation and Skills as Priority Markets for arms exports. (Refer to Volume II, paragraphs 129–131.)

**The Government questions the Committees' conclusion. It has confidence in the UK's thorough and robust export licensing system to distinguish between exports for legitimate defence and security purposes, and exports which pose unacceptable risks to human rights.**

**UK Trade and Investment Defence and Security Organisation will continue to consult extensively before any new priority markets list is submitted for Secretary of State BIS' approval.**

### *Trade Exhibitions*

54. The Committees recommend that the Government states in its Response:

a) whether it agrees that it is of the utmost importance that all defence and security equipment exhibitions licensed or facilitated by UK Government Departments, organisations and bodies do not display, promote or market Category A goods including goods that could be used for torture; and

**The Government agrees.**

b) whether it is satisfied with the adequacy of its legal powers to enforce the legislation relating to defence and security equipment exhibitions licensed or facilitated by UK Government Departments and also with the sufficiency of the BIS Guidance on the

Impact of UK Trade Controls on Exhibitions and Trade Fairs. (Refer to Volume II, paragraphs 132–138.)

**The Government is satisfied with the adequacy of its powers to enforce the export and trade controls, including in relation to activity undertaken at exhibitions and trade fairs.**

#### *Enforcement*

55. The Committees recommend that the Government states in its Response whether it considers that enforcement by the UK Border Force with HMRC of compliance with the terms of all arms export licences is fully satisfactory and, if not, what further enforcement action it will take. The Committees conclude that the Government's continued publication of individuals and companies convicted of arms export offences and their sentences is essential. (Refer to Volume II, paragraphs 139–145.)

**The Government considers that the work undertaken by HMRC, Border Force and the Crown Prosecution Service (CPS) to enforce strategic export controls, is satisfactory and effective. Over the past three years, HMRC and Border Force have continued to deploy resources to enforce strategic export controls, and both organisations work closely together, and with other agencies, to ensure that non-compliance is identified, that all breaches of controls are assessed and appropriate action taken.**

**In 2012-13 the number of seizures of controlled goods increased by 99% on the previous year, to a total of 280. Additionally, HMRC and the CPS secured three prosecutions on trafficking and brokering offences with sentences totalling twelve and a half years. This brings to seven the total number of arms brokering prosecutions achieved by HMRC and the CPS and we remain one of only two countries in the world - the other being the USA - successfully to prosecute this type of offence. The changing international security environment constantly generates new risks, as do changes in smuggling techniques. As a consequence, HMRC, Border Force and the CPS are always looking to identify what further enforcement or compliance activity may be required, such as strengthening relationships with new international partners, and providing additional educational outreach to exporters.**

**The Government confirms it will continue to publish details of individuals and companies convicted of arms export offences and any sentences imposed by the courts.**

#### *Compound penalties*

56. The Committees recommend that the Government in its Response:

- a) states what improvements to the compound penalties system it has identified and when it will implement them; and

**HMRC considers that the compound penalty regime could be better publicised in order to help maximise its deterrent effect. HMRC plans to achieve this as part of**

**its ongoing contribution to wider Government outreach to industry. HMRC periodically evaluates the compound penalty system to ensure that it remains effective, proportionate and appropriately deployed. The Government believes that the compound penalty regime continues to play a useful role in the strategic export control enforcement framework.**

b) clarifies whether the Government is using compound penalties as an alternative to civil penalties only, or as an alternative to both criminal and civil proceedings. (Refer to Volume II, paragraphs 146–148.)

**HMRC offers compound penalties in lieu of criminal prosecution only. This enables certain breaches to be dealt with efficiently and in a proportionate manner. When considering whether to offer a compound penalty, HMRC takes account of a number of factors including the extent of any evidence to deliberately evade the controls, the level of co-operation with investigators, and attempts voluntarily to improve compliance.**

### *Crown Dependencies*

57. The Committees conclude that the Government's statement that "UK Strategic Export Control legislation has already been applied in the Crown Dependencies by the Crown Dependencies themselves" is welcome.

**The Government notes the Committees' conclusion.**

58. The Committees recommend that the Government monitors enforcement by the Crown Dependencies of the UK Government's arms export controls and policies and notifies the Committees of any breaches (Refer to Volume II, paragraphs 149–154.)

**The Crown Dependencies are not part of the UK but are self-governing dependencies of the Crown with autonomy for domestic affairs. This means they have their own directly elected legislative assemblies, and their own administrative, fiscal and legal systems with their own courts of law. The Crown Dependencies are not represented in the UK Parliament.**

**With regard to export controls, as a matter of policy the Crown Dependencies choose to align their export controls with UK standards but it is an area within their domestic competence. That said, the Crown Dependencies have a strong working relationship with the UK authorities and as part of that relationship have kept and will continue to keep the UK Government apprised of their standards of export controls and policies in relation to arms.**

**Given both the constitutional position and the strong working relationship between the UK authorities and the Crown Dependencies, it would not be appropriate for the UK Government to report to a UK parliamentary committee on matters relating to the Crown Dependencies' domestic competence.**

### *Combating bribery and corruption*

59. The Committees recommend that the Government in its Response: a) states the names of the individuals and companies against whom it has taken action under the provisions of the Bribery Act 2010 in relation to their arms export dealings; and

**There have been three prosecutions to date under the Bribery Act; none relate to arms exports.**

b) provides its assessment as to whether the provisions of the now concluded Arms Trade Treaty will be of any practical help in combating bribery and corruption in the international arms trade. (Refer to Volume II, paragraphs 155–159.)

**It is the Government's assessment that by establishing internationally agreed standards for transfers of conventional arms and through international reporting, the Arms Trade Treaty will be of practical help in combating bribery and corruption in the international arms trade.**

### *International Development*

60. Now that a global Arms Trade Treaty has been adopted, the Committees recommend that the Government states in its Response the outcome of the Department for International Development's consideration of its role in the UK arms export control system. (Refer to Volume II, paragraphs 160–164.)

**DFID is in the process of assessing its role in the Arms Export Control Process. Officials will be submitting advice to Ministers in the Autumn, and will update the Committees as soon as possible thereafter.**

### *Arms Exports Agreements*

#### *UK/US Defence Trade Cooperation Treaty*

61. The Committees recommend in relation to the UK/US Defence Trade Cooperation Treaty (DTCT) that the Government in its Response:

a) states how many UK members of the DTCT Approved Community have been registered to use the Treaty-specific UK Open General Export Licence (OGEL) for exports under the Treaty;

**15 UK members of the DTCT Approved Community have been registered to use the Treaty-specific UK Open General Export Licence (OGEL) for exports under the Treaty.**

b) lists the complete membership of the Treaty Approved Community;

**At the time of writing there are 14 members of the Approved Community. Membership is on a facility basis and at this stage there are 14 companies and 14 facilities. These are:**

- 1. Aish Technologies Ltd**
- 2. E W Simulation Technology Ltd**
- 3. Level Peaks Associates**
- 4. MS Instruments PLC**
- 5. Nautilus International Risk Consultants Ltd**

6. 3SDL Ltd
7. Cox PowerTrain Ltd
8. BAE Global Combat Systems Incorporated, Telford
9. Communications Audit UK Ltd
10. Aspire Consulting
11. RJD Technology Ltd
12. Envitia
13. Beechwood Equipment Ltd
14. Ebeni Ltd

c) states whether, in accordance with the Government's Transparency Initiative, the detailed implementation of public reporting of transactions undertaken under this Treaty's OGEL licences on the Government's Strategic Export Controls website was completed by April 2013 as planned and, if not, when it will be;

**Please see the response to the Committees' questions at paragraph 51 above. As a consequence, information about exports made under the Open General Export Licence (Exports under the US-UK Defence Trade Co-operation Treaty) for the calendar year 2014 will be published in 2015.**

d) states the reasons, notwithstanding its Transparency Initiative, the Government is not requiring exporters to declare that a particular export was made under the UK/US Defence Trade Cooperation Treaty;

**Any transfer made under the OGEL (Exports under the US-UK Defence Trade Cooperation Treaty) will by definition be a transfer under the Treaty. However an exporter may choose to use a different licence to make Treaty-related exports, such as a SIEL or an OIEL. In the Government's view requiring exporters to declare that a particular export was made under the Treaty would place an additional, and unnecessary, administrative burden upon them.**

e) states what specific steps it will take to make the Treaty more user-friendly; and

**A significant programme of industrial engagement has taken place in the UK to raise awareness of the Treaty (with corresponding support to US companies from the British Embassy in Washington, D.C.) and its potential benefits. We continue to work with our US Government counterparts to reduce the scope of the key Treaty inhibitors in order to increase UK Industry interest and uptake. This includes ongoing work on narrowing the Exempt Technologies List (ETL). We are aiming for a virtuous circle whereby the more the Treaty is used, the greater the trust and confidence in transatlantic transactions via this mechanism, and where feedback from UK industry feeds into attempts by both governments to improve Treaty effectiveness.**

f) states how satisfactorily or not the Treaty is working as far as British companies are concerned. (Refer to Volume II, paragraphs 165–172.)

**The Treaty could be working more satisfactorily than at present because the first UK Industry-to-US Government transaction has yet to take place. But expectations prior to Exchange of Notes in April 2012 were that this Treaty would take time to reach optimum utility, not least against a backdrop of industry desire to be on the right side of ITAR compliance (the Treaty is, officially, an ITAR waiver). There is a highly encouraging flow of applications to the United Kingdom Approved Community (a total of 53 UK facilities have now been through the process). Building on this progress, securing the first UK Industry-US Government transaction is a top MOD priority for 2013-14 and the department is looking at a range of possibilities.**

#### *US International Traffic in Arms Regulations (ITAR)*

62. The Committees recommend that the Government in its Response sets out fully its response to the criticisms of the US International Traffic in Arms regulations (ITAR) made by the Export Group for Aerospace and Defence (EGAD) in EGAD's written and oral evidence to this inquiry, and says what specific action the Government is taking to address each of those criticisms. (Refer to Volume II, paragraphs 173–179.)

**US technology plays an important role in providing UK Armed Forces with battle-winning technology. The US administration's export control reform mentioned at Paragraphs 176, 177 and 178 demonstrates a welcome willingness to address the concerns raised by their allies as well as industry, including domestic, as to the limitations of the current system and their intention to concentrate their controls on the most sensitive technology. Once fully implemented the reform will significantly improve our access, and that of our NATO allies, to critical US technology. The Government will continue to discuss issues relating to the US International Traffic in Arms Regulations (ITAR) with the appropriate US authorities. These discussions will take into account representations made to us by industry, in particular the Export Group for Aerospace and Defence (EGAD) and its US Export Controls Issues Sub-Group. This dialogue has achieved results: as referenced in paragraph 173, and as a direct result of the Government's intervention, the US agreed to a UK-specific solution to meet the ITAR rule change on Dual and Third Country Nationals. On the matter of MOD acquisition and the formation of any Government-Owned Contractor-Operated (GOCO) organisation, the US Government is engaging with Defence Equipment & Support (DE&S) officials to discuss the ITAR position under any such move. The impact of the US export control reform on the US-UK Defence Trade Co-operation Treaty is also being discussed at government-to-government level.**

#### *UK-France Defence and Security Co-operation Treaty*

63. The Committees recommend in relation to the UK-France Defence and Security Co-operation Treaty that the Government in its Response states:

a) how many UK companies have been registered to use the Open General Export Licence (OGEL) for exports under the Treaty;

**The assumption under the UK/France Defence and Security Co-operation Treaty was that the UK would continue to operate its current export licensing arrangements as these were compatible with the Treaty objectives. Hence, there has been no need to create a specific Open General Export Licence (OGEL) for exports under the Treaty with UK exporters able to make use of existing licences. These companies are required to meet all the terms and conditions of these OGELs which include a registration requirement.**

b) the reasons, notwithstanding its Transparency Initiative, the Government is not requiring exporters to declare that a particular export was made under the UK-France Defence and Security Co-operation Treaty; and

**The Treaty does not introduce any special mechanism for the licensing of UK exports to France. In the Government's view, requiring exporters to declare that a particular export was made under the Treaty would place an additional, and unnecessary, administrative burden upon them.**

c) how satisfactorily or not the Treaty is working as far as British companies are concerned. (Refer to Volume II, paragraphs 180–185.)

