

United Kingdom Strategic Export Controls Annual Report 2020

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Correction:

Text on page 13 currently reads:

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Revoked	10	0	2	0	0

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Contents

Foreword	1
Section 1 – Export licensing process and basics	4
Section 2 – Export licensing data	13
Section 3 – EU Exit and legislation of the United Kingdom	28
Section 4 – Court of Appeal judgment about military exports to Saudi Arabia	32
Section 5 – Outreach	33
Section 6 – HM Government support to allies and partners	35
Section 7 – International policy developments	38
Section 8 – Compliance and enforcement	47
Section 9 – Case studies	52
Annex A – Consolidated EU and National Arms Export Licensing Criteria	55
Annex B – A summary of key changes affecting Open General Export Licences (OGELs) in 2020	61

Foreword

This is the 24th edition of HM Government's Annual Report on Strategic Export Controls. The report provides details of strategic export controls policy and export licensing decisions for the period January to December 2020. 2020 saw the United Kingdom leave the European Union on 31st January and enter into a transitional period which ended at 11pm on 31st December. The complex issues arising during 2020 were made additionally challenging by the COVID-19 pandemic. In response to COVID-19, the Export Control Joint Unit (ECJU) put in place robust business continuity measures to ensure that export licensing, identified as a business-critical operation, continued to function. In addition to the consideration of licence applications, we found new ways to overcome the temporary absence of face-to-face communications, maintaining a programme of engagement with industry through a range of online events and compliance checks carried out remotely.

The Secretary of State for International Trade took the necessary steps to comply with the judgment of the Court of Appeal of 20th June 2019 in respect of licences for military exports to Saudi Arabia for possible use in the conflict in Yemen. A written statement setting out these steps was laid in Parliament on 7th July 2020. HM Government took decisive action on the National Security Law which China imposed on the people of Hong Kong by extending to Hong Kong the arms embargo that we have applied to mainland China since 1989.

HM Government, through ECJU, continued to assess each export licence application on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria, as set out in Annex A, taking into account all relevant information at the time. We will not grant a licence if to do so would be inconsistent with these Criteria, including where we assess there is a clear risk that the items might be used for internal repression, breach our sanctions agreements or be diverted under undesirable conditions. We make sure that exports under Open General licences, which may be used following online registration, are consistent with these Criteria.

During 2020, ECJU processed around 15,700 Standard Individual Export Licence applications, completing 62% within 20 working days against the published target of 70%. We acknowledge this drop in our performance against our primary target. This is set out in Section 2 of this report. We have examined the causes to learn from them, in order to improve our performance in 2021.

Strengthening arms control regimes remained a high priority in 2020. The United Kingdom continued to play a pivotal role in supporting the effective implementation of the Arms Trade Treaty. As a major donor to the Voluntary Trust Fund, and a member of its Selection Committee, the United Kingdom was closely involved in the scrutiny of bids and funding of ten projects aimed at supporting effective Treaty implementation. Through the United Nations, the United Kingdom has been a strong supporter of the need to combat the illicit trade in Small Arms and Light Weapons, working to provide a common set of standards for establishing effective national controls. The Australia Group, comprising 42 states and the European Union, agreed in February to add Novichok nerve agent precursors to the control lists. Through the second Global Mine Action Programme (GMAP2), the United Kingdom continued to lead on de-mining activities across the world, with over 394 million square metres of land cleared and confirmed safe since the programme's start

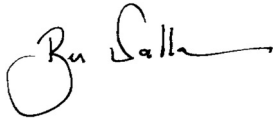
in 2018. In October, HM Government expanded the academic pre-visa vetting scheme, the Academic Technology Approval Scheme (ATAS), beyond Weapons of Mass Destruction (WMD) to include advanced conventional military technologies.

The United Kingdom continues to operate one of the most transparent licensing regimes in the world, publishing information on all licences issued, refused or revoked. This Annual Report demonstrates our continued commitment to transparency and accountability. As we saw throughout 2020, there remains strong parliamentary, public and media interest in strategic export control issues. Accordingly, we trust that the information contained in this Annual Report will be of interest to a wide range of people. We commend it to Parliament.



The Rt Hon Dominic Raab MP

First Secretary of State and Secretary of State for Foreign,
Commonwealth and Development Affairs



The Rt Hon Ben Wallace MP

Secretary of State for Defence



The Rt Hon Elizabeth Truss MP

Secretary of State for International Trade
and President of the Board of Trade

Section 1

Export licensing process and basics

1.1 The need for Export Licensing

The Export Control Act 2002 and the Export Control Order 2008 provide the legal framework for the United Kingdom's export controls. A body of EU legislation is also relevant. Some of this EU legislation applies directly, and some is transposed through the Export Control Order.

Through this legislative framework, HM Government controls the export of a range of military and "dual-use"¹ items. The EU legislation referred to in this report is the legislation that was in place during the period of the report. At the end of the Transition Period, at 11pm on 31st December 2020, some of this EU legislation became retained EU law under the European Union (Withdrawal) Act 2018 and was applicable to exports from Great Britain. However, under the terms of the Protocol on Ireland / Northern Ireland ("Northern Ireland Protocol"), the EU regulations continued to apply to the movement of controlled goods in Northern Ireland. Section 3 sets out these changes in more detail.

The purpose of the United Kingdom's export controls is to promote global security and facilitate responsible exports.

Our export controls help ensure that goods exported from the United Kingdom do not contribute to the proliferation of weapons of mass destruction (WMD) or a destabilising accumulation of conventional weapons. They protect the United Kingdom's security and our expertise by restricting who has access to sensitive technologies and capabilities. Export controls also help ensure that controlled items are not used for internal repression or in the commission of serious violations of international humanitarian law.

They are the means by which we implement a range of international legal commitments including the Arms Trade Treaty and those resulting from United Nations arms embargoes or trade sanctions.

¹ Dual-use items are goods, software, technology, documents and diagrams which can be used for both civil and military applications. They can range from raw materials to components and complete systems, such as aluminium alloys, bearings, or lasers. They could also be items used in the production or development of military goods, such as machine tools, chemical manufacturing equipment and computers.

A product needs an export licence if it is included on:

- the United Kingdom Military List or national control list
- lists of controlled items derived from the international export control regimes (set out in more detail in Section 7), which are:
 - The Nuclear Suppliers Group (NSG)²
 - The Missile Technology Control Regime (MTCR)³
 - The Australia Group (AG)⁴
 - The Wassenaar Arrangement (WA)⁵
 - The Zangger Committee⁶
- the list of goods covered by Regulation (EU) 2019/125 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (“the Torture Regulation”)
- the list of items covered by Regulation (EU) No 258/2012, which establishes export, import and transit measures for firearms, their parts and components and ammunition
- the list of goods covered by the Export of Radioactive Sources (Control) Order 2006

Even if an item does not appear on one of these lists, it may still require an export licence under Article 4 of Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (“the Dual-Use Regulation”) if there are concerns about its end-use. “End-use” or “catch-all” controls aim to prevent the proliferation of WMD and their delivery systems, or the supply of items intended for a military end-use in an embargoed destination.

1.2 The Export Control Joint Unit

In July 2016, HM Government established the Export Control Joint Unit (ECJU). It is hosted by the Department for International Trade (DIT). ECJU administers HM Government’s system of export controls, and brings together policy and operational expertise from DIT, the Foreign, Commonwealth and Development Office (FCDO) and the Ministry of Defence (MOD). The individual Departments within the Unit have distinct roles, and these are outlined below.

The export licensing community

Other government departments play a vital role but are not part of ECJU. The diagram below shows departments involved either in the licensing process or in enforcing the implementation of export controls.

DIT has overall responsibility for the export licensing process. The Secretary of State for International Trade is ultimately responsible for:

- the statutory and regulatory framework of the controls (such as what items and activities are controlled)
- the decision to grant or refuse an export licence in any individual case; and, where necessary, the decision to suspend or revoke extant licences in accordance with the relevant legislation and announced policy

² <https://www.nuclearsuppliersgroup.org/en/about-nsg>

³ <https://mtcr.info/>

⁴ <https://www.dfat.gov.au/publications/minisite/theaustraliagroupnet/site/en/index.html>

⁵ <https://www.wassenaar.org/genesis-of-the-wassenaar-arrangement>

⁶ <http://zanggercommittee.org/>

Departments involved in export control

Licence Assessment

- Department for International Trade
- Foreign, Commonwealth and Development Office
- Ministry of Defence
- National Cyber Security Centre
- Department for Business, Energy and Industrial Strategy

Licence Enforcement

- HM Revenue and Customs
- Border Force
- Crown Prosecution Service

The Foreign and Commonwealth Office and the Department for International Development merged in September 2020 to form the Foreign, Commonwealth and Development Office.

Advisory Departments

In September 2020, the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) merged to form the Foreign, Commonwealth and Development Office (FCDO). Both FCO and DFID were advisory departments to DIT. Advice previously received from FCO and DFID is now provided by FCDO.

With the creation of FCDO, the principal advisory departments are the FCDO and the MOD. Together, they provide DIT with advice and analysis on foreign policy, defence and development matters relevant to licensing. They do this by assessing all applications on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria, known as the "Consolidated Criteria".

The FCDO licensing team considers, among other issues, whether an export:

- would comply with the United Kingdom's international obligations and commitments and sanctions regimes
- might be used for internal repression or in the commission of a serious violation of international humanitarian law
- might provoke or prolong armed conflicts or affect regional peace and stability, or
- might be diverted to an undesirable user or purpose

FCDO also considers whether an export is compatible with the technical and economic situation of a country. FCDO takes into account several factors, including the recipient country's relative levels of military and social expenditure, and how much it receives in development assistance. If a country is on the World Bank's International Development Association list and the value of the export exceeds an agreed threshold, FCDO will consider the potential impact on the sustainable development of the country.