**While it is for industry to judge how the Treaty is working for them, they are able to express views through the UK-France High Level Working Group which oversees capability and equipment issues associated with the Lancaster House Treaty. Industry representatives have indicated a broad level of satisfaction with progress, particularly when considering joint programmes such as complex weapons and Unmanned Combat Air Vehicles.**

**On export licensing specifically, the UK and French Governments, in conjunction with respective trade associations, held two successful Treaty-related awareness seminars in Paris in 2011 and London in 2012 which were well attended by industry.**

*The Intra-Community Transfer (ICT) Directive on arms transfers within the EU*

64. The Committees recommend in relation to the EU Intra-Community Transfer (ICT) Directive on arms transfers within the EU that the Government in its Response states:

a) how many times it has raised concerns about possible breaches of the EU Common Position on Arms Exports in relation to ICTs in the EU Council Working Group on Conventional Arms Exports, and in relation to which EU Member States and what defence-related products;

**The UK has not raised any such concerns.**

b) how many UK companies have been approved to use Open General Export Licences under the EU ICT Directive;

**The ICT Directive permits the UK to operate a system very close to its current export licensing arrangements which includes the use of Open General Export Licences (OGELs). Current UK OGELs meet our commitments under the Directive with regard to the establishment of “general licences” (OGEL equivalent licences) that are required to be put in place by all Member States. These OGELs remain**

available for all companies to use and do not require any form of prior approval. There is, however, one new general licence created under the ICT Directive for Certified Companies that does require Government approval. Under these new arrangements, a company needs to pass a certification test as set out in Article 9 of the Directive to be able to receive goods under the equivalent certified company general licences put in place by other Member States. One UK company has been certified under these arrangements.

c) how many companies in the EU have been approved to use Open General Export Licences under the EU ICT Directive and how many of these are British companies; and

**The only information that we have available on EU companies is in relation to the certified company general licence (OGEL equivalent). Details of these certified companies can be found on the European Commission website CERTIDER – <http://ec.europa.eu/enterprise/sectors/defence/certider>. This shows 18 approved companies – one of which is from the UK. The UK is unaware more generally of the number of companies operating in Member States that have been permitted to use other general licences which are subject to the individual arrangements of the respective Member States.**

d) how satisfactorily or not the EU ICT Directive is working as far as British companies are concerned. (Refer to Volume II, paragraphs 186–191.)

**Government contacts with industry indicate broad satisfaction that UK export licensing arrangements have been preserved under the Directive and that our established simplified procedures can continue to be used. Industry representatives have expressed some concern in particular about the transparency of the arrangements that have been put in place in other Member States under the Directive. This is the main reason for low demand for certification applications across the EU. It has proved difficult to establish whether becoming certified will provide any benefit to companies. This lack of visibility on the scope of licences and the conditions attached to their use is an issue that the UK has already raised in meetings on the ICT Directive in Brussels. It would also be fair to say that the simplified measures contained in the ICT Directive represent a step change for almost all Member States other than the UK. As such, it is still too early to judge what benefits will eventually filter through to UK industry through the quicker receipt of goods, as we understand that a rather cautious approach has been taken by many Member States so far.**

## ***Arms Control Agreements***

### *Arms Trade Treaty (ATT)*

65. The Committees conclude that the adoption by the UN of the first ever international arms trade treaty applying to conventional arms as a whole in the Arms Trade Treaty of 2013 is most welcome and congratulates Ministers and their officials, under both the previous Labour Government and the present Coalition Government, on their contribution to this unprecedented international achievement. The Committees also welcome the fact that the UK was amongst the first of the countries to sign the Arms Trade Treaty when it became open for signature on 3 June 2013. The Committees

recommend in its Response that the Government states by what date the UK will also ratify the Treaty.

**The Government is proud of the achievement of the Arms Trade Treaty and is grateful for the support received from Members of both Houses during the negotiating process.**

**The UK plans to ratify the Treaty before the end of the year, after the Treaty has completed 21 sitting days before both Houses in line with the Constitutional Reform and Governance Act 2010 (CRAG Act). The Treaty and an Explanatory Memorandum were laid before Parliament under Command Paper number 8680 on 15 July.**

**Since parts of the Treaty are exclusive EU competence, the European Commission has brought forward a Council Decision authorising Member States to ratify. This Council Decision is currently undergoing parliamentary scrutiny.**

66. The Committees further recommend that the Government states in its Response: a) what changes it will be making to its arms export controls:

i. primary legislation;

**The UK already implements a robust and effective system for control of transfers of conventional arms. No primary legislation is required for UK ratification.**

ii. secondary legislation;

**The only changes to secondary legislation required are described in the response to paragraph 40 above.**

iii. Government administrative procedures and guidance; and

**The treaty is consistent with our national systems for control of transfers of conventional arms and will be implemented through existing procedures.**

iv. Government policy

**Government policy is unchanged; we will continue to assess exports of conventional arms on a case by case basis, against the Consolidated Criteria. The Criteria will be updated as set out in the response to paragraph 46 above.**

to ensure the UK Government is fully compliant with all provisions in the Arms Trade Treaty stating, in each case, the date the change will come into effect; and  
b) what steps it will be taking to ensure that the ratification of the Arms Trade Treaty by the minimum of 50 countries necessary to bring it into force is achieved in the shortest possible time. (Refer to Volume II, paragraphs 192–212.)

**The UK is committed to bringing the Arms Trade Treaty into force as soon as possible. We are lobbying States at all levels to sign and ratify the ATT as a matter of urgency. We are funding projects to promote the ATT, to assist ratification and to support effective implementation. We will also donate £100,000 to the United Nations Trust Facility Supporting Cooperation on Arms Regulation that has been established to support early ratification.**

## *Cluster Munitions*

67. The Committees recommend that in its Response the Government states:

a) how many countries have now signed the Convention on Cluster Munitions and which countries it is currently urging to become signatories;

b) how many countries have now ratified the Convention and which of the countries that are now only signatories it is currently urging to ratify the Convention;

**An up to date list of all the countries that have signed and ratified the Convention on Cluster Munitions can be found here.**

[http://unog.ch/80256EE600585943/\(httpPages\)/67DC5063EB530E02C12574F8002E9E49?OpenDocument](http://unog.ch/80256EE600585943/(httpPages)/67DC5063EB530E02C12574F8002E9E49?OpenDocument)

c) what steps it is taking to encourage the United States, Russia, China and Israel to become signatories and/or to ratify the Convention;

**The Government believes that active diplomatic efforts by the UK and other states to globalise the Convention and support clearance work in affected countries are the areas in which the UK Government can add most value to our shared goal of globalising the ban on cluster munitions and tackling their humanitarian impact. We will continue to use all appropriate bilateral and multilateral opportunities to promote the universalisation of the Convention and its ambition of a world free of cluster munitions.**

d) whether the Government is satisfied or not with the progress by the financial institutions in producing voluntary codes of conduct against the indirect financing of the production of cluster munitions and their components; and

e) whether the Government continues to consider a Government Code of Conduct or Government legislation against the indirect financing of the production of cluster munitions and their components as policy options. (Refer to Volume II, paragraphs 213–225.)

**Indirect financing – such as the purchase of shares in or the provision of loans to large multinational conglomerates that amongst often many other activities may be involved in the manufacture of cluster munitions – is not captured by the prohibitions of the Act. We consider this form of indirect financing an issue for individual institutions to consider under their own investment charters and social corporate responsibility agendas.**

## *Small arms and light weapons*

68. The Committees recommend that the Government states in its Response:

a) what steps it is taking to achieve full implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects;

**The UK remains firmly committed to achieving full implementation of the UN Programme of Action to prevent, combat and eradicate the illicit trade in small arms and light weapons in all its aspects. The UK contributes by funding**

**programmes through the EU, DfID and NGOs, supporting projects to destroy existing stockpiles and provide secure storage, and by funding education.**

b) what steps it is taking to achieve full implementation of the EU's Small Arms and Light Weapons Strategy; and

**The UK remains firmly committed to achieving full implementation of the EU's Small Arms and Light Weapons Strategy. The introduction of the EU strategy outlines the relationship between itself and the United Nations Programme of Action on small arms and light weapons:**

**"The United Nations Programme of Action to prevent, combat and eradicate the illicit trade in small arms and light weapons in all its aspects, adopted on 20 July 2001, reaffirms the need for complementarity at global, regional and national levels in its implementation. By developing a strategy for combating the accumulation of and illicit trade in SALW and their ammunition, the EU wishes to fall into line with this essential complementarity and to provide a contribution."**

c) how far the UN Programme and the EU Strategy will, or will not, be superseded by the small arms and light weapons elements of the Arms Trade Treaty when it comes into force. (Refer to Volume II, paragraphs 226–230.)

**It is difficult to prejudge the impact of the Arms Trade Treaty on existing arms control provisions. We believe that the UN Programme of Action on Small Arms and Light Weapons and the EU Strategy on Small Arms and Light Weapons are complementary and mutually reinforcing. We hope that as States Parties implement the Arms Trade Treaty they will draw on these and other existing instruments to ensure robust controls.**

### *Landmines*

69. The Committees recommend in its Response that the Government states:

a) which countries have yet to accede to the Ottawa Landmines Convention; and

**An up to date list of all the countries that have signed and ratified the Convention on Anti-Personnel Landmines can be found here.**

**[http://unog.ch/80256EE600585943/\(httpPages\)/6E65F97C9D695724C12571C0003D09EF?OpenDocument](http://unog.ch/80256EE600585943/(httpPages)/6E65F97C9D695724C12571C0003D09EF?OpenDocument)**

b) what steps it is taking to try to secure the accession of the remaining countries to the Convention. (Refer to Volume II, paragraphs 231–234.)