In making its assessment, FCDO takes account of possible uses of the equipment, the destination country and the end-user. Staff seek detailed political, sanctions, human rights and legal advice as necessary from posts overseas and other sources such as NGO or media reporting.

MOD considers the military, operational, technical and security aspects of proposals to release classified material or export-controlled goods to foreign end-users. In particular, MOD advises on the risk of any export being used against the United Kingdom's Armed Forces and those of our allies, and any potential threat to the security of the United Kingdom or allies. MOD jointly leads with FCDO on assessing the risk of diversion or re-export of goods to end-users of concern.

MOD advice on export licence applications is given on a case-by-case basis that assesses the views of those responsible for protecting the capability of the United Kingdom's Armed Forces, as well as security and intelligence specialists.

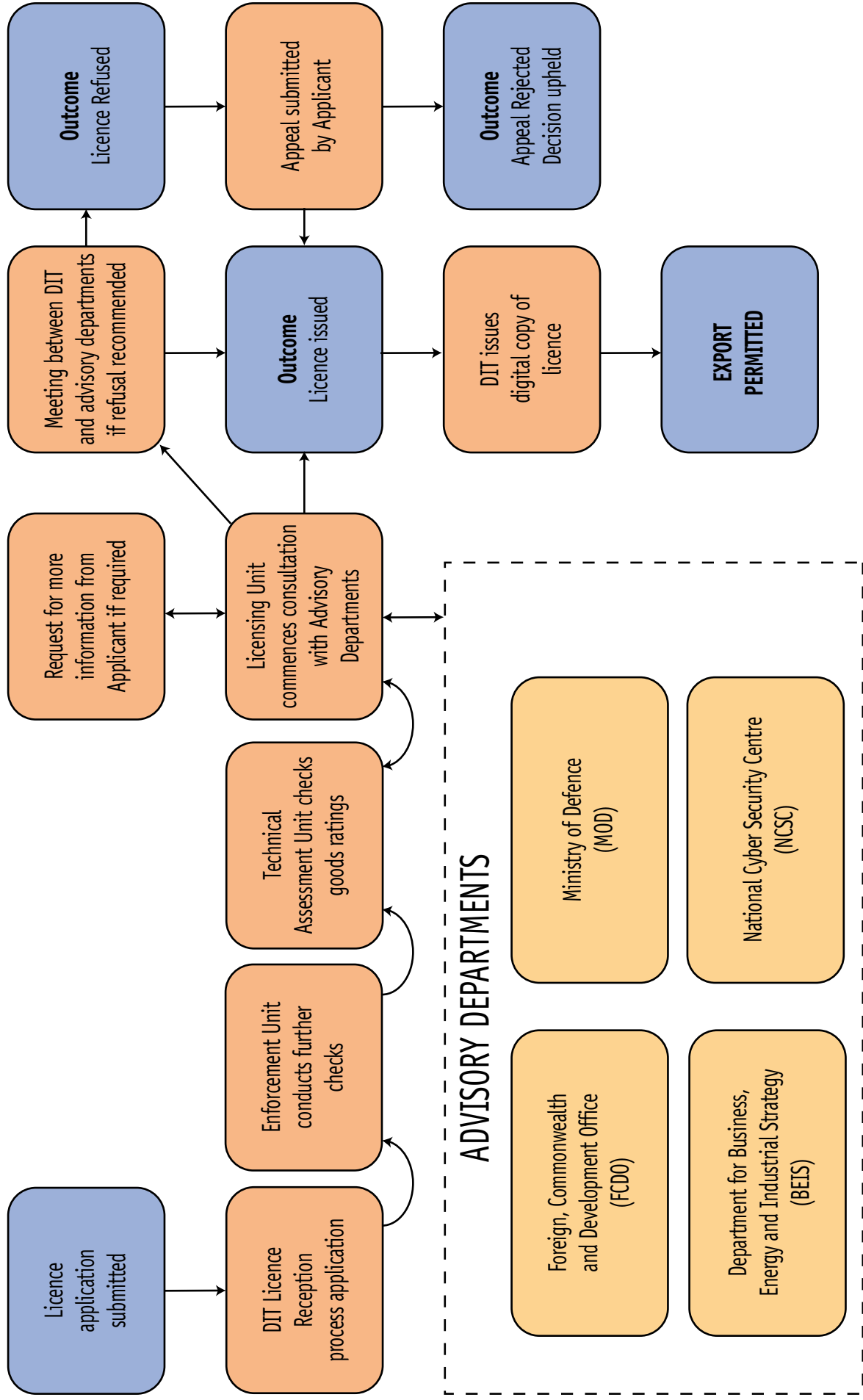
MOD also operates a procedure – the MOD Form 680 (F680) approval process – that enables HM Government to control the release of classified equipment or information to foreign entities without compromising the United Kingdom's national security.

The National Cyber Security Centre is HM Government's national technical authority for information security and advises on applications for goods involving sensitive communications or computer technology.

The Department for Business, Energy & Industrial Strategy (BEIS) plays a key role in HM Government's biological, chemical and nuclear non-proliferation policy, for example by making sure that HM Government continues to meet its obligations under the Chemical Weapons Convention (CWC) and NSG. The Department advises if there are concerns that proposed exports might be used in a WMD programme.

Whilst HM Revenue & Customs (HMRC) does not provide direct advice on applications it does have responsibility for the enforcement of export and trade controls, as well as sanctions and embargoes. HMRC works with Border Force to prevent, detect and investigate breaches. The Central Fraud Group in the Crown Prosecution Service leads on any subsequent prosecutions.

Standard Individual Export Licence (SIEL) Process



1.3 Overview of export licence types and processing times

Applications for export, trade ('brokering'), or transshipment licences for controlled goods are submitted to ECJU through the digital SPIRE licensing database. Applications must include details about who will use the goods and what they intend to do with them. This information is considered as part of the overall assessment process. Applications must include technical specifications sufficient to allow experts in ECJU to determine whether the goods are specified by the control lists and therefore need an export licence.

The vast majority of export licences granted are Standard Individual Export Licences. All applications are processed as efficiently as possible, but with care. We advise applicants not to enter into a binding contract or to start special production until an export licence has been issued. We also encourage all exporters to apply for licences at the earliest opportunity.

The scope of pre-published Open General licences or EU General Export Authorisations is carefully chosen to include only items and destinations assessed to be consistent with the "Consolidated Criteria".

Table 1.1 Summary of applications and registrations

Licence Type	Applications and registrations received in 2020
Standard Individual Export Licences (SIELs)	15,334
Open Individual Export Licences (OIELs)	499
Open General Export Licences (OGELs)	1,147
EU General Export Authorisations (EU GEAs)	241
Standard Individual Trade Control Licences (SITCLs)	231
Open Individual Trade Control Licences (OITCLs)	85
Open General Trade Control Licences (OGTCLs)	48
Standard Individual Transshipment Licences (SITLs)	21
Open General Transshipment Licences (OGTLs)	6

Standard Individual Export Licences (SIELs)

- Applications received in 2020: 15,334⁷

SIELs allow shipments of specified items to a specified consignee or end-user up to a quantity specified in the licence. If the export will be permanent, SIELs are generally valid for two years or until the quantity specified has been exported, whichever occurs first.

If an export is temporary, for example for the purposes of demonstration, trial or evaluation, a SIEL is generally valid for one year only and the items must be returned to the United Kingdom before the licence expires. Checks are in place to ensure that items have returned to the United Kingdom.

Open Individual Export Licences (OIELs)

- Applications received in 2020: 499⁸

OIELs cover multiple shipments of specified items to specified destinations and/or, in some cases, specified consignees. An OIEL is a tailored and flexible licence and generally valid for five years. The exceptions are OIELs for the transfer of military items to destinations in EU Member States, which are valid for three years but may be renewed at the exporter's request; and "dealer-to-dealer" OIELs, which allow firearms dealers to export certain categories of firearms and ammunition solely to other firearms dealers in the EU, and which are valid for three years.

Applications must include items to be exported and destinations, but specific quantities and named end-users do not necessarily need to be provided before a licence is issued. This data must be provided over the lifetime of the licence. The rejection of an application for an OIEL; or an amendment to exclude particular destinations and/or items; or the revocation of an OIEL, does not prevent a company from applying for SIELs covering some or all of the items to specified consignees in the relevant destinations. The factors that led to the original decision on the OIEL would be considered in the decision about a SIEL application.

Open General Export Licences (OGELs)

- Number of registrations in 2020: 1,147⁹

OGELs are pre-published licences that permit the export of specified items to specified countries, following an online registration. They remove the need for exporters to apply for individual licences, as long as the exporters can meet the terms and conditions set out in the licence. Failure to meet the terms and conditions may result in the licence being withdrawn. An OGEL or other type of open general licence is only published when the exports are consistent with the "Consolidated Criteria". If the assessment changes, for the items and destinations permitted, then the OGEL is amended or revoked. OGELs generally remain in force until they are revoked. All OGELs are published on GOV.UK. OGELs in force in 2020 are listed in Section 2.7.

EU General Export Authorisations (EU GEAs)

- Number of registrations in 2020: 241¹⁰

⁷ Data taken from SPIRE as of 2nd January 2021.

⁸ Data taken from SPIRE as of 2nd January 2021.

⁹ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

¹⁰ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

There are also six EUGEAs under the Dual-Use Regulation. These permit the export from the EU of certain specified dual-use items to specified destinations, subject to the terms and conditions of the licences. They are equivalent to OGELs and are available for use by any exporter in the EU. The EUGEAs are contained in Annexes II(a) to II(f) of the Dual-Use Regulation. There is also one EUGEA under the Torture Regulation. This covers the goods listed in any entry in Annex IV of the Torture Regulation to certain destinations that have abolished capital punishment. All the EUGEAs are listed in Section 2.7.

Standard Individual Trade Control Licences (SITCLs)

- Applications received in 2020: 231¹¹

A SITCL is specific to a named United Kingdom trader or broker and covers involvement in the trade of a specified quantity of specific goods between a specified overseas country, known as the source country, and between a specified consignor, consignee and end-user in an overseas destination country. SITCLs will normally be valid for two years. When a licence expires, either due to the length of time since it was issued or because the activity has taken place, the licence ceases to be valid. If further similar activity needs to take place, another licence must be applied for. Trade controls only apply to Category A, B and C goods as specified in Article 2 and Schedule 1 of the Export Control Order 2008. They do not apply to software and technology.

Open Individual Trade Control Licences (OITCLs)

- Applications received in 2020: 85¹²

An OITCL is specific to a named United Kingdom trader and covers involvement in the trade of specific goods between specified overseas source and destination countries and/or specified consignor(s), consignee(s) and end-user(s). OITCLs are generally valid for five years. The refusal of an application for an OITCL, an amendment to exclude particular destinations and/or items, or the revocation of an OITCL, does not prevent a broker from applying for SITCLs covering some or all of the items to specified consignees in the relevant destinations. The factors that led to the original decision on the OITCL would be considered in the decision about a SITCL application.

Open General Trade Control Licences (OGTCLs)

- Number of registrations in 2020: 48¹³

An OGTCL is a pre-published licence that permits the supply of specified goods from specified source countries outside the United Kingdom to specified destination countries, subject to the specific terms and conditions of the licence. There are currently four OGTCLs available.

Standard Individual Transshipment Licences (SITLs)

- Applications received in 2020 21¹⁴

A SITL is specific to a named transit/transshipment provider and covers a set quantity of specific goods between a specific source and destination country with a specified consignor, consignee and end-user. SITLs are normally valid for two years.

¹¹ Data taken from SPIRE as of 2nd January 2021.

¹² Data taken from SPIRE as of 2nd January 2021.

¹³ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

¹⁴ Data taken from SPIRE as of 2nd January 2021.

Open General Transshipment Licences (OGTLs)

- Number of registrations in 2020: 6¹⁵

OGTLs are similar to OGELs. They relate to transit rather than export and are subject to specific terms and conditions. There are currently four different types of OGTL.

Holders of open individual and open general licences are subject to audit by ECJU Compliance Officers, to ensure that they are using the correct licence and meeting the terms and conditions of their licences.

Information on Financial Assistance, Technical Assistance, Syria Humanitarian and Global Project Licences, is provided in Section 2.6.

¹⁵ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

Section 2

Export licensing data

2.1 Transparency

HM Government publishes comprehensive Official Statistics¹⁶ every quarter about export licence applications granted, refused, rejected, or revoked. In addition, we provide an online searchable database¹⁷ allowing users to produce bespoke reports drawing on this data. HM Government remains committed to openness and transparency of strategic export licensing to provide the means for Parliament and the public to hold HM Government to account.

2.2 Data for each licence type

The following charts provide details of the numbers of each of the main types of licence processed during 2020.

Those processed to completion in 2020 will include applications received during, as well as prior to 2020. Any data referred to as “Issued”, “Refused”, “Rejected” or “Revoked” is taken from the Official Statistics available on GOV.UK.

Comprehensive data on export licences by country is published every three months on GOV.UK. All other data in this section is taken from the SPIRE licensing database as of 19th April 2021, unless otherwise stated.

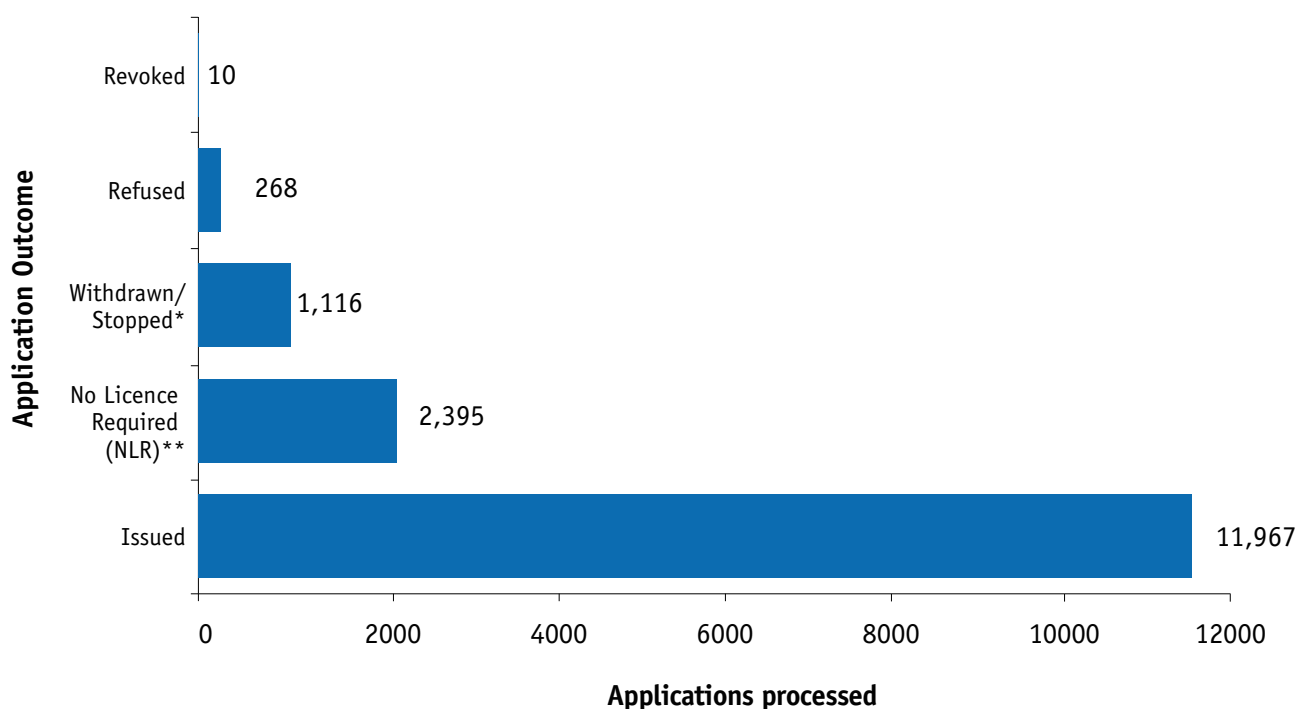
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¹⁶ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data#quarterly-reports>

¹⁷ <https://www.exportcontroldb.trade.gov.uk/sdb2/fox/sdb/>

Chart 2.I: Standard Individual Export Licences (SIELs)



* Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

** Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

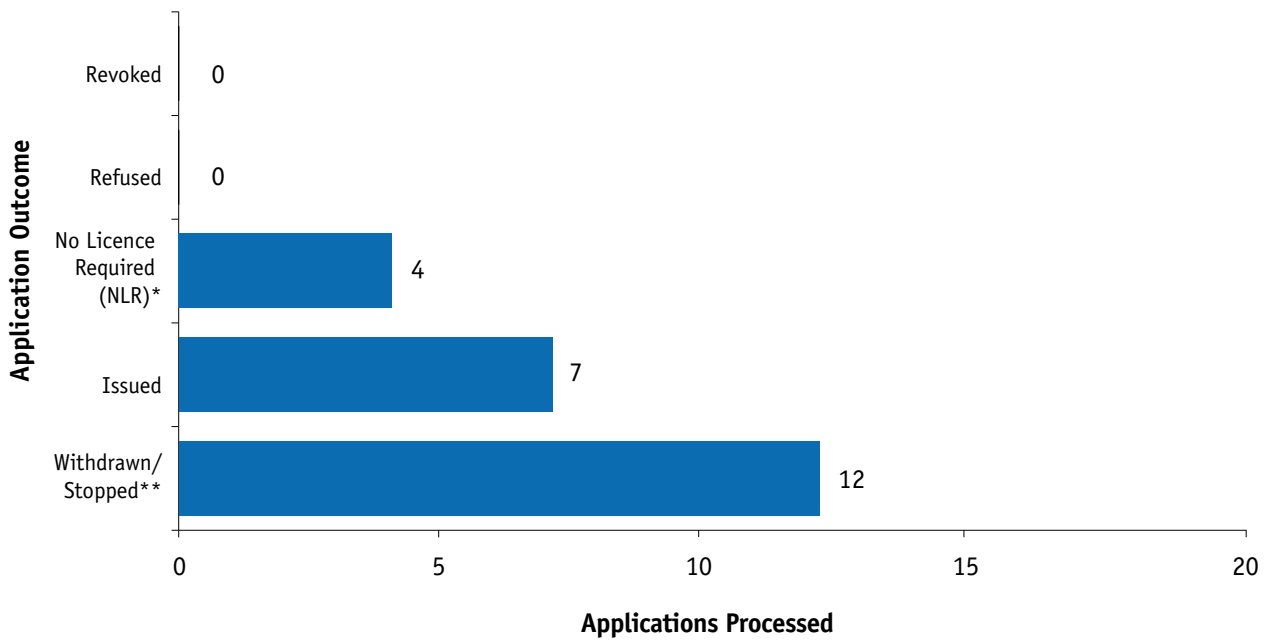
SIELs data published on GOV.UK shows how many licences are issued, refused or revoked for the export of items to the destination concerned and whether they were for a permanent or temporary export. The data is split into:

- Military List
- Non-Military items
- both (covering licences with military and non-military goods)
- items covered by the Torture Regulation and/or a mix of both Military List and non-military items

The value of the licences does not indicate the actual value of exports shipped during the reporting period. Licences usually cover a two-year period and goods can be exported at any time during that period. Moreover, some licences will not be used to carry out all the exports authorised, and others will not be used at all. In addition, some items may be exported only temporarily and later returned to the United Kingdom within the validity of the licence. Licences may expire before being used or only partially used. In these circumstances, exporters may then apply for new licences which can lead to an element of “double counting” in statistics.