**The Government continues to use all appropriate bilateral and multilateral opportunities to promote the universalisation of the Convention and its ambition of a world free of anti-personnel landmines.**

### *The Wassenaar Agreement*

70. The Committees recommend that the Government in its Response states:

a) how far its objectives for the Wassenaar Arrangement were fulfilled at the Plenary meeting in December 2012;

**The Government was satisfied with the outcome of the December 2012 Plenary meeting as outlined in its Annual Report on Strategic Export Controls published on 12 July. Securing agreement for a strategic look at issues related to the regime's future membership in 2013 was a significant achievement at the December 2012 Plenary. This represented the culmination of several months of collaborative work led by the UK. We were pleased that the States that participate in the Wassenaar Arrangement welcomed the adoption of the Arms Trade Treaty. The Government hopes that the Arrangement will play a useful role in the effective implementation of this new treaty.**

b) what steps it is taking to encourage China to make an application for membership of the Wassenaar Arrangement; and

**The Government supports the continuing efforts of Ambassador Griffiths, Head of the Wassenaar Arrangement Secretariat, in this area, which were outlined in the Foreign Secretary's letter to the Committees of 8 April. China has yet to respond formally to Ambassador Griffiths.**

c) which other significant arms exporting countries, in addition to China, should desirably become members of the Wassenaar Arrangement;

**The Foreign Secretary's letter of 8 April outlined the UK position, which is that the Government considers it is desirable for all the major arms exporters and technology holders to be within the Arrangement. However not all Participating States are in favour of a significantly expanded membership. Furthermore, not all major arms exporters/technology holders currently wish to join the Arrangement. This highlights the importance of the strategic look at membership agreed at the December 2012 Plenary.**

d) what the Government wishes to see achieved at the Wassenaar Arrangement Plenary meeting in December 2013; and

**As in previous years the Government will use the opportunity of the plenary in December to work with other Participating States to ensure the Arrangement continues to fulfil its aims:**

- a. ensuring that transfers of conventional arms and transfers in dual-use goods and technologies are carried out responsibly and in furtherance of international and regional peace and security;**
- b. enabling the exchange of information that will enhance transparency;**
- c. enhancing cooperation between Participating States.**

e) what outcome the Government wishes to see from the review of the Wassenaar Arrangement export control lists and what input it will be making to this review. (Refer to Volume II, paragraphs 235–240.)

**The Government looks forward to the strategic and comprehensive review of the control lists as an opportunity to ensure that the lists remain coherent and clear**

**for the exporters and government officials who use them on a daily basis. At the same time, the Government wants to ensure that the control lists keep pace with technology as it develops, proposing new controls as appropriate or amending or deleting existing controls that no longer have strategic relevance, as we have done in previous years.**

#### *The UN Register of Conventional Arms*

71. The Committees conclude that the Government is right to include in its annual report for the UN Register of Conventional Arms Government military equipment it gifts, as well as sells, to other States, and recommends that it encourages other Governments to do likewise. The Committees recommend that the Government states in its Response what progress it is making in widening the categories of military equipment that are to be reported to the UN Register of Conventional Arms. (Refer to Volume II, paragraphs 241–244.)

**The Government notes the Committees' conclusion.**

**The UK continues to advocate a widening and broadening of the categories. We will continue to do so each time the Group of Governmental Experts (GGE) sits to evaluate the Register.**

#### *The Fissile Material Cut-Off Treaty*

72. The Committees recommend that the Government sets out in its Response:

a) what specific routes to starting negotiations on the Fissile Material Cut-Off Treaty (FMCT) at the Conference on Disarmament in Geneva the British Government and the other P5 countries are actively investigating; and

**We are actively engaging with other member states, including the rest of the P5, to agree a programme of work which would allow negotiations to start. We supported the formation of the FMCT group of government experts during last year's UN General Assembly First Committee on Disarmament and International Security. We are hopeful that the group will provide the impetus for negotiations in the Conference on Disarmament in a manner consistent with the Shannon Mandate (document CD/1299), which was adopted by the Conference in 1995 and set out the agreed scope of the proposed FMCT. We also submitted our views on a FMCT to the UN in May – a copy of which is available in the Library of the House.**

b) whether it will give further consideration to setting a deadline for the start of negotiations on the FMCT at the Conference on Disarmament and to transferring the responsibility for starting the negotiations to the UN, or to another international forum, if that deadline is not met. (Refer to Volume II, paragraphs 245–252.)

**We believe that setting an arbitrary deadline for the start of FMCT negotiations would be counterproductive. The UK has consistently stated that we could only support negotiation of a FMCT in the consensus-based Conference on Disarmament. We believe that the practical, step-by-step approach to nuclear disarmament, through existing mechanisms such as the Nuclear Non-Proliferation Treaty (NPT) and Conference on Disarmament, is the most effective means to increase stability and reduce nuclear dangers. We will continue to work together with P5 colleagues and non-nuclear weapon states to strengthen mutual**

**confidence and make further progress toward our goal of a world free of nuclear weapons.**

*The Missile Technology Control Regime*

73. The Government has stated that the main missile technology exporters who remain outside the Missile Technology Control Regime include China, Israel, India and Pakistan. The Committees recommend that the Government states in its Response with which of those countries it has had, or will be having, discussions about membership of the MTCR. (Refer to Volume II, paragraphs 253–258.)

**MTCR outreach is arranged and led by the MTCR Chair, currently held by Germany; MTCR Partners are encouraged to send representatives to the outreach meetings. The UK was represented on the outreach visits this year to Pakistan and UAE in February and to India in August.**

*The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction*

74. The Committees conclude that the UK's expenditure of £322 million by the previous and present Governments from 2002 to 2012 in the Global Threat Reduction Programme—this being the UK's contribution to the G8-based Global Partnership against the spread of weapons and materials of mass destruction—has been fully merited and very necessary. The Committees recommend that the Government states in its Response what its Global Threat Reduction Programme planned expenditure will be in 2013–14, 2014–15 and 2015–16. (Refer to Volume II, paragraphs 259–264.)

**As part of the G8 Presidency in 2013, the UK is Chair of the Global Partnership (GP) Against the Spread of Materials and Weapons of Mass Destruction. A key objective of the UK is to agree new, targeted GP projects and programmes, by identifying gaps and priorities, coordinating GP partners and recipients, and matching funds and expertise to specific requirements, particularly in the nuclear, radiological and biological fields.**

**The Government plans to continue delivering projects through the Global Threat Reduction Programme (GTRP) as part of the UK's commitment to the Global Partnership, and in order to address national security priorities. Future expenditure on projects delivered through GTRP is subject to approval of requirements and projects; it is expected to be approximately £14.5M in 2013-14, and in 2014-15 and 2015-16 to exceed £10M per year, based on current estimates.**

*The Nuclear Suppliers Group*

75. The Government has stated that the major technology holders who remain outside of the Nuclear Suppliers Group include India, Pakistan and Israel, and that suppliers of dual-use technology who are not members include the UAE, Malaysia and Singapore. The Committees recommend that the Government states in its Response with which of those countries it has had, or will be having, discussions about membership of the Nuclear Suppliers Group. (Refer to Volume II, paragraphs 265–270.)

**Outreach is led by the Troika, formed of the current NSG chair with the previous and incoming chairs (respectively the Czech Republic, USA and unconfirmed).**

**NSG Participating Governments do not normally attend in support. The Troika recently conducted an outreach meeting in India. It also met with a Pakistani delegation in Turkey and is investigating the possibility of an outreach visit to Islamabad. India, Pakistan, the UAE, Malaysia and Singapore attended a technical outreach meeting hosted by the USA in San Francisco, 2-3 May 2013. The UK made a presentation at the meeting. The UK discusses NSG membership with interested states bilaterally.**

#### *The Australia Group*

76. The Committees recommend that, as the Government has said that the Australia Group focus is on those countries that have large or developing chemical industries, for example China, India and Pakistan, or those which act as transshipment hubs, such as Singapore and Vietnam, it states in its Response what steps it is taking to ensure UK participation in Australia Group outreach visits to those countries. The Committees further recommend that the Government states in its Response whether it is satisfied with the interface between the Australia Group and those organisations responsible for implementing and monitoring the Chemical Weapons Convention. (Refer to Volume II, paragraphs 271–274.)

**The Government endeavours to ensure participation in Australia Group outreach visits when it can, resources permitting. In 2012 the Government sent a representative from the UK to join an Australia Group outreach visit to India and sent British Embassy representation to an outreach visit to Vietnam. So far in 2013, the Government has led an outreach visit to Pakistan on behalf of the Australia Group and has also sent representatives from the UK to join outreach visits to Malaysia and China. A British Embassy representative attended the last outreach visit to India in May 2013.**

**All members of the Australia Group (which is an informal forum of countries, and does not exist as an entity outside its membership of states) are also members of the Biological and Toxin Weapons Convention (BTWC) and the Chemical Weapons Convention (CWC). Therefore the interface between Australia Group and organisations responsible for implementing and monitoring the Chemical Weapons Convention are the States Parties themselves. All AG members have the opportunity to actively participate in and influence both BTWC and CWC meetings and negotiations in Geneva and The Hague, and the effective implementation and monitoring of these Conventions.**

#### *The Academic Technology Approval Scheme*

77. The Committees recommend that the Government states in its Response to this Report:

a) whether it remains satisfied that the UK's Academic Technology Approval Scheme remains effective in preventing those foreign students who pose the greatest risk from studying potential Weapons of Mass Destruction (WMD) proliferation subjects at UK Institutions of Higher Education; and

b) whether it will consider introducing legislation to extend the Scheme to include those UK students who pose the greatest risk. (Refer to Volume II, paragraphs 275–277.)

**The Government's position remains as stated in the Foreign Secretary's letter to the Committees of 12 November 2012. We have no plans to consider legislation to extend the Scheme to include UK students.**

*The Chemical Weapons Convention (CWC)*

78. The Committees recommend that the Government states in its Response:

a) how far it considers that its objectives for the Chemical Weapons Review Conference as set out in the Written Answer of FCO Minister Alistair Burt on 26 March 2013 were, or were not, fulfilled; and

**The Government was pleased that the majority of the objectives outlined in Minister Alistair Burt's Written Answer to Sir John Stanley of 26 March 2013 were achieved. It was not possible, however, to secure agreement on the next steps on the treatment of incapacitating chemical agents in a CWC context in light of developments in science and technology.**

b) what specific steps it will take to try to secure accession to the Convention by those 8 states who have not done so thus far, namely Angola, Egypt, Israel, Myanmar, North Korea, Somalia, South Sudan and Syria. (Refer to Volume II, paragraphs 278–282.)

**The Government led outreach in conjunction with partners focussed on securing accession by the above 8 states. This included working alongside the Organisation for the Prohibition of Chemical Weapons in offering technical assistance and advice on acceding to the Convention and National Implementation. The Government saw immediate positive results with Somalia acceding to the Convention on 29 May 2013.**

*The Biological and Toxin Weapons Convention*

79. The Committees conclude that the Government's statement that establishing a verification regime for the Biological and Toxin Weapons Convention remains a long-term UK and EU aim is welcome, but that the absence of any such regime, because of US opposition in particular, is a matter of deep concern.

**The Government notes the Committees' conclusion.**

80. The Committees recommend that the Government in its Response

a) lists which States have signed but not ratified the Biological and Toxin Weapons Convention (BTWC), and which States have neither signed nor ratified the BTWC;

**The following states have signed but not ratified the BTWC:**

- 1. Central African Republic**
- 2. Côte d'Ivoire**
- 3. Egypt**
- 4. Haiti**
- 5. Liberia**
- 6. Burma**
- 7. Nepal**
- 8. Somalia**
- 9. Syrian Arab Republic**

## 10. United Republic of Tanzania

The following states have neither signed nor ratified the BTWC:

1. Andorra
2. Angola
3. Chad
4. Comoros
5. Djibouti
6. Eritrea
7. Guinea
8. Israel
9. Kiribati
10. Mauritania
11. Micronesia (Federated States of)
12. Namibia
13. Niue
14. Samoa
15. South Sudan
16. Tuvalu

b) sets out what specific steps it will take to try to secure accession to the BTWC by those States who have not done so thus far;

**The Government, both on its own and with the EU, actively engages with non-State Parties to encourage them to become members of the BTWC. EU projects under Council Decision 2012/421/CFSP include awareness-raising workshops and support for states acceding to or ratifying the BTWC as well as support for states to implement the BTWC. Recently the Government has co-funded the attendance of Burma at the August 2013 BTWC Meeting of Experts and we will also continue to encourage non-members attending as observers to accede to the BWC.**

c) whether it is aware of States with holdings of biological or toxin weapons and, if so, which those States are; and

**The Government does not generally comment on specific states by name.**

d) whether it considers the civil population to be at risk from State or non-State holdings of biological or toxin weapons and, if so, what steps it is taking both nationally and internationally to mitigate that risk. (Refer to Volume II, paragraphs 283–288.)