Information is provided separately within the Official Statistics on items licensed under SIELs intended to be incorporated into a good / product, for example, sensors for a military aircraft being exported to the aircraft manufacturer in one destination, who intends to export the complete aircraft to one or more ultimate destinations. An aggregated summary of the ultimate destinations for the goods, after incorporation, is included as part of the Official Statistics data.

Chart 2.II: Standard Individual Transhipment Licences (SITLs)

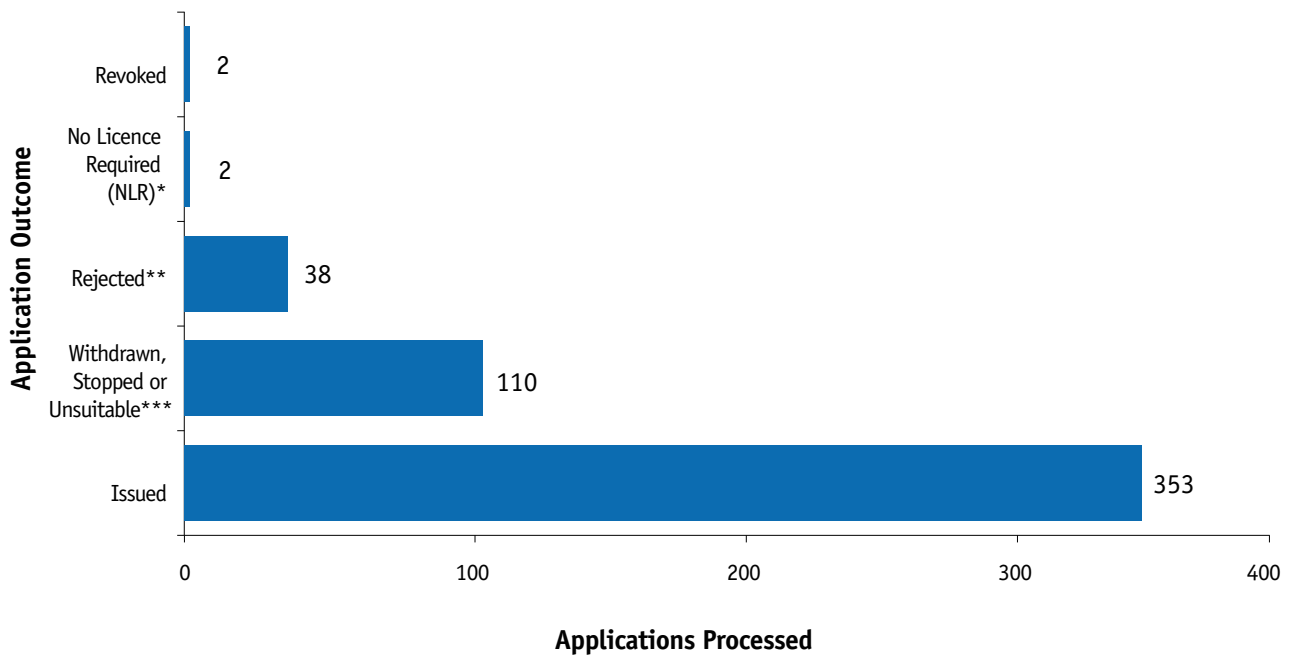


* Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

Information on SITLs is provided in the same format as for SIELs. The licensing information can be found under each destination, listed as "SIELs – transhipments". As the items covered by SITLs only pass through the United Kingdom, it would be misleading to compare the monetary value for these licences with the value of items originating in the United Kingdom.

Chart 2.III: Open Individual Export Licences (OIELs)



* Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

**Some applications are not suitable for OIELs and may need the scrutiny that a SIEL application provides to fully address and assess the risk. In such cases the OIEL application is rejected and exporters are recommended to apply for SIELs.

***Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

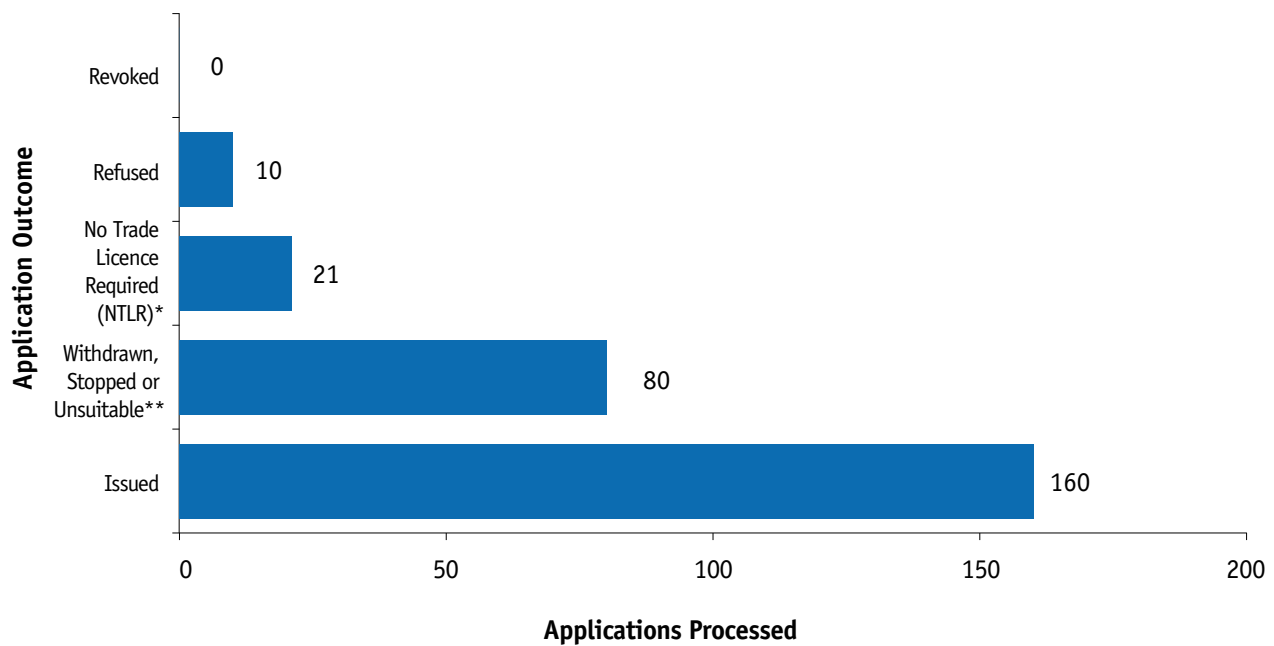
The OIELs data on GOV.UK include the number of licences issued, refused or revoked for each country.

As OIELs cover multiple shipments of specified goods to specified destinations or specified consignees, exporters holding OIELs are not asked to provide details of the value of goods they propose to ship in the application.

Companies have been required, since 1st January 2014, to submit information about the use of each of their OIELs and OGELs. Our current digital infrastructure does not support public reporting of this data in accordance with the Code of Practice on Official Statistics.

HM Government is continuing to improve the reliability of the data we collect about open licence use, including the development of a new digital licensing system and a new Customs Declaration System. Once the new systems are in place, we will be able to explore options for greater transparency, particularly with respect to open licences. While we have not yet reached this point, the data we have is available via our online searchable database.

Chart 2.IV: Standard Individual Trade Control Licences (SITCLs)

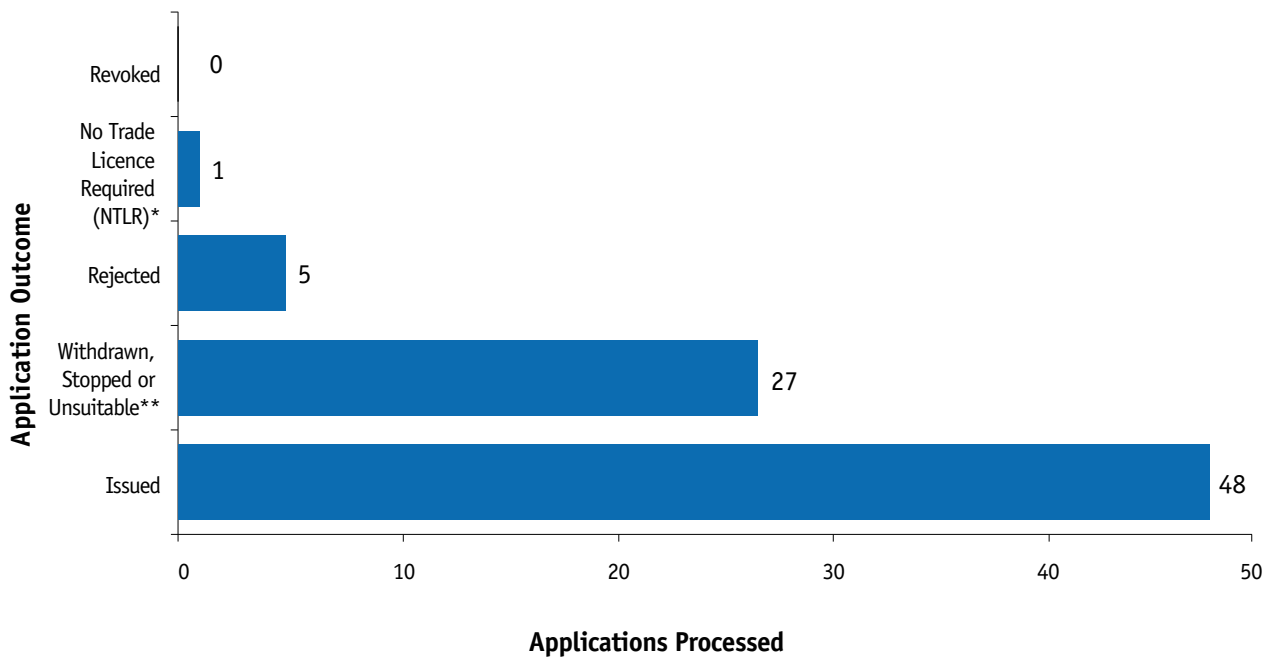


* Some applications are submitted for goods that do not require a trade control licence. Where this is determined, the applicant is informed that no licence is required.

** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

As SITCLs cover the trading of specific goods between overseas source and destination countries, there is no physical export from the United Kingdom, and traders are not asked to provide information on the monetary value of goods.

Chart 2.V: Open Individual Trade Control Licences (OITCLs)



* Some applications are submitted for goods that do not require a trade control licence. Where this is determined, the applicant is informed that no licence is required.

** Some applications are not suitable for OITCLs and may need the scrutiny that a SITCL application provides to fully address and assess the risk. In such cases the OITCL application is rejected and exporters are recommended to apply for SITCLs.

*** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

As OITCLs cover the trading of specific goods between an overseas source and one or more destination countries, exporters holding OITCLs are not asked to provide details of the monetary value of goods they propose to trade.

2.3 Performance against targets

ECJU sets out HM Government’s commitments to exporters in a Service and Performance Code. The performance targets are to decide on 70% of applications for SIELs within 20 working days, and 99% within 60 working days.

The targets apply once the applicant has supplied the documentation necessary to begin the assessment of their application. Where further information is requested, the time required for the exporter to provide that information is not counted against the targets.

The targets do not apply to OIELs, nor OITCLs because they are tailored specifically to address an exporter’s requirements. The flexibility and complexities mean there is a wide variation in the goods and destinations covered by such licences, consequently it is not possible to offer measured target processing times. However, ECJU still seeks to process 60% of OIEL applications within 60 working days.

Table 2.2 (SIEL and SITCL Processing Performance) gives a breakdown of the performance of HM Government in 2020 against the two main published SIEL and SITCL targets. Information for 2018 and 2019 is also provided for comparative purposes.

Table 2.2 SIEL and SITCL processing performance

Outcomes	SIELs 2020	SITCLs 2020	SIELs 2019	SITCLs 2019	SIELs 2018	SITCLs 2018
No. of applications completed in 20 working days	9,813	96	12,219	140	13,746	312
% applications completed in 20 working days	62%	35%	77%	69%	83%	66%
No. of applications completed in 60 working days	13,393	185	15,045	187	15,960	402
% applications completed in 60 working days	85%	68%	95%	93%	96%	85%
Median processing time	14 days	32 days	12 days	14 days	11 days	14 days

The decrease from 77% in 2019 to 62% in SIELs performance in 2020 was largely due to a build-up of applications from two separate situations:

- 1) the licensing decisions about transfers to the Saudi Led Coalition (SLC) for items which might be used in the conflict in Yemen continued to be subject to the Court of Appeal judgment of 20th June 2019. There were over 700 SIEL applications pending when the Secretary of State for International Trade gave her Written Ministerial Statement to Parliament on 7th July 2020.¹⁸ This statement confirmed HM Government was restarting licensing to Saudi Arabia and coalition partners for items for possible use in the conflict in Yemen. This meant the backlog of applications could begin to be assessed. By the end of 2020 most of these applications had been cleared. However, clearing these applications, most of which were more than 60 working days old, had a negative impact on the measured performance figures. In addition, the backlog of applications had to be managed concurrently with new applications, which resulted in an overall short term drop in performance;
- 2) following an incursion by the Turkish military in north-east Syria in October 2019, the Foreign Secretary, in answer to an Urgent Parliamentary Question¹⁹ made a statement on export licensing which said:

“The UK government take their arms export control responsibilities very seriously. In this case, we will of course keep our defence exports to Turkey under careful and continual review. I can tell the House that no further export licences to Turkey for items that might be used in military operations in Syria will be granted while we conduct that review.”

Decisions on export licence applications for Turkey had to take this statement into account. This meant additional assessments had to be undertaken which resulted in longer processing times, and this ultimately impacted on our performance targets.

2.4 Refusals and revocations

There were 288 refusals or revocations of SIELs and SITCLs in 2020. Table 2.3 provides an overview of the number of times each of the “Consolidated Criteria” was used to justify the refusal of an export licence application.

¹⁸ <https://questions-statements.parliament.uk/written-statements/detail/2020-07-07/HCWS339>

¹⁹ <https://hansard.parliament.uk/commons/2019-10-15/debates/2B8E0C47-5C9F-4153-8B48-7DEC53FE03C4/TurkishIncursionIntoNorthernSyria>

Table 2.3* Reasons for refusals or revocations of SIEL and SITCL applications

Reason**	2020	2019	2018
Criterion 1 – UK’s international obligations and commitments under non-proliferation Treaties and Conventions and export control regimes, particularly with regard to proliferation of weapons of mass destruction or ballistic missiles	106	59	93
Criterion 1 – UK’s commitments and obligations to observe UN, EU or OSCE arms embargoes	47	32	16
Criterion 1 – Existence of national embargoes or policy commitments	2	1	1
Criterion 1 – UK’s obligations under the Ottawa Convention and the 1998 Land Mines Act	0	0	1
Criterion 2 – Risk of use for internal repression or risk of use in the commission of a serious violation of international humanitarian law	47	27	18
Criterion 3 – Risk of contributing to internal tensions or conflict in the recipient country	0	1	1
Criterion 4 – Preservation of regional stability	2	9	13
Criterion 5 – National security of the UK, of Allies, EU Member States and other friendly countries	71	80	78
Criterion 6 – Behaviour of the buyer country with regard to the international community	0	0	0
Criterion 7 – Risk of diversion or re-export to undesirable end-users	123	140	135
Criterion 8 – Compatibility of the arms exports with the technical and economic capacity of the recipient country	0	0	0

* Data taken from SPIRE as at 21st April 2021.

** Decisions to refuse or revoke often involve more than one criterion. Therefore, the figures quoted in this table, when they are added together will exceed the total number of applications refused or revoked in 2020.

The data above does not include decisions to reject OIELs or OITCLs in full or in part, or amendments to the coverage of an OIEL to exclude particular destinations and/or goods, or to revoke an OIEL. This is because a decision to exclude a particular destination from OIELs or OITCLs does not prevent a company applying for SIELs or SITCLs covering some or all the goods concerned to specified consignees in the relevant destinations.

2.5 Appeals

Table 2.4* Appeals outcome and performance

Outcomes	2020	2019	2018
Appeals finalised within 20 working days	0%	39%	47%
Appeals finalised within 60 working days	22%	81%	100%
Number of Appeals considered	9	31	32
Number of Appeals upheld	6	30	28
Number of Appeals overturned	3	1	4

*Data is based on management information records as of 10th March 2021.

Appeals against refusals will often raise difficult and complex issues and are considered at a more senior level than the original licence application, by an official not involved in the original refusal decision. Any new information not available at the time of the application will be considered. The time taken to decide an appeal can be lengthy because of the need to examine afresh all relevant information.

In 2020, COVID-19 workplace restrictions limited officials' access to the workplace, and as a consequence, the classified material that is often required when considering appeals. This additional constraint only served to make it more challenging for officials to meet the target time to process an appeal and ECJU did not meet its internal targets for processing appeals.

ECJU has an internal target of processing 60% of appeals within 20 working days from receipt of all relevant information from the appellant, and 95% in 60 working days. These targets do not apply to appeals relating to goods that are controlled solely because of UN Sanctions.

A licence applicant may appeal a decision to refuse a SIEL, SITCL, SITAL or OITAL (see Section 2.6 for definition of SITAL and OITAL), or against a decision to revoke a SIEL or SITCL. There is no provision for a formal appeal against reject or revocation decisions relating to OIELs or OITCLs. This is because such decisions do not prevent a company from applying for SIELs or SITCLs.

The time taken to handle an appeal is calculated from the date on which the appeal is received by ECJU and not the date of the original application. Decisions to refuse licences are not taken lightly and are only made in those cases where refusal is clearly justified.

2.6 Data on other types of licence

Technical Assistance Licences

Standard Individual Technical Assistance Licences (SITALs) are issued for separate ad hoc requirements, for example the repair of a single item or simple maintenance tasks. No SITALs were issued in 2020.

Open Individual Technical Assistance Licences (OITALs) cover wide-ranging contractual issues which may form the basis of a rolling programme of work.

Under Article 19 of the Export Control Order 2008, as amended, licences are required for the provision of technical assistance for any activity where a person is aware or has been informed that the items are, or may be intended for the purposes of WMD. This could include the transfer of documents or personnel. In 2020, one WMD OITAL was issued, two were refused and none was rejected or revoked.

Where an application is for goods and services and a refusal has been recommended under the WMD end-use control²⁰ we may combine the SIEL application with the SITAL application and refuse them together. In 2020, two such cases were refused.

OITALs are issued for the provision of technical assistance relating to military or dual-use items and activities where this is permitted under exemptions to international sanctions and embargoes. In 2020, no sanctions OITALs were issued, refused, rejected or revoked.

The EU imposed sanctions on Russia in 2014, which included a requirement for licences for technical assistance relating to technologies in the oil and gas industries. In 2020, 38 OITALs were issued, none was rejected or revoked. These licences were issued in compliance with EU sanctions.

Financial Assistance Licences

DIT is the competent authority for the licensing of financing and financial assistance related to prohibited or restricted trade transactions. HM Treasury is the competent authority in respect of all other financial sanctions, including asset freezes and counter-terrorist financing.

EU sanctions may contain prohibitions or restrictions on the provision of financing or financial assistance related to the sale, supply, transfer, or export of goods and services prohibited or restricted under the sanctions. In cases where the provision of such financing or financial assistance is subject to prior authorisation, a Financial Assistance Licence may be granted.

As a result of the sanctions imposed on Russia in 2014, there is now a requirement for licences for financial assistance relating to the supply of energy-related goods used in the oil and gas industry. In 2020, 16 Standard Individual Financial Assistance Licences (SIFALs) were issued, but no Open Individual Financial Assistance Licences (OIFALs). No SIFALs under the Russian sanctions were refused, rejected or revoked.

Syria Humanitarian Licences

DIT is the competent authority for the licensing of humanitarian licences in respect of prohibited or restricted trade transactions.

Under the EU sanctions on Syria (No 36/2012) (in force during the period of this annual report), it is prohibited to purchase and transport crude oil; or petroleum products; or directly, or indirectly provide financing, or financial assistance for these prohibited activities. However, these activities may be authorised by the competent authority of a Member State if the purchase and transport in Syria of petroleum products; or the provision of related financing, or financial assistance, are for the

²⁰ <https://www.gov.uk/guidance/supplementary-wmd-end-use-controls>

sole purpose of providing humanitarian relief in Syria; or assistance to the civilian population in Syria. Therefore, a licence needs to be applied for through ECJU if an entity wishes to carry out any of the prohibited activities mentioned above.

In 2020, three Syria Humanitarian Licences were issued.

Licences for drugs used in execution by lethal injection

Under the Torture Regulation, licences are required from national export control authorities to export to any destination outside the EU short and immediate-acting barbiturate anaesthetic agents, which also have legitimate medical uses, including, but not limited to the following:

- Amobarbital (CAS RN 57-43-2)
- Amobarbital sodium salt (CAS RN 64-43-7)
- Pentobarbital (CAS RN 76-74-4)
- Pentobarbital sodium salt (CAS 57-33-0)
- Secobarbital (CAS RN 76-73-3)
- Secobarbital sodium salt (CAS RN 309-43-3)
- Thiopental (CAS RN 76-75-5)
- Thiopental sodium salt (CAS RN 71-73-8), also known as “thiopentone sodium”

SIEL applications must be submitted for the following destinations for ad hoc requirements of these drugs:

- American Samoa
- People’s Republic of China
- Guatemala
- Guam
- Northern Mariana Islands
- Thailand
- Taiwan
- United States Minor Outlying Islands
- United States of America
- United States Virgin Islands
- Vietnam

In recent years OIEL applications have largely been replaced by registration for the EUGEA under the Torture Regulations. This licence covers multiple exports of these drugs to end users in all destinations, other than those destinations specified above.

In addition to the EU controls on drugs, the United Kingdom also controls Pancuronium Bromide and Propofol under the listing of human and veterinary medicinal products that are prohibited for export to the US, when they are in a form suitable for injection or for preparation of an injection.

In 2020, 28 SIELs for these items were issued and none was refused or revoked. One OIEL was issued and one was rejected or revoked.

Global Project Licences

Global Project Licences (GPLs) are a form of OIEL introduced by Framework Agreement Partners (France, Germany, Italy, Spain, Sweden, and the United Kingdom) to streamline the arrangements for licensing military goods and technologies between Partner States who are participating in specific collaborative defence projects. In relation to the collaborative project, each Partner State will, as appropriate, issue its own GPLs to permit transfers of specified goods and technology required for that project.

Applications for GPLs are assessed against the “Consolidated Criteria” in the United Kingdom, and against the EU Common Position²¹ in other Framework Partner countries. In 2020, eight GPLs were issued, and none was rejected or revoked.

2.7 Open General Export Licences and EU General Export Authorisations

The nature and purpose of OGELs is set out in Section 1.3.

OGELs may be republished²² as a result of updates to the United Kingdom Strategic Export Control Lists and/or due to changes to the general terms and conditions or permitted destinations.

A summary of key changes affecting OGELs in 2020 is set out in Annex B.

List of OGELs in force in 2020.

Dual-Use OGELs: these permit the export of certain controlled dual-use goods:

- Chemicals
- Chemicals – from December 2019
- Computers
- Cryptographic Development
- Cryptographic Development – from December 2019
- Cryptography
- Export After Exhibition: Dual-Use Items
- Dual-Use Items: Hong Kong Special Administrative Region
- Export After Repair/Replacement Under Warranty: Dual-Use Items
- Export After Repair/Replacement Under Warranty: Dual-Use Items – from June 2019
- Export for Repair/Replacement Under Warranty: Dual-Use Items
- Export for Repair/Replacement Under Warranty: Dual-Use Items – from December 2019
- Export of Dual-Use Items to EU Member States
- Exports of non-lethal Military and Dual-Use Goods: to UK Diplomatic Missions or Consular posts
- General Trade Licence (Russia: Sanctions)

²¹ Council Common Position 2008/944/CFSP of 9 December 2008 defining common rules governing control of exports of military technology and equipment.
²² <https://www.gov.uk/government/collections/open-general-export-licences-ogels>

- Information Security Items
- Information Security Items – from December 2019
- International Non-Proliferation Regime Decontrols: Dual-Use Items)
- Low Value Shipments
- Low Value Shipments – from December 2019
- Military and Dual-Use Goods: UK Forces deployed in embargoed destinations
- Military and Dual-Use Goods: UK Forces deployed in non-embargoed destinations
- Military and Dual-Use Goods: UK Forces deployed in non-embargoed destinations – from December 2019
- Oil and Gas Exploration: Dual-Use Items
- Oil and Gas Exploration: Dual-Use Items – from December 2019
- Technology for Dual-Use Items
- Technology for Dual-Use Items – from June 2019
- PCBs and Components for dual-use items
- PCBs and Components for dual-use items – from June 2019
- Turkey
- X
- X – from December 2019

Military Goods OGELs: these permit the export of certain controlled military goods:

- Access Overseas to Software and Technology for Military Goods: Individual Use Only
- Access Overseas to Software and Technology for Military Goods: Individual Use Only – from December 2019
- Accompanied Personal Effects: Sporting Firearms
- Certified Companies
- Export After Exhibition or Demonstration: Military Goods
- Export After Repair/replacement under warranty: Military goods
- Export After Repair/replacement under warranty: Military goods – from June 2019
- Export for Exhibition: Military Goods
- Export for Exhibition: Military Goods – from December 2019
- Exports for Repair/replacement under warranty: Military goods
- Exports for Repair/replacement under warranty: Military goods – from December 2019
- Exports in Support of Joint Strike Fighter: F-35 Lightning II
- Exports in support of Turkish Aerospace Industries TF-X programme
- Exports or transfers in Support of UK Government Defence Contracts
- Exports or transfers in Support of UK Government Defence Contracts – from June 2019

- Exports under the US-UK Defence Trade Co-operation Treaty
- Historic Military Goods
- Historic Military Goods – from December 2019
- Historic Military Vehicles and Artillery Pieces
- International Non-proliferation Regime Decontrols: Military Items
- Military Components
- Military Goods, Software and Technology
- Military Goods: Collaborative Project Typhoon
- Military Goods: Collaborative Project Typhoon – from June 2019
- Military Goods: For Demonstration
- Military Goods: For Demonstration – from December 2019
- Military Goods: A400M Collaborative Programme
- Military Goods: A400M Collaborative Programme -from February 2020
- Military Goods, Software and Technology: Government or NATO End Us
- Military Surplus Vehicles
- Military Surplus Vehicles – from December 2019
- Objects of Cultural Interest
- PCBs and Components for Military Goods
- PCBs and Components for Military Goods – from June 2019
- Software and Source Code for Military Goods
- Software and Source Code for Military Goods – from June 2019
- Technology for Military Goods
- Technology for Military Goods from June 2019
- Vintage Aircraft
- Vintage Military Vehicles

Other types of Open General Export Licences:

- Government of Sierra Leone
- Iraq
- Radioactive sources

Open General Transshipment Licences (OGTLs): these allow, subject to certain conditions, controlled goods to be exported from one country to another via the United Kingdom

- Sporting Guns
- Postal Packets

- Transshipment Licence
- Dual-Use Goods: Hong Kong Special Administrative Region

Open General Trade Control Licences (OGTCLs): these control trafficking and brokering activity between one third country and another where the transaction or deal is brokered in the United Kingdom or by a United Kingdom person.

- Open General Trade Control Licence
- Category C Goods
- Category C Goods – from December 2019
- Insurance or Re-Insurance
- Maritime Anti-Piracy
- Trade and Transportation: Small Arms and Light Weapons
- Trade and Transportation: Small Arms and Light Weapons – from December 2019

List of EU General Export Authorisations in force in 2020:

- EU001 – export of most dual-use items to Australia, Canada, Japan, New Zealand, Norway, Switzerland, Liechtenstein, and the United States
- EU002 - export of certain dual-use items to certain destinations
- EU003 - export after repair/replacement
- EU004 - temporary export for exhibition or fair
- EU005 – telecommunications
- EU006 – chemicals
- EU GEA 2019/125

Section 3

EU Exit and legislation of the United Kingdom

3.1 Changes in United Kingdom and EU legislation in force relating to export licensing.

Firearms

Regulation (EU) No 258/2012 establishes export, import and transit measures for firearms, their parts and components and ammunition. It applies to exports from the customs territory of the EU to third countries or non-EU Member States. The EU made no changes to the Regulation in 2020.