**In 2010 the National Security Strategy identified as a Tier One Risk: "International terrorism affecting the UK or its interests, including a biological attack by terrorists"; and as a Tier Two Risk: "An attack on the UK or its Overseas Territories by another state or proxy using biological weapons."**

### Nationally

**The National Counter Terrorism Security Officer (NaCTSO) co-ordinates the delivery of protective security to hazardous sites and substances in the UK. Part 7 of the Anti Terrorism Crime and Security Act (ATCSA) 2001 addresses the issue of security relating to Pathogens and Toxins held legitimately within the UK.**

There are approximately 220 sites within the UK which hold Schedule 5<sup>1</sup> substances. This list is maintained and managed by NaCTSO. Guidelines for security standards are set by NaCTSO, in consultation in conjunction with other relevant Government departments. This allows for a consistent national approach to the security of sites holding dangerous pathogens and toxins.

### **Internationally**

NaCTSO is currently actively involved in the EU CBRN Action plan B2 action<sup>2</sup>. The main objective of this is to initiate a draft document for B2 implementation. This entails the consolidation of feedback from member states regarding biosecurity regulations to initiate exchanges for European harmonisation, specifically for processes to verify facility security arrangements.

The UK believes that steps taken to implement the WHO's International Health Regulations and comparable programmes of the OIE and FAO will help improve national, regional and international surveillance capabilities for the early detection and identification of outbreaks of infectious disease whether they are natural, deliberate or accidental. We are supporting these efforts and programmes through a range of means such as direct funding, provision of training and capacity building assistance.

In 2014 and 2015 the special topic for the BTWC intersessional meetings will be Article VII; this deals with assistance in the event of a State Party 'being exposed to danger as a result of a violation of the Convention'. Virtually nothing has been done to give practical effect to this Article, but it is generally taken to mean humanitarian and medical counter measures. The UK intends to build on its proposals first made on this Article at the Seventh Review Conference in 2011 as set out in its Working Paper 1 - <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G11/640/45/PDF/G1164045.pdf?OpenElement>

In order to mitigate biological risks and threats, as part of the UK contribution to the Global Partnership, the UK continues to implement biological security and engagement projects in Central Asia, the Caucasus, Middle East and North Africa. In order to maximise efficiency and effectiveness, the UK works in close

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<sup>1</sup> The Schedule 5 list is based upon biological agents and toxins listed on the EU list of High risk biological agents and toxins and the Australia Group list.

<sup>2</sup> B2 Action: The Member States should establish:

- a registry of facilities possessing any of the substances on the EU list of high risk biological agents and toxins within each Member State while allowing access to law enforcement, taking security requirements into account;
- a process to verify whether security arrangements of facilities are adequate, including diagnostic laboratories handling and possessing any of the EU list of high risk biological agents and toxins;
- a mechanism within facilities storing biological agents and toxins on the EU list of high risk biological agents and toxins to regularly review the need of such biological agents and toxins while keeping a good

cooperation with other Global Partnership members and international organisations, including the US Departments of State and Defense, the World Health Organisation, World Organisation for Animal Health, and Food and Agriculture Organisation.

Current projects are focused on:

- \* improving biosafety and biosecurity;
- \* improving disease surveillance, diagnostics and reporting systems (in the areas of human, animal and plant health);
- \* increasing awareness of the need to comply with international treaty obligations (e.g. BTWC) and, thorough educational programmes, of the risks posed by dual-use science.

These projects also provide broader benefits to UK health security, such as gaining first-hand knowledge of disease surveillance in different national contexts, access to new or different strains or biological agents of concern, and experience of diseases caused by these agents. These cooperative projects consequently improve the capability of the UK agencies to respond to deliberately and/or naturally occurring biological related health events in the UK.

#### *The Nuclear Non-Proliferation Treaty*

81. The Committees recommend that the Government states in its Response in specific terms:

a) the extent to which it considers that the commitments made at the 2010 Nuclear Non-Proliferation Treaty (NPT) Review Conference, and in the 2010 NPT Action Plans have, or have not, been fulfilled; and

**The UK stands by the commitments that we made at the 2010 Nuclear Non-Proliferation Treaty (NPT) Review Conference in 2010, we will continue to work on our 2010 NPT Action Plan commitments, and encourage other states to reaffirm their commitment to the Action Plan.**

With regard to what extent these commitments and the Action Plan have been fulfilled, we would argue that there has been a mixed performance. There has been progress in some areas, for example, Andorra, Bahrain, the Republic of Congo, Costa Rica, Gambia, Iraq, Kyrgyzstan, Mexico, Morocco, Moldova, Mozambique, Namibia, Togo and Vietnam have all ratified the Additional Protocol since 2010 (Action 28). There is work in progress, for example, within the P5 discussions continue on reporting and the development of the P5 glossary of key nuclear terms (Action 5, Action 21). There are also more challenging areas, for example, on the conference on the establishment of Middle East Weapons of Mass Destructions Free Zone, where the UK government regretted the postponement of the conference in November 2012 and continues to work closely with the Facilitator and Co-Convenors in order to hold the conference as soon as possible this year.

**As we said in the UK General Statement at the 2013 NPT Preparatory Committee, “We are at the half-way point of this Review Cycle, half-way to the 2015 Review Conference. The big success of the 2010 Review Conference was the consensus outcome on a cross-pillar action plan, and a clear commitment from all states parties to the grand bargain of the NPT. We must continually remind ourselves of that achievement and strive to replicate that success in this PrepCom and the rest of this review cycle. My government is clear in its wish to strengthen the international non-proliferation architecture, with the NPT at its core. But the NPT continues to face pressures and challenges, the nuclear ambitions of the DPRK and Iran, the risk of a nuclear terrorist attack, the spread of sensitive nuclear technology as more countries seek to embark on a civil nuclear path.**

**We must work together to ensure that the NPT is strengthened across its 3 pillars during this review cycle, to ensure that it can remain fit for purpose, and continue to bring benefits to all its states parties, in terms of enhanced security and co-operation on civil nuclear energy... This PrepCom is also an opportunity for States Parties to reaffirm their unconditional support for the NPT and their commitment to implement the 2010 Action Plan.”**

b) what are the Government’s objectives for the 2015 NPT Review Conference. (Refer to Volume II, paragraphs 289–295.)

**In an article in the Huffington Post published on 24 April 2013, the Foreign Office Minister responsible for Counter Proliferation, Alistair Burt, set out the UK’s priorities for the Non Proliferation Treaty. “We want to encourage action to deter non-compliance of the NPT. We want to continue our push for a Treaty that is universal. We want to reiterate our commitment to work with other countries to achieve our long-term goal of a world free of nuclear weapons. And we want to do all of this whilst underlining that we should continue to support the responsible global expansion of civil nuclear industries.” These remain valid.**

### *The Comprehensive Nuclear Test Ban Treaty*

82. The Committees recommend that the Government states in its Response what specific steps it is taking with each of the remaining 8 countries whose signature and ratification is necessary to enable the Comprehensive Nuclear Test Ban Treaty to enter into force—namely China, Egypt, India, Iran, Israel, North Korea, Pakistan and the USA—to try to persuade them to ratify the CTBT. (Refer to Volume II, paragraphs 296–297.)

**The UK has taken every available opportunity to press for all states outside the CTBT to sign or ratify the Treaty as appropriate. This includes repeated calls for China, Egypt, India, Iran, Israel, North Korea, Pakistan and the USA to accede to the Treaty. To this end, the UK will be attending the Article XIV Conference on Facilitating the Entry into Force of the CTBT this September, which will renew calls for the remaining states to join. As of July 2013, 159 states have ratified the Treaty.**

### *Sub-strategic and tactical nuclear weapons*

83. The Committees recommend that the Government sets out in its Response:

- a) what specific action it is taking to reduce the requirement for short-range nuclear weapons assigned to NATO in the context of reciprocal steps by Russia, taking into account greater Russian stockpiles of short-range nuclear weapons stationed in the Euro-Atlantic area, and developments in the broader security environment;
- b) whether it supports the implementation of the US B-61 Life Extension Programme in Europe; and
- c) whether it favours US and Russian holdings of short-range nuclear weapons being reduced to zero on both sides, as achieved for intermediate-range nuclear weapons in the 1987 INF Treaty, in future negotiations on short-range nuclear weapons between the US and Russia. (Refer to Volume II, paragraphs 298–301.)

**Since the end of the Cold War, NATO has dramatically reduced the number, types and readiness of nuclear weapons stationed in Europe and will continue to adapt its strategy in line with the changing security environment.**

**NATO's Deterrence and Defence Posture Review (DDPR), adopted at the Chicago Summit in May 2012, emphasised that nuclear disarmament, arms control and non-proliferation play an important role in the achievement of NATO's objectives, as the security and stability provided by the effective control of weapons is a precursor to a world without nuclear weapons. It set out NATO's support for US/Russian bilateral arms control measures, and indicated that Allies would consider further reducing NATO's requirement for tactical nuclear weapons in the context of reciprocal steps by Russia, taking into account Russia's larger stockpile.**

**The Government is committed to the long term objective of a world without nuclear weapons and would therefore be supportive of the eventual elimination of tactical nuclear weapons, including those held by the US and Russia in Europe, provided that this is achieved in a manner that does not risk compromising the security of the UK and its Allies. In this context, the Government strongly welcomed the commitment that President Obama set out in his speech in Berlin on 19 June, to work with NATO Allies to seek bold reductions in US and Russian short-range nuclear weapons in Europe. We will continue to play a key role in helping to build the right environment for bilateral US-Russia discussions to make progress. We are working closely with NATO Allies to develop and exchange transparency and confidence-building ideas with the Russian Federation, not least through our active role within NATO's new Special Advisory and Consultative Arms Control, Disarmament and Non-proliferation Committee, which is currently exploring such measures.**

**The DDPR also underlined the Alliance's commitment that 'all components of NATO's nuclear deterrent shall remain safe, secure and effective for as long as NATO remains a nuclear alliance'. The forward deployment of US tactical nuclear weapons in Europe provides a contribution to the deterrence of potential adversaries, the assurance of vulnerable Allies, and the sharing of risks and responsibilities across the Alliance, as well as providing leverage in arms control efforts vis-à-vis the Russian Federation. With the weapons nearing the end of their service lives, it is therefore appropriate that the US embark upon the B-61 Life**

**Extension Programme to maintain NATO's appropriate nuclear force posture and to ensure the safety, security and effectiveness of NATO's arsenal. The Life Extension Programme will also be helpful in maximising the potential impact of future arms control discussions by avoiding the capability ending without any commensurate reciprocal steps from Russia.**

*A Middle East Weapons of Mass Destruction Free Zone*

84. The Committees recommend that the Government states in its Response:

- a) when it expects the planned regional conference to discuss a Middle East Weapons of Mass Destruction Free Zone to take place;

**The UK government made clear in our statement to the 2013 NPT PrepCom that we hope the regional conference on the establishment of a Middle East Weapons of Mass Destruction Free Zone will take place as soon as possible in 2013, and we continue to work closely with the Facilitator, fellow co-convenors and regional partners in pursuit of this objective.**

- b) what are the current positions of Iran and Israel on attending this conference; and

**The Facilitator, Mr Laajava, has continued his consultations and discussions with all states of the region, including Iran and Israel, he has also proposed multilateral consultations in order to agree arrangements for the Conference between the states of the region. The UK fully supports his work in this regard.**

**As we have commented previously, Iran has announced it would be willing to attend the Conference but has set out a series of expectations on format and process which may be difficult for all regional states to agree. Israel has publicly stated that it has yet to make its final decision on whether to attend any conference.**

- c) what steps it is taking to try to ensure this Conference takes place. (Refer to Volume II, paragraphs 302–312.)