At the end of the transition period, this Regulation was retained in United Kingdom law by the European Union (Withdrawal) Act 2018 and is applicable as retained EU law in Great Britain. As set out in the Northern Ireland Protocol, the original EU Regulation remains in effect in Northern Ireland.

Council Directive 91/477/EEC (the Firearms Directive) sets out the simplified procedures for transfers of civilian firearms by sport shooters in possession of a European Firearms Pass and for transfers between authorised dealers in different Member States via “dealer-to-dealer” licences.

At the end of the transition period, this Directive ceased to be applicable in Great Britain, consequently the European Firearms Pass was no longer available for exports from Great Britain.

Council Directive 91/477/EEC was unchanged in 2020 and remained in effect in Northern Ireland via the Northern Ireland Protocol.

Dual-Use Regulation

Council Regulation (EC) 428/2009 provides the legislative framework of EU controls on dual-use items (goods, including software and technology which can have both civil and military applications) and controls their export, transfer, brokering and transit. Implementation of the controls, the administrative and operational procedures of the Member States’ competent authorities and decision making on licences, is for Member States.

On 14th December 2020 Commission Delegated Regulation (EU) 2020/1749 came into force and updated the items subject to controls as set out in Annex 1 of the Dual-Use Regulation. This update to the control list reflects the changes in the international export control regimes. Decisions on

the items subject to controls are taken within the framework of the international non-proliferation regimes and export control arrangements, namely the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Wassenaar Arrangement, and the Chemical Weapons Convention.

This Regulation was retained in United Kingdom law by the European Union (Withdrawal) Act 2018 and is applicable as retained EU law in Great Britain. As set out in the Northern Ireland Protocol, the original EU Regulation remains in effect in Northern Ireland. This means some changes to licensing requirements.

The Torture Regulation

EU Regulation 2019/125²³ applies to the trade in certain goods which could be used for capital punishment, torture or other cruel and inhuman or degrading treatment or punishment. There were no changes made to the Regulation in 2020.

This Regulation was retained in United Kingdom law by the European Union (Withdrawal) Act 2018 and is applicable as retained EU law in Great Britain. As set out in the Northern Ireland Protocol, the original EU Regulation remains in effect in Northern Ireland.

This means exports from Northern Ireland to EU Member States do not require a licence (except in specific circumstances set out in the regulation). Exports from Northern Ireland to Great Britain require a licence.

3.2 Changes in United Kingdom and EU legislation in force relating to leaving the EU and the end of the Transition Period

The United Kingdom left the European Union on 31st January 2020 and began a transition period that ended at 11pm on 31st December 2020.

HM Government's overall objective was to maintain the effectiveness and integrity of the United Kingdom's export controls through the transition period and to ensure that the United Kingdom remains compliant with its international obligations. EU export control rules continued to directly apply in the United Kingdom until 11pm on 31st December 2020.

In preparation for EU exit the following export control legislation was amended in 2019 and 2020:

Title	Reference	Description
The Export Control (Amendment) (EU Exit) Regulations 2019	2019 No. 137	These Regulations make amendments to export legislation and other trade controls of military and dual-use goods. They amend subordinate legislation related to reciprocal arrangements between the United Kingdom and the EU or a Member State of the EU which contain EU references which are no longer appropriate.

<https://www.legislation.gov.uk/ukxi/2019/137/contents/made>

²³ <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019R0125>

<p>The Trade etc. in Dual-Use Items and Firearms etc. (Amendment) (EU Exit) Regulations 2019</p>	<p>2019 No. 771</p>	<p>These Regulations amend parts of the Export Control Act 2002 (c.28) which have no practical application following the United Kingdom exit from the EU.</p> <p>Part 3 amends retained EU legislation including:</p> <ul style="list-style-type: none"> • Council Regulation (EC) No 428/2009, which set up a Community regime for the control of exports, transfer, brokering and transfer, brokering and transit of dual-use items; • Regulation (EU) No 258/2012 of the European Parliament and of the Council implementing Article 10 of the United Nations Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition.
<p>The Trade etc. in Dual-Use Items and Firearms etc. (Amendment) (EU Exit) (No.2) Regulations 2019</p>	<p>2019 No. 806</p>	<p>These Regulations make corrections to the Trade etc. in Dual-Use Items and Firearms etc. (Amendment) (EU Exit) Regulations 2019.</p>
<p>The Trade in Torture etc. Goods (Amendment) (EU Exit) Regulations 2020</p>	<p>2020 No. 1479</p>	<p>These Regulations make amendments to the rules governing trade with countries in goods that could be used for the purpose of capital punishment or torture etc. by amending Regulation (EU) 2019/125. The changes are made to ensure that these rules operate as United Kingdom rules.</p>
<p>The Export Control (Amendment) (EU Exit) Regulations 2020</p>	<p>2020 No. 1502</p>	<p>These Regulations amend two cross-references to Regulation (EU) 2019/125 in the Export Control Order 2008.</p> <p>Part 3 amends the Export Control (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/137) in consequence of the Protocol on Ireland/Northern Ireland in the UK-EU Withdrawal Agreement.</p> <p>Part 4 amends the Trade etc. in Dual-Use Items and Firearms etc. (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/771), which amends the Export Control Act 2002 (c. 28) and certain retained EU law relating to strategic export controls, in consequence of the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement.</p>

<p>The Export Control (Amendment) (EU Exit) (No.2) Regulations 2020</p>	<p>2020 No. 1510</p>	<p>These Regulations correct a drafting error in regulation 7(9) of the Export Control (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1502).</p> <p>https://www.legislation.gov.uk/uksi/2020/1510/contents/made</p>
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ECJU published the OGEL (Export of Dual-Use Items to EU Member States) to avoid additional burdens for those who export dual-use items to EU Member States and the Channel Islands. This licence was available for registration prior to it coming into force at the end of the transition period.²⁴

The European Union added the United Kingdom as a permitted destination to European Union General Export Authorisation (GEA) EU001. This change came into force at the end of the transition period. It was made in order to minimise the burden on EU exporters exporting dual-use items from the EU to the United Kingdom.

For exports from Northern Ireland, EU legislation governing dual-use exports continues to apply under the terms of the Northern Ireland Protocol. The OGEL (Export of Dual-Use Items to EU Member States) can be used to export most controlled items from Northern Ireland to the Channel Islands and Isle of Man.

3.3 Parliamentary relations

United Kingdom export licensing is accountable to Parliament. Parliamentary oversight is provided through the Committees on Arms Export Controls (CAEC), with members from the Foreign Affairs, Defence and International Trade Committees and members of the International Development Committee. This arrangement ensures that appropriate scrutiny can be applied to arms exports.

Following the dissolution of Parliament on 6th November 2019, all Select Committees ceased to exist until they were re-formed after the General Election.

The CAEC re-formed in June 2020 and on 3rd November 2020 launched an inquiry entitled “Arms export controls: Initial review”.²⁵

The CAEC heard oral evidence from DIT officials on 10th December 2020 and from Non-Government Organisations on 15th December.

This inquiry has yet to conclude.

²⁴ <https://www.gov.uk/government/publications/open-general-export-licence-export-of-dual-use-items-to-eu-member-states>
²⁵ <https://committees.parliament.uk/work/754/arms-export-controls-initial-review/>

Section 4

Court of Appeal judgment about military exports to Saudi Arabia

Saudi Arabia exports and the Court of Appeal Judgment

During the first half of 2020, licensing decisions about transfers to Saudi Arabia of items for possible use in the conflict in Yemen continued to be subject to the Court of Appeal judgment of 20th June 2019. The then Secretary of State for International Trade gave an undertaking to the Court that until the licensing decisions had been retaken, HM Government would ‘not grant any new licences for the export of arms or military equipment to Saudi Arabia for possible use in the conflict in Yemen’. In a statement to Parliament, the Secretary of State for International Trade gave a commitment that HM Government would not grant new licences for exports to Saudi Arabia or its coalition partners that might be used in the conflict in Yemen.

In a written ministerial statement on 7th July 2020,²⁶ the Secretary of State for International Trade informed Parliament that the necessary steps had been taken to comply with the judgment of the Court of Appeal of 20th June 2019. As a result the undertaking to the Court and commitment to Parliament – not to grant any new licences for the export of arms or military equipment to Saudi Arabia or its coalition partners for possible use in the conflict in Yemen – no longer applied. Licensing of transfers to Saudi Arabia and its coalition partners, for items for possible use in the conflict in Yemen, resumed.

In October 2020 Campaign Against the Arms Trade filed a claim for judicial review of the Secretary of State for International Trade’s decisions on export licensing for Saudi Arabia that she announced to Parliament on 7th July 2020. On 20th April 2021, the Court gave permission for the judicial review to proceed.

²⁶ <https://questions-statements.parliament.uk/written-statements/detail/2020-07-07/HCWS339>

Section 5

Outreach

5.1 Raising awareness of export licensing with industry

Despite the challenges caused by the COVID-19 pandemic, throughout 2020 HM Government maintained a programme of remote engagement with industry to raise awareness of export controls and ensure their compliance. This was in partnership with key trade associations including ADS Group and the Institute of Export & International Trade, and other government departments including BEIS. A key focus in 2020 was to deliver messages to industry about preparation for changes to licensing operations following the end of the EU transition period by:

- signposting the existence of the GOV.UK export control transition web pages
- raising awareness of the OGEL (Export of Dual-Use Items to EU Member States)

A revised approach to training and business engagement, resulted in online participation in trade events; meetings; and dedicated training sessions.