**The Foreign Secretary and other FCO Ministers have discussed the Conference with counterparts in the Middle East. The UK statement to the 2013 NPT PrepCom made clear our support for the objective of establishing such a Zone and our full support for the facilitator of the Conference, Mr Laajava of Finland. The British Government supports the objective of a Middle East Weapons of Mass Destruction Free Zone, and the convening of a conference as soon as possible.**

**Senior British officials meet regularly with representatives of the UN and the other co-convenors (the US and Russia) to discuss progress and provide support to Mr Laajava. British Officials have also travelled to the region to promote constructive engagement and support for the work of the Facilitator.**

*The National Counter-Proliferation Strategy for 2012–15*

85. The Committees recommend that the Government sets out in its Response:

- a) any amendments or updating it wishes to make to the National Counter-Proliferation Strategy for 2012–15 since its publication in 2012; and

Following an intelligence-based assessment exercise earlier this year the National Counter Proliferation Strategy for 2012-15 was reviewed by the Cross-Whitehall Counter Proliferation Implementation Committee (CPIC). CPIC concluded that the strategic risks and objectives contained in the strategy remained correct and that there was not a need for amendments or updates. The strategy has been used as the basis for CPIC's annual business planning, helping to prioritise Counter Proliferation work across Whitehall.

- b) what it considers to be the successes and failures of the National Counter-Proliferation Strategy for 2012–15 to date. (Refer to Volume II, paragraphs 313–316.)

**The strategy has successfully focussed work across Whitehall in line with its three objectives of**

- **CBRN Security;**
- **Preventing State WMD Proliferation; and**
- **Supporting, strengthening and extending the rules-based international system for counter proliferation.**

There has been progress in all three areas. Examples, one from each work strand, include:

- **the UK's Chairmanship (as part of the 2013 G8 Presidency) of the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, a body which is now coordinating around £1bn/year worth of its members' counter-proliferation programmes to the highest priority CBRN security projects globally;**
- **the UK played a leading role in the firm and united international response to the DPRK nuclear test of February 2013 (including the adoption of UNSCR 2094); and**
- **UK lobbying and support for technical assistance programmes has delivered progress towards universal adherence to both the Chemical Weapons and Biological Weapons and Toxins Conventions.**

There also remain serious challenges (for example, Iran continues to advance its nuclear programme in violation of UNSCRs and defiance of IAEA resolutions, ensuring the security, and eventual destruction, of Syria's chemical weapons stocks, delivery of a 2015 Non Proliferation Treaty (NPT) Review Conference that reaffirms the NPT as the cornerstone of international nuclear non-proliferation), as would be expected at this stage of a three-year strategy. We shall continue to monitor performance against the strategy.

### ***Arms export control policies***

#### ***Arms exports and human rights***

86. The Committees continue to conclude that, whilst the promotion of arms exports and the upholding of human rights are both legitimate Government policies, the Government would do well to acknowledge that there is an inherent conflict between strongly promoting arms exports to authoritarian regimes whilst strongly criticising their lack of

human rights at the same time rather than claiming, as the Government continues to do, that these two policies “are mutually reinforcing”. (Refer to Volume II, paragraphs 317–319.)

**The Government notes the Committees conclusion and refers to its previous responses, most recently in Cm 8441 which was its reply to the Committees’ previous Annual Report (HC 419). These responses can be found on pages Ev173-174 of the Committees’ current report.**

#### *Overseas Security and Justice Assistance (OSJA) Human Rights Guidance*

87. The Committees recommend that the Government states in its Response by what date its review of the Overseas Security and Justice Assistance (OSJA) Human Rights Guidance will be completed, and whether it has accepted the Committees’ previous recommendation that the requirement on officials in the current OSJA Guidance merely to consult the Consolidated Arms Export Licensing Criteria if military and security equipment is being exported in an OSJA Programme should be replaced by a requirement to adhere strictly to the Licensing Criteria and procedures. (Refer to Volume II, paragraphs 320–324.)

**The Government’s review of the Overseas and Security Justice Assistance (OSJA) Guidance is now complete. Revised Guidance will be published shortly that will make clear that an assessment under the Consolidated Criteria will be required, in addition to any OSJA assessment, if the assistance provided involves the provision of controlled equipment. We will ensure a copy of the revised Guidance is provided to the Committees as soon as this has been finalised.**

#### *Surveillance technology and equipment*

88. The Committees recommend that in its Response to this Report the Government states what progress has been made both within the EU and within the Wassenaar Arrangement to prevent exports of surveillance technology and equipment to repressive regimes who may use this technology and equipment to suppress human rights. (Refer to Volume II, paragraphs 325–328.)

**The EU adopted measures in sanctions to prohibit the supply to Syria and Iran of certain specified equipment and software for “monitoring or interception of internet or telephone communications”. These measures were adopted on 18 January 2012 (through Council Regulation 36/2012) and 23 March 2012 (through Council Regulation 264/2012) respectively.**

**The Wassenaar Arrangement (WA) adopted controls on mobile phone intercept and monitoring equipment on 14 December 2011, which is yet to be incorporated into the EU Dual-Use Regulation.**

**The UK submitted a formal proposal to the WA on 4 March 2013 concerning Advanced Persistent Threat software and related equipment (offensive cyber tools), which is currently being discussed, and a decision is due at the WA plenary meeting scheduled for December 2013.**

#### *Export of Tasers*

89. The Committees continue to recommend that the Government specifically reports breaches of export controls in relation to Tasers, and on the enforcement action taken, in the next UK Strategic Export Controls Annual report following any breach, stating in each case to where the Tasers were exported or were due to be exported. (Refer to Volume II, paragraphs 329–332.)

**The Government confirms that it will continue to report on breaches of export controls, and on enforcement action taken, including in relation to Tasers, in the UK Strategic Export Controls Annual Report. This reporting will include details relating to prosecutions, confiscation proceedings, seizures, disruptions and compound penalties.**

#### *Unmanned Aerial Vehicles (Drones)*

90. The Committees conclude that the Foreign Secretary’s statement to the Committees with regard to the export from the UK of Unmanned Aerial Vehicles (UAVs) or drones that “we want to have a tough, strong export control regime at all times into the future” is welcome. In the light of that policy, the Committees recommend that the Government states in its Response:

- a) what specific action it is taking within the Missile Technology Control Regime (MTCR) to ensure that the MTCR is not weakened in relation to drones, components of drones and drone technology; and

**The Government actively contributes to the MTCR’s technical working group, which updates the regime’s control lists to account for all relevant proliferation threats, including UAVs.**

- b) whether it considers that any changes to UK export controls in relation to drones, components of drones and drone technology are necessary to achieve the Government’s stated policy, and, if so, what those changes are and the date by which they will be implemented.

**The Wassenaar Arrangement (WA) and the MTCR both control UAVs. The WA controls all UAVs “specially designed or modified for military use” as well as civil UAVs with specific characteristics. The MTCR’s controls apply to UAVs with a range greater than 300kms. The UK’s export controls are wholly in line with both these regimes, which form the authoritative multilateral controls for UAVs. Updates to control lists are agreed within each of the regimes on a consensus basis and these are then reflected in UK export controls lists.**

The Committees further recommend that the Government states its policy on approving export licences for drones. (Refer to Volume II, paragraphs 333–336.)

**Export licenses for UAVs are approved in accordance with the Consolidated EU and National Arms Export Licensing Criteria, which include an explicit requirement to comply with the UK’s commitments under the regimes. More information can be found here:**

**<http://www.mtcr.info/english/guidetext.htm>**

**<http://www.wassenaar.org/controllists/index.html>**

*Arms exports to counter piracy*

91. The Committees recommend that the Government states in its Response whether there have been any breaches to date in the conditions the Government has attached to licences of exported arms to be used by private security companies for counter-piracy purposes, and, if so, what are the breaches that have occurred and by which private security companies. (Refer to Volume II, paragraphs 337–340.)

**During 2012 eight Maritime Anti-Piracy companies were found to be non-compliant with the terms of their licence. These breaches occurred as a result of a change in policy by the Sri Lankan Government which forced all private security companies operating from Sri Lanka to use a “floating armoury” outside their territorial waters rather than land-based armouries for the storage of weapons. The use of floating armouries was not, at that time, permitted by the licence. We believe, however, that the companies concerned retained sufficient controls over the goods whilst located on these particular armouries such that there was no increased risk of loss or diversion. Given the sensitivity of such activities – and the underlying cause of the non-compliance – the Government considers that disclosing the names of the companies who were found to be non-compliant would not be justified. As the Minister of State for Business and Enterprise, the Rt Hon Michael Fallon MP, explained in his letter to the Chairman of the Committees of 7 July 2013, the use of floating armouries is becoming increasingly common and it is important that our licensing policy evolves to take account of this fact. We are now granting licences for export or trade activity in support of maritime counter-piracy operations involving the use of floating armouries subject, of course, to careful and detailed risk assessment.**

*The licensing of security services*

92. The Committees recommend that the Government states in its Response:

- a) whether the governance mechanism to monitor compliance with the International Code of Conduct for private security service providers has now been established, and, if so, what the details of the mechanism are; and

**On 22 February 2013 International Code of Conduct (ICoC) stakeholders reached agreement to establish an independent governance and oversight mechanism in the form of a Geneva-based association governed by Swiss law to be known as the ICoC Association. The mechanism is intended to ensure the effective implementation of the ICoC through the certification and monitoring of private security providers, as well as through the adoption of a complaint procedure.**

**136 companies worldwide have applied to be founding members of the Association, including 51 from the UK. The launch conference of the Association took place in Geneva on 19-20 September, and the UK is a founding member.**

- b) whether it remains the Government's position that it has no plans to extend legislation, other than the requirement for export or trade control licences, to UK-based Private Military and Security Companies. (Refer to Volume II, paragraphs 341–343.)

**The Government's position remains as stated in the Foreign Secretary's letter of 30 September 2012.**

*Arms exports and internal repression*

93. The Committees conclude it is welcome that the Government has confirmed that it has no plans to change its stated policy on arms exports and internal repression, that policy being: "The long-standing British position is clear. We will not issue licences where we judge there is a clear risk the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression." The Committees further conclude that the Government's acceptance of the Committees' recommendation that it adheres strictly to its stated policy on arms exports and internal repression for all export licence applications is also welcome. (Refer to Volume II, paragraphs 344–350.)

**The Government notes the Committees' conclusions and refers to its response to paragraph 46 above.**

*The Government's Arab Spring arms export policy review*

94. The Committees recommend that in its Response to this Report the Government states:

- a) how many arms export licence applications to date have been suspended using the Government's new suspension mechanism; and
- b) the nature of the goods and country of export destination in each case. (Refer to Volume II, paragraphs 351–367.)

**Use of the suspension mechanism has been considered on several occasions but pursued in only one instance, in respect of Egypt. EU Member States agreed on 21 August to suspend all export licensing for equipment which might be used for internal repression and to reassess export licences of equipment covered by Common Position 2008/944/CFSP. The Business Secretary announced on 28 August that the UK had suspended 48 extant licences as a result of this agreement. This suspension will be kept under review until such time as conditions in Egypt indicate that it is appropriate to lift these restrictions. The suspended licences cover a wide range of equipment including spares for helicopters and aircraft, specialist software and communications equipment.**

*Arms export licence revocations*

95. The Committees recommend that the Government informs them of all strategic export licence revocations as soon as each revocation is made stating in each case as in Annex 1 of the Government's Response to the Committees' 2011 Report (Cm8079):

- a) the End-user Country;
- b) the Annual Report Summary;

c) the rating; and

d) the reason for revocation. (Refer to Volume II, paragraphs 368–377.)

**Revocations brought about by a change in policy, such as with Argentina in April 2012, or by a change in the political situation such as with Egypt in July 2013, are already announced at the time of revocation. But other revocations of a routine nature will continue to be made public, with all other licensing decisions, in the Quarterly Reports.**

#### *Exports of gifted equipment*

96. The Committees recommend that they are informed of all gifts of military goods requiring Parliamentary approval at the same time as the relevant Main or Supplementary estimate, or departmental Minute is laid. The Committees further recommend that the Government states in its Response to this Report whether all gifted military goods are subject to the same arms export policy as commercial military goods, namely compliance with:

a) the Government's stated policy that "We will not issue licences where we judge there is a clear risk the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression."; and

b) the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position and whether it is satisfied that this is still the case with all approved gifts of military goods that have not yet left the UK Government's control. (Refer to Volume II, paragraphs 378–382.)

**In response to the Committees' recommendation, copies of Departmental Minutes relating to gifts that require Parliamentary approval will be sent to the Committees as they are laid in Parliament.**

**All proposals to gift controlled goods are assessed against the Consolidated EU and National Arms Export Licensing Criteria in the same way as commercial applications and to the same degree of rigour. We are satisfied that this is the case with gifts that have not yet left the Government's control.**

**On one occasion such an assessment was not possible: this was in 2011 and related to the gifting of body armour to the Libyan Interim National Council. On this occasion a statement was made to the House setting out the reasons for not carrying out the assessment. The details were footnoted in Table 2.4 of the Annual Report on Strategic Export Controls 2011.**

#### ***Arms exports to Countries of concern***

97. The Committees conclude that in his letter of 10 May 2013, the Business Secretary, Vince Cable, states that there are over 3,000 Standard Individual and Open Individual Export Licences (SIELs and OIELs) that remain extant to the FCO's 27 Countries of human rights concern. According to the Business Secretary's letter the total value of the UK's SIELs to these 27 Countries is some £12,331,621,526 as set out below. The Government does not provide values for OIELs because of their open nature.

FCO Countries of Human Rights concern— extant licences Country	Value of SIELs (£)	Number of extant licences (SIELs and OIELs)	Country	Value of SIELs (£)	Number of extant licences (SIELs and OIELs)
<b>Afghanistan</b>	23,847,337	80	<b>Pakistan</b>	49,802,833	219
<b>Belarus</b>	128,042	11	<b>Russia</b>	86,329,387	271
<b>Burma</b>	3,332,192	8	<b>Saudi Arabia</b>	1,863,182,251	417
<b>China</b>	1,486,415,462	1163	<b>Somalia</b>	1,914,694	26
<b>Colombia</b>	20,089,524	53	<b>South Sudan</b>	0	0
<b>Cuba</b>	0	3	<b>Sri Lanka</b>	8,084,759	49
<b>Democratic People's Republic of Korea</b>	0	0	<b>Sudan</b>	7,642,480	14
<b>Democratic Republic of Congo</b>	2,127,980	20	<b>Syria</b>	143,867	3
<b>Eritrea</b>	960,031	6	<b>Turkmenistan</b>	1,022,016	17
<b>Fiji</b>	35,555	4	<b>Uzbekistan</b>	7,405,718	19
<b>Iran</b>	803,440,351	62	<b>Vietnam</b>	13,371,242	74
<b>Iraq</b>	15,915,430	69	<b>Yemen</b>	64,784	10
<b>Israel and Occupied Palestinian Territories</b>	7,878,776,714	381	<b>Zimbabwe</b>	2,992,390	46
<b>Libya</b>	54,583,388	49	<b>Total</b>	<b>12,331,621,526</b>	<b>3,074</b>

It should be stressed that a considerable number of the above extant licences will be for dual-use goods or military goods not readily usable for internal repression.

**The Government notes the Committees' conclusions.**

98. The Committees conclude that in his letter of 20 May 2013, the Business Secretary, states that there are around 400 Standard Individual and Open Individual Export Licences (SIELs and OIELs) that remain extant to the 5 additional Countries of concern highlighted by the Committees (Argentina, Bahrain, Egypt, Madagascar and Tunisia). According to the Business Secretary's letter the total value of the UK's SIELs to these 5 countries is some £111,657,154 as set out below. The Government does not provide values for OIELs because of their open nature.

Other Countries of concern— extant licences Country	Value of SIELs (£)	Number of extant licences	Country	Value of SIELs (£)	Number of extant licences (SIELS and OIELs)
<b>Argentina</b>	7,543,100	57	<b>Madagascar</b>	24,348,066	40
<b>Bahrain</b>	13,630,375	105	<b>Tunisia</b>	7,062,299	51
<b>Egypt</b>	59,073,314	134	<b>Total</b>	<b>111,657,154</b>	<b>387</b>

It should be stressed that a considerable number of the above extant licences will be for dual-use goods or military goods not readily usable for internal repression.

**The Government notes the Committees' conclusions.**

99. The Committees have made individual Recommendations in respect of 16 out of the 32 Countries of concern. These 16 Countries of concern are: Afghanistan, China, Iran, Iraq, Israel and the Occupied Palestinian Territories, Libya, Saudi Arabia, Sri Lanka, Syria, Uzbekistan, Yemen, Argentina, Bahrain, Egypt, Madagascar and Tunisia. These individual Recommendations are set out in paragraphs 385 to 501 in the Memorandum from the Chairman of the Committees.

**The Government notes the Committees' recommendations below.**

100. With regard to the other 16 Countries of concern which are: Belarus, Burma, Colombia, Cuba, Democratic People's Republic of Korea (North Korea), Democratic Republic of Congo, Eritrea, Fiji, Pakistan, Russia, Somalia, South Sudan, Sudan, Turkmenistan, Vietnam and Zimbabwe, the Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 772 extant UK export licences to these countries:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression";  
or
- b) is currently in contravention of any of the arms export Criteria set out in the UK's Consolidated Criteria and the EU Common Position. (Refer to Volume II, paragraphs 383–386.)

**The Government is satisfied that none of the currently extant licences for these countries contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence.**

**The Government has access to a wide range of daily reporting including from its global network of Missions overseas. This enables the Government to respond swiftly to changes in risk.**

**Several of countries referred to above are subject to EU and/or UN arms embargoes which the Government takes fully into account when making export licensing decisions.**

*Countries of concern—Middle East and North Africa*

*Bahrain*

101. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 105 extant UK export licences to Bahrain:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression";  
or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Bahrain for cryptographic software, components for equipment employing cryptography, equipment employing cryptography, software for the use of equipment employing cryptography, technology for the use of equipment employing cryptography, technology for the use of cryptographic software, components for small arms ammunition, small arms ammunition, command communications control and intelligence software, technology for command communications control and intelligence software, software for the use of equipment employing cryptography, assault rifles, components for assault rifles, components for military communications equipment, military communications equipment, software for military communications equipment, technology for military communications equipment, components for pistols, pistols, weapon sights, components for machine guns, gun mountings, machine guns, gun silencers and weapon sight mounts. (Refer to Volume II, paragraphs 387–396.)

**The Government is satisfied that none of the currently extant licences for Bahrain contravenes its policy as outlined in paragraph 46 above. As was shown in Bahrain itself during 2011, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government’s answers to the Committees’ Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees’ Annual Report, provide more detail about individual licences.**

### *Egypt*

102. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 134 extant UK export licences to Egypt:

- a) contravenes the Government’s stated policy that: “We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression”;  
or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK’s Consolidated Criteria and the EU Common Position

including those extant licences to Egypt for cryptographic software, components for equipment employing cryptography, equipment employing cryptography, software for the use of equipment employing cryptography, technology for the use of equipment employing cryptography, technology for the use of cryptographic software, technology for the use of software for the use of equipment employing cryptography, software for military communications equipment, technology for the use of software for military communications equipment, body armour, military helmets, components for military combat vehicles, components for pistols, pistols, acoustic devices for riot control, components for body armour, components for military communications equipment, assault rifles, components for assault rifles, components for sniper rifles, small arms ammunition, sniper rifles, weapon sights, components for machine guns, combat shotguns, components for rifles, rifles, general military vehicle components, ground vehicle military communications equipment, components for ground vehicle military communications equipment and military communications equipment. (Refer to Volume II, paragraphs 397–402.)

**In light of the changing circumstances in Egypt, five licences were revoked on 19 July. Details of these licences can be found below. The actions of the military and police in crowd control and the possibility of further clashes indicated a real likelihood that some exports might be used for internal repression and therefore we reviewed all extant licences for Egypt in line with long-standing Government policy.**

<b>Annual Report Summary</b>	<b>Rating</b>	<b>Reason for revocation</b>
Components for military communications equipment	ML11	Criterion 2
Components for machine guns	ML1a	Criterion 2
Components for machine guns	ML1a	Criterion 2
Ground vehicle military communications equipment	ML6a	Criterion 2
Ground vehicle military communications equipment	ML6a	Criterion 2

**As referred to in paragraph 94 above, the Government also suspended 48 licences on 28 August as a result of the EU agreement of 21 August which announced the suspension of exports which might be used for internal repression. These licences were for a wide range of equipment including spares for helicopters and aircraft, specialist software and communications equipment.**

**There remain many extant licences for Egypt but the Government is satisfied that these licences do not contravene a) and b) above. The Government’s answers to the Committees’ Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees’ Annual Report, provide more detail about individual licences.**

### *Iran*

103. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 62 extant UK export licences to Iran:

- a) contravenes the Government’s stated policy that: “We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression”; or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK’s Consolidated Criteria and the EU Common Position

including those extant licences to Iran for: cryptographic software, equipment employing cryptography and software for the use of equipment employing cryptography. (Refer to Volume II, paragraphs 403–405.)

**The Government is satisfied that none of the currently extant licences for Iran contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a**

**reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**Sanctions against Iran now include wide restrictions on trade including the export of 'dual use' goods and goods that could contribute to Iran's nuclear programme as well as an arms embargo. There are also wide restrictions targeting the investment in Iran's energy including the supply of key equipment and the purchase of oil and gas. Furthermore there are wide prohibitions on dealings with large sections of the financial sectors including the freezing of funds and economic resources of certain individuals and entities, as well as restrictions on the provision of insurance to the Government of Iran and restrictions on the transfer of funds with Iranian banks.**

**All extant licences for Iran were approved in accordance with the sanctions in place.**

#### *Iraq*

104. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 69 extant UK export licences to Iraq:

a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or

b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Iraq for: assault rifles, small arms ammunition, body armour, components for body armour, military helmets, components for ground vehicle military communications equipment, components for military communications equipment, equipment for the use of ground vehicle military communications equipment, ground vehicle military communications equipment, military communications equipment, cryptographic software equipment employing cryptography, software for equipment employing cryptography, equipment for the use of military communications equipment, equipment for the use of weapon sights, technology for equipment for the use of weapon sights, software for ground vehicle military communications equipment, software for military communications equipment, software for the use of military communications equipment, technology for ground vehicle military communications equipment and, weapon night sights. (Refer to Volume II, paragraphs 406–408.)

**The Government is satisfied that none of the currently extant licences for Iraq contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**There is an embargo on arms and related materiel against Iraq, which provides exemptions for equipment required by the Iraqi Government. All extant licences for Iraq were approved in accordance with the sanctions in place.**

### *Israel and the Occupied Palestinian Territories*

105. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 381 extant UK export licences to Israel and the Occupied Palestinian Territories:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Israel and the Occupied Palestinian Territories for: all-wheel drive vehicles with ballistic protection; body armour, components for body armour, military helmets, components for pistols, components for body armour, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for pistols, components for equipment employing cryptography, components for military communications equipment, cryptographic software, equipment employing cryptography, software for equipment employing cryptography, software for the use of equipment employing cryptography, general military vehicle components, military support vehicles, small arms ammunition, technology for equipment employing cryptography, technology for the development of equipment employing cryptography, technology for the use of equipment employing cryptography, weapon sights, military communications equipment and components for small arms ammunition. (Refer to Volume II, paragraphs 409–415.)

**The Government is satisfied that none of the currently extant licences for Israel and the Occupied Palestinian Territories contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

### *Libya*

106. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 49 extant UK export licences to Libya:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Libya for: gun mountings, military helmets, all-wheel drive vehicles with ballistic protection, anti-riot/ballistic shields, body armour, components for body armour, equipment for the use of assault rifles, equipment for the use of pistols, pistols, small arms ammunition, assault rifles, components for assault rifles, components for pistols, hand grenades, combat shotguns, components for all-wheel drive vehicles with ballistic protection, cryptographic software, equipment employing cryptographic software, software for equipment employing cryptography, equipment employing cryptography, military combat vehicles, military support vehicles, command communications control and intelligence software, military communications equipment, military software, software for military communications equipment. (Refer to Volume II, paragraphs 416–421.)

**The Government is satisfied that none of the currently extant licences for Libya contravenes its policy as outlined in paragraph 46 above. However, as was shown in Libya itself during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government’s answers to the Committees’ Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees’ Annual Report, provide more detail about individual licences.**

**There is a UN arms embargo against Libya. There are exemptions to the embargo for supplies of non-lethal military equipment intended solely for humanitarian or protective use, protective clothing for use by United Nations personnel, representatives of the media and humanitarian and development workers, arms and related material intended solely for security or disarmament assistance to the Libyan authorities and other sales or supply of arms and related materiel. Procedures vary: some exports must be approved in advance by the Sanctions Committee while others require notification and the absence of a negative decision.**

**All extant licences for Libya were approved in accordance with the sanctions in place.**

#### *Saudi Arabia*

107. The Committees have noted the Government’s answer that it applies the same stated policy on arms exports and internal repression to Saudi Arabia as it does to the other states in the region and to states worldwide. However, the Committees conclude that that does not appear to have been so in the case of the deployment of Saudi forces in British armoured vehicles to Bahrain to protect installations, thereby enabling Bahraini security forces to end, sometimes violently, predominantly peaceful demonstrations. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 417 extant UK export licences to Saudi Arabia:

- a) contravenes the Government’s stated policy that: “We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression”;  
or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK’s Consolidated Criteria and the EU Common Position

including those extant licences to Saudi Arabia for: body armour, anti riot/ballistic shields, components for body armour, military helmets, components for all-wheel vehicles with ballistic protection, general military vehicle components, components for ground vehicle military communications equipment, ground vehicle military communications equipment, components for machine guns, components for military combat vehicles, components for military support vehicles, components for military communications equipment, crowd control ammunition, hand grenades, smoke/pyrotechnic ammunition, tear gas/irritant ammunition, training crowd control ammunition, cryptographic software, equipment employing cryptography, military communications equipment, technology for military communications equipment, CS hand grenades, tear gas/irritant ammunition, training tear gas/irritant ammunition, software for equipment employing cryptography, software for the use of equipment employing cryptography, gun silencers, military communications equipment, small arms ammunition, software for ground vehicle military communications equipment, technology for ground vehicle military communications equipment, command communications control and intelligence software, components for machine guns, machine guns, equipment for the use of machine guns, weapon night sights, weapon sight mounts, weapon sights, equipment for the use of weapon night sights, military combat vehicles and military support vehicles. (Refer to Volume II, paragraphs 422–429.)

**The Government questions the Committees' conclusion about its policy towards Saudi Arabia. As Parliamentary Under-Secretary of State for Foreign Affairs, Alistair Burt made clear before the Foreign Affairs Committee on 18 June 2013, "there is no connection between the work done by the Saudi authorities to protect certain places in Bahrain and the behaviour of Bahraini security forces subsequently. That the Bahraini forces were able to go off and do their job is clear, but they could have handled it in a completely different manner. They could have handled it in the manner demanded by the international community." As stated in the Foreign Secretary's letter of 6 December 2012, the Government applies the same stated policy on arms exports and internal repression to Saudi Arabia as it does to the other states in the region and to states worldwide.**

**The Government is satisfied that none of the currently extant licences for Saudi Arabia contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

### *Syria*

108. The Committees recommend that when the Government in its quarterly reports on the BIS website publishes export licence approvals of dual-use items that are frequently associated with military use, such as hydrophone arrays, hydrophones and towed-hydrophone arrays, it should make clear whether or not these are for civil use only, in order to avoid misleading the public.

**The Government notes the Committees' recommendation. However "dual-use" items are by definition items which "can be used for both civil and military**

**purposes" and in practice the vast majority of export licences granted for dual-use items are for civil end-use. It would be impractical for the Government to produce footnotes for each individual licence in its Quarterly Reports but it does so for those licences which may be of public interest. In this case we do not agree that the reference to "hydrophone arrays" was likely to mislead the public. The Quarterly Report also contains details of the sanctions in place for specific destinations.**

109. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that neither of the 3 extant UK export licences to Syria or any goods on the Strategic Exports Control lists gifted, or planned to be gifted, to those in Syria:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including the extant licences to Syria for components for all-wheel drive vehicles with ballistic protection.

**The Government is satisfied that none of the currently extant licences for Syria contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**In May 2011 the EU adopted restrictions against Syria on the supply of arms and related materiel under Council Decision. There have been a number of revisions to these restrictive measures in 2012 and 2013. All extant licences for Syria were approved in accordance with the sanctions in place. As the Committees are aware from the Business Secretary's letter of 6 September 2012, the revision of the Syria sanctions regime led to some licence revocations in July 2012 for the export of chemicals. The Business Secretary's letter to the Committees of 10 September and his reply to Sir John Stanley's letters of 9 and 11 September provided further details on these and other licences for the export of chemicals to Syria.**

**As stated in the Government's Annual Report on Strategic Export Controls published on 12 July, "As a matter of policy, all proposals to gift controlled military equipment are assessed against the Consolidated EU and National Arms Export Licensing Criteria by relevant Government departments in the same way as commercial applications and to the same degree of rigour." Therefore the Government is satisfied that no gifting package contravenes its policy as outlined in paragraph 46 above.**

110. The Committee further recommend that in its Response the Government states:

- a) whether, since the BIS Secretary of State's letter of 10 May 2013, any UK Strategic Export Control licences for goods to Syria have been approved stating the application type, Annual Report summary and goods value in the case of each licence;

<i>Application Type</i>	<i>Goods</i>	<i>Total Goods Value (£)</i>
SITCL	All-wheel drive vehicles with ballistic protection for use by UN personnel	117,783
SITCL	All-wheel drive vehicles with ballistic protection for use by UN personnel	919,432
OITCL	All-wheel drive vehicles with ballistic protection for use by diplomatic personnel	Unable to give a value for open licences

- b) whether, since the Written Ministerial Statement made by the Foreign Secretary on 15 April and his Oral Statement on 20 May, any additional non-lethal equipment, or any goods subject to UK Strategic Export Controls have been gifted to Syria, and, if so, to state the nature of the equipment and goods, and their value; and

**On 15<sup>th</sup> July 2013, the Foreign Secretary laid a minute before Parliament detailing plans to provide the Syrian opposition with equipment to help protect against chemical weapons attack. The Foreign Secretary made a written statement on the gift on 16<sup>th</sup> July 2013 and also wrote to the chairs of the Public Accounts Committee, the Committee on Arms Export Controls, the Defence Committee and the Foreign Affairs Committee to alert them to the minute. The gift comprises 5,000 commercially available escape hoods, medical pre-treatment tablets (sufficient to treat up to 5,000 people for 6 months) and chemical weapons detector paper. The approximate total cost of the equipment in the gift is £656,800, which will be met by the Government's Conflict Pool Fund.**

- c) the Government's present policy on the supply, whether by sale or gift, and whether directly or indirectly, of goods on the Strategic Exports Control lists to Syria. (Refer to Volume II, paragraphs 430–447.)

**Robust and effective measures that control the export of military and dual-use equipment (as defined in the UK 'Consolidated Control List') to Syria and all other destinations remain in place. Licensable goods for export to Syria continue to be assessed against the Consolidated Criteria. These measures have not changed as a result of ending the EU Arms Embargo on 27 May at the EU Foreign Affairs Council.**

**Specifically, the Foreign Secretary agreed with his counterparts on 27 May that with all arms and internal repression items the following conditions would apply:**

- **The sale, supply, transfer or export of military equipment or of equipment which might be used for internal repression will be for the Syrian National Coalition and intended for the protection of civilians;**
- **Member States shall require adequate safeguards against misuse of authorisations granted, in particular relevant information concerning the end-user and final destination of the delivery; and**
- **Member States shall assess the export licence applications on a case-by-case basis, taking full account of the criteria set out in Council Common Position 2008/944.CFSP of 8 December 2008 (i.e. broadly the Consolidated Criteria) defining common rules governing control of exports of military technology and equipment.**

**To fully meet the commitments made at the Foreign Affairs Council on 27 May the Department for Business, Innovation and Skills has laid before Parliament legislation to ensure that equipment that could be used for internal repression (as defined in Annex II of EU Document 17464/09) will continue to be treated as licensable goods. This legislation is in addition to existing robust and effective measures that control the export of military and dual-use equipment to Syria and all other destinations.**

### *Tunisia*

111. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 51 extant UK export licences to Tunisia:

- a) **contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or**
- b) **is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position**

including those extant licences to Tunisia for: cryptographic software, components for equipment employing cryptography, equipment employing cryptography, software for the use of equipment employing cryptography, technology for the use of cryptographic software, technology for the use of equipment employing cryptography, small arms ammunition, command communications control and intelligence software, technology for command communications control and intelligence software, software for equipment employing cryptography, technology for equipment employing cryptography, software for military communications equipment, technology for the use of software for military communications equipment, weapon night sights, military support vehicles, components for military support vehicles, anti-armour ammunition and small arms ammunition. (Refer to Volume II, paragraphs 448–453.)

**The Government is satisfied that none of the currently extant licences for Tunisia contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, including for Tunisia itself, circumstances can and do**

rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

#### *Yemen*

112. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that neither of the 10 extant UK export licences to Yemen:
- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
  - b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including the extant licence to Yemen for body armour. (Refer to Volume II, paragraphs 454–459.)

**The Government is satisfied that none of the currently extant licences for Yemen contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

#### *Other Countries of concern*

##### *Afghanistan*

113. The Committees recommend that the Government in its Response to this Report lists the items of military equipment and their values that it has gifted or it intends to gift to the Government of Afghanistan and its agencies as British military forces withdraw.

**We publish details in the Annual Report on Strategic Export Controls of controlled military equipment gifted by the Government. There were no gifts of controlled military equipment to Afghanistan in 2012 and to date in 2013 that remains case.**

**If gifting equipment is an option, the Government only agrees to requests from foreign governments to gift them military equipment where to do so would assist our foreign and security policy aims. Gifting is not a frequent occurrence.**

**All proposals to gift controlled goods are assessed against the Consolidated EU and National Arms Export Licensing Criteria in the same way as commercial applications.**

**Where gifts of controlled items are approved these are reported in the Annual Report on Strategic Export Controls, including the value.**

114. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of its items of gifted military equipment and none of the 80 extant UK export licences to Afghanistan or any goods on the Strategic Exports Control lists gifted, or planned to be gifted, to Afghanistan:

- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
- b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Afghanistan for: body armour, components for body armour, military helmets, components for all-wheel vehicles with ballistic protection, components for ground vehicle military communications equipment, ground vehicle military communications equipment, components for machine guns, machine guns, small arms ammunition, components for pistols, equipment employing cryptography, software for equipment employing cryptography, general military vehicle components, military support vehicles and technology for military support vehicles. (Refer to Volume II, paragraphs 460–467.)

**The Government is satisfied that none of the currently extant licences for Afghanistan contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**There is an arms embargo in place for Afghanistan with sanctions applying to those individuals designated under the UN's 'Consolidated List'. All extant licences for Afghanistan were approved in accordance with the sanctions in place or for use by the International Security Assistance Force (ISAF)/Diplomatic Missions/United Nations/Recognised NGO.**

**As stated in the Government's Annual Report on Strategic Export Controls published on 12 July, "As a matter of policy, all proposals to gift controlled military equipment are assessed against the Consolidated EU and National Arms Export Licensing Criteria by relevant Government departments in the same way as commercial applications and to the same degree of rigour." Therefore the Government is satisfied that no gifting package, or planned gifting package, contravenes its policy as outlined in paragraph 46 above.**

### *Argentina*

115. The Committees conclude that it is reprehensible that the Government, given the relatively recent history of British ships being sunk in the Falklands War by missiles supplied by a fellow NATO member and the statement by the Argentinian Foreign Minister, as reported on 5 February 2013, regarding Argentinian control of the Falkland Islands, when he said "I don't think it will take another 20 years", is unwilling to lobby

other Governments to make the same change in arms exports policy to Argentina as that announced by the British Government on 26 April 2012. The Committees recommend that the Government should do so.

**The Government notes the Committees conclusion but questions its recommendation. Our policy remains as stated in the Foreign Secretary's letter of 6 December 2012 and as reiterated by him at the Oral Evidence Session with the Committees on 19 December 2012.**

116. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 57 extant UK export licences to Argentina:
- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
  - b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position including those extant licences to Argentina for: cryptographic software, equipment employing cryptography, equipment for the development of equipment employing cryptography, software for the development of equipment employing cryptography, technology for the development of equipment employing cryptography, software for the use of equipment employing cryptography, software for equipment employing cryptography and technology for equipment employing cryptography. (Refer to Volume II, paragraphs 468–477.)

**The Government is satisfied that none of the currently extant licences for Argentina contravenes its policies both as outlined in paragraph 46 above and as announced on 26 April 2012. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

#### *China*

117. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 1163 extant UK export licences to China:
- a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or
  - b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to China for: body armour, components for equipment employing cryptography, components for ground vehicle communications equipment, components for military communications equipment, military communications equipment, technology for military communications equipment, cryptographic software, equipment employing cryptography, software for equipment employing cryptography, software for the use of equipment employing cryptography, technology for equipment employing cryptography, equipment for the production of equipment employing software, equipment for the use of military communications equipment, small arms ammunition,

software for cryptographic software, technology for cryptographic software, technology for ground vehicle military communications equipment, technology for military communications equipment, technology for the production of military communications equipment, weapon sights.

**The Government is satisfied that none of the currently extant licences for China contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**As the Committees note below there is an EU arms embargo in place against China. The UK interpretation of Arms Embargo on China, given in Parliament on 3 June 1998, is that it applies to:**

- **Lethal weapons, such as machine guns, large calibre weapons, bombs, torpedoes, rockets and missiles. Specially designed components for these and ammunition.**
- **Military aircraft and helicopters, vessels of war, armoured fighting vehicles and other such weapons platforms.**
- **Any equipment which might be used for internal repression.**

**All extant licences for China were approved in accordance with the UK's interpretation of the embargo.**

118. The Committees further recommend that the Government states in its Response whether it will seek to widen the EU arms embargo on China to include: a) all military goods; and
- b) all listed goods which "might be used to facilitate internal repression" contrary to the UK Government's stated policy. (Refer to Volume II, paragraphs 478–486.)

**The EU arms embargo already covers any equipment which might be used for internal repression and the Government has no plans to seek to widen it further.**

### *Madagascar*

119. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 40 extant UK export licences to Madagascar: a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or

b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position

including those extant licences to Madagascar for: cryptographic software, equipment employing cryptography, body armour, components for body armour, military helmets, software for equipment employing cryptography, technology for equipment employing cryptography, combat shotguns, rifles, small arms ammunition, weapon sights, assault rifles, components for assault rifles, components for pistols, components for rifles, pistols, sniper rifles and weapon night sights. (Refer to Volume II, paragraphs 487–491.)

**The Government is satisfied that none of the currently extant licences for Madagascar contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government’s answers to the Committees’ Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees’ Annual Report, provide more detail about individual licences.**

### *Sri Lanka*

120. The Committees recommend that the Government states in its Response how the statement made by the FCO Minister Alistair Burt on 20 February 2013 that during the period 1 July–30 September 2012 only 2 arms export licences were approved to the Sri Lankan military can be reconciled with the information put on the BIS website for licences approved to Sri Lanka in this period as reproduced in paragraph 496 of the Memorandum from the Chairman of the Committees in Volume II.

**As the Committees will be aware the Government does not publish the details of specific end users in its Quarterly Reports. Mr Burt correctly stated that only 2 arms export licences were approved to the Sri Lankan military during the period in question. Other licences for military list equipment were issued during that period but these were for the export of goods and equipment to Private Security Companies (PSCs) involved in counter-piracy work.**

121. The Committees further recommend that the Government in its Response to this Report states whether it is satisfied that none of the 49 extant UK export licences to Sri Lanka: a) contravenes the Government’s stated policy that: “We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression”; or

b) is currently in contravention of any of the arms exports Criteria set out in the UK’s Consolidated Criteria and the EU Common Position

including those extant licences to Sri Lanka for: acoustic devices for riot control, body armour, military helmets, all-wheel drive vehicles with ballistic protection, military support vehicles, assault rifles, components for assault rifles, components for body armour, components for rifles, rifles, small arms ammunition, weapon sights, combat shotguns and equipment employing cryptography. (Refer to Volume II, paragraphs 492–499.)

**The Government is satisfied that none of the currently extant licences for Sri Lanka contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading**

**to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

### *Uzbekistan*

122. The Committees recommend that the Government in its Response to this Report states whether it is satisfied that none of the 19 extant UK export licences to Uzbekistan or any goods on the Strategic Exports Control lists gifted, or planned to be gifted, to Uzbekistan:

a) contravenes the Government's stated policy that: "We will not issue licences where we judge there is a clear risk that the proposed export might provoke or prolong regional or internal conflicts, or which might be used to facilitate internal repression"; or

b) is currently in contravention of any of the arms exports Criteria set out in the UK's Consolidated Criteria and the EU Common Position. (Refer to Volume II, paragraphs 500–503.)

**The Government is satisfied that none of the currently extant licences for Uzbekistan contravenes its policy as outlined in paragraph 46 above. However, as was shown during the Arab Spring, circumstances can and do rapidly change, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases the Government would revoke the licence. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.**

**As stated in the Government's Annual Report on Strategic Export Controls published on 12 July, "As a matter of policy, all proposals to gift controlled military equipment are assessed against the Consolidated EU and National Arms Export Licensing Criteria by relevant Government departments in the same way as commercial applications and to the same degree of rigour." Therefore the Government is satisfied that no gifting package, or planned gifting package, contravenes its policy as outlined in paragraph 46 above.**

### *Arms exports to authoritarian regimes and to Countries of concern worldwide*

123. The Committees conclude that the Government's answer, in response to the Committees' question, that it is satisfied that none of its extant arms export licences to authoritarian regimes and Countries of human rights concern worldwide contravenes the Government's stated policy to the Committees on arms exports and internal repression, or the UK's Consolidated Criteria on arms exports, or the EU's Common Position on arms exports is welcome. However, the Committees further conclude that the Government would have done better to have accepted the Committees' Recommendation in successive Reports that it should extend its arms export policy review from countries in the Middle East and North Africa to authoritarian regimes and Countries of human rights concern worldwide rather than to have disagreed with the

Committees' Recommendation and then to have been obliged to extend its review worldwide in order to be able to answer the Committees' subsequent questions.

**The Government notes the Committees' conclusions. The Government has not conducted a review of all licences to authoritarian regimes and countries of human rights concern worldwide. The Government's consistent policy is to review extant licences for a country when a change in circumstances in that country changes the risks under the Consolidated Criteria, and to revoke extant licences if they cross the risk thresholds in the Criteria. The events of the Arab Spring meant that unusually the Government reviewed extant licences to several countries concurrently during February/March 2011.**

**The Foreign Secretary announced a review of policy, as opposed to individual licences, on 16 March 2011. Although this review was inspired by events in the Middle East and North Africa, the recommendations were applicable worldwide and have now been implemented.**

124. Given that the Government has now acknowledged that its new arms export suspension mechanism only applies to licence applications that are still being processed and not to military or dual-use goods that have already left the UK, the Committees repeat their previous recommendation that the Government should apply significantly more cautious judgements when considering arms export licence applications for goods to authoritarian regimes "which might be used to facilitate internal repression" in contravention of the Government's policy, as stated to the Committees by the Foreign Secretary on 7 February 2012. (Refer to Volume II, paragraphs 504–510.)

**The Government does not accept the Committees' recommendation as it made clear in its reply to the Committees' 2011 report (Cm 8079 of 2011) and also its reply to the Committees of 7 January 2012 (Annex 11 of HC 419, page 267).**

**The Government's statements have always made clear that the suspension mechanism does not apply to goods that have already been shipped - it applies only to licence applications that are still being processed and to any new applications that may subsequently be submitted. Once an item has left the UK suspending or revoking the licence will not result in the return of that item. For extant licences, i.e. those that are wholly or partially unused, we have the option of revocation or suspension should that be deemed necessary.**



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