The online events included Farnborough International Airshow Connect 2020, and the MOD organised Defence Procurement for Research and Technology and Exportability event (DPRTE).

In the first quarter of 2020, ECJU delivered nine classroom-based export control training courses for business, attended by 240 delegates nationwide. Because of COVID-19 restrictions, a reduced tailored training programme saw only two sessions delivered on site to businesses in the first quarter of 2020, to address specific market issues.

From the second quarter of 2020, inclusive training was delivered as themed live webinar sessions covering three topics:

- introduction to export licensing
- technology controls
- making better licence applications

These live webinars attracted almost 3,000 registrations from companies and business intermediaries including trade associations; and have since been downloaded to the ECJU homepage training guide on GOV.UK.²⁷

²⁷ <https://www.gov.uk/government/publications/export-control-training-bulletin/export-control-joint-unit-webinars>

ECJU has representation on the board of the Export Control Profession²⁸ as a founding board member. The Profession has been developed in association with the Institute of Export and International Trade and promotes excellence in compliance with export and import controls and trade sanctions in the United Kingdom and globally.

ECJU continued throughout 2020 to chair the quarterly Export Group for Aerospace, Defence & Dual-Use (EGADD) Awareness sub-committee. Members of the committee provide guidance and support to ECJU events and publications and ensure the companies and trade organisations they represent are briefed about changes to export control policies.

5.2 Internet-based guides and licensing tools

Information about export controls continues to be hosted on GOV.UK.²⁹ The ECJU home page includes links to all key guidance and tools to make applications and check control list entries.

All the export control detailed guides were revised and updated to provide business readiness information to exporters of controlled items in preparation for the end of transition period. All export control related GOV.UK guides referring to EU legislation were updated to reflect the changed legislative base at the end of the transition period and re-published on 31st December 2020.

5.3 Checker tools

Exporters continue to make use of the two web-based search tools which help to identify which products need a licence (the 'goods checker') and, if licensable, whether an OGEL potentially covers the proposed exports (the 'OGEL checker').

The goods checker tool provides an internet-based search function across the United Kingdom Consolidated List of Strategic Military and Dual-Use Items that Require Export Authorisation.

The OGEL checker assists users who know the rating (control list classification) of their goods and the destination for the proposed export to find out which OGEL(s) may cover the export, provided all the conditions can be met. Both of these tools can be accessed on SPIRE.

5.4 Notices to Exporters

HM Government continues to encourage industry to sign up to receive Notices to Exporters.³⁰ We issued 22 notices in 2020 including: updates to the Consolidated Control Lists; EU Exit readiness and end of EU Transition; updates to OGELs as a result of changes in legislation; and restrictions on the trading position as a result of sanctions.

²⁸ <https://www.exportcontrolprofession.co.uk/who-we-are/>

²⁹ <https://www.gov.uk/government/organisations/export-control-organisation>

³⁰ <https://www.gov.uk/government/collections/notices-to-exporters>

Section 6

HM Government support to Allies and Partners

6.1 Gifted controlled equipment

The term 'gifting' is applied to the donation of any export controlled³¹ equipment by HM Government to a foreign government in support of its wider security and foreign policy aims. For financial and accounting purposes the donation might be classed as a gift, a grant-in-aid or grant-in-kind depending on whether the export is a surplus asset or has been purchased specifically to achieve a strategic aim; or has been funded from within a Department's budget or centrally held funds. In the context of this report however, the generic term 'gifting' is applied to all donations by HM Government of export controlled equipment.

Four applications to gift equipment in 2020 were approved. These are set out in Table 6.1 below. Of the four gifting applications approved, two were in pursuit of common aims established by the Conflict, Stability and Security Fund (CSSF). CSSF provides development and security support to countries which are at risk of conflict or instability, using both Official Development Assistance (ODA) spend and non-ODA spend to deliver and support security, defence, peacekeeping, peace-building and stability activity. Through the CSSF, the United Kingdom and our international partners are more secure from threats such as terrorism, corruption and illegal migration or trafficking. All proposals to gift controlled military equipment and dual-use equipment, including gifts through CSSF, are assessed on a case-by-case basis against the "Consolidated Criteria" in the same way as commercial applications and with the same degree of rigour. MOD manages the assessment process and seeks advice on gifting proposals from advisers in MOD and FCDO. Where gifts of controlled military equipment are approved these are exported under a Crown Exemption letter. As a result they do not require an export or trade licence. Gifts of surplus assets in excess of £300,000 in value are notified to Parliament before the gift is made. In the case of dual use equipment gifts, export licence coverage must be in place using the open licence for the export of dual-use goods by the Crown.

³¹ <https://www.gov.uk/guidance/exporting-controlled-goods-after-eu-exit#controlled-goods>

Table 6.1* Equipment assessed against the “Consolidated Criteria” and approved to be gifted in 2020

Country	End-User	Goods Description*	Sponsoring Department	Approx. Value £
Occupied Palestinian Territory	Palestinian Authority Central Training Institute	Laser shot simulation system parts**	MOD	18,000
Indonesia	Indonesian National Police CT	Jungle Skills Training Kit	FCDO	9,500
Jordan	Jordanian Armed Forces	Ballistic Helmets**	MOD	1,250,500
Lebanon	Lebanese Armed Forces	RWMIK+ (Revised Weapons Mounted Installation Kit) Land Rovers	MOD	1,500,000

* This table refers to equipment assessed and approved to be gifted by HM Government. It does not contain definitive information on equipment delivered. Data is based on Management Information records as of 26th March 2021.

** Indicates equipment purchased under the Conflict, Stability and Security Fund (CSSF).

6.2 Government-to-Government exports

The Defence Equipment Sales Authority of the MOD may dispose of certain military equipment that is surplus to the requirements of the United Kingdom Armed Forces. These disposals are subject to licensing controls. Tables 6.2 and 6.3 give, by destination, the equipment type and quantity of these exports delivered in 2020.

Table 6.2* Disposals to foreign armed forces

Country	Type of Equipment	Quantity
Kenya	Tucano aircraft	4
Chile	Naval spares	5 (line items) ³²
Lithuania	ex-HMS Quorn	1
Latvia	Munitions	100,002
Latvia	CVR(T) vehicles	29
Latvia	CVR(T) spare parts	529
Estonia	Munitions	3,576,595

* Data is based on Management Information records as of 9th March 2021.

Table 6.3* Other overseas transfers to commercial entities

Country	Type of Equipment	Quantity
Netherlands	Naval spares	2
Saudi Arabia	Aircraft spares	192 (line items) ³²

* Data is based on Management Information records as of 9th March 2021.

³² Please note that for some spares items the totals are recorded as line items (an individual item that was supplied in multiple quantities, for example a screw or washer).

6.3 Government-to-Government projects

The United Kingdom has a longstanding government-to-government defence cooperation programme with the Kingdom of Saudi Arabia, under which the United Kingdom has provided Typhoon, Tornado, and Hawk aircraft, mine countermeasure vessels, and associated munitions, infrastructure, logistics and manpower support packages.

During 2020, the United Kingdom continued to provide substantial support for in-service aircraft, naval vessels and their associated systems.

216 missiles and missile launchers were exported to Saudi Arabia between 1st January and 31st December 2020³³ under projects supported by the Ministry of Defence Saudi Armed Forces Projects (MODSAP). All goods were exported under export licences obtained by industry. Where a SIEL was issued, the data is included in the corresponding DIT Strategic Export Controls Quarterly Report.³⁴

³³ Data is based on Management Information records as of 9th March 2021.

³⁴ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

Section 7

International policy developments

7.1 Arms Trade Treaty

The Arms Trade Treaty (ATT) is the only legally-binding, international, conventional arms control treaty. It seeks to establish the highest possible common international standards for regulating the global trade in conventional arms. The United Kingdom ratified the ATT on 2nd April 2014; it entered into force on 24th December 2014. On 31st December 2020, the Treaty had 110 States Parties.

In 2020, the United Kingdom continued to play a leading role in the ATT. As a large donor to the Voluntary Trust Fund (VTF)³⁵ and member of its Selection Committee, the United Kingdom was closely involved in the approval of ten projects for funding in the 2020 project cycle, aimed at supporting effective Treaty implementation.

The COVID-19 pandemic prevented the Sixth Conference of States Parties (CSP6) in August 2020 from taking place in its usual in-person conference format. However, CSP6 sustained core Treaty activities and the Conference adopted a number of procedural decisions presented by the Argentinian Presidency. This included the election of Ambassador Lansana Gberie of Sierra Leone as President of the Seventh Conference of States Parties.

Afghanistan (27th October 2020), China (4th October 2020) and Niue (4th November 2020) acceded and Sao Tome and Principe (26th October 2020) have ratified the Treaty.

The United Kingdom welcomed all new States Parties and continued to promote the universalisation of the Treaty. While continuing to lobby potential States Parties to accede, we also sought to encourage major arms exporters and importers to align with important principles of the Treaty, expanding the positive influence of the Treaty beyond its immediate membership.

The United Kingdom continued to stress the impact of late payment of mandatory subscriptions by States Parties on the Treaty's financial stability. We welcomed efforts made by the Management Committee during 2020 to monitor the financial situation (as instructed at CSP5) and pressed States Parties to settle arrears and pay contributions on time and in full.

³⁵ <https://thearmstradetreaty.org/voluntary.html>

The United Kingdom submitted its Annual Report to the Secretariat in accordance with Article 13 (3) of the Treaty. This report covers authorised or actual exports of conventional arms covered under Article 2(1) of the Treaty during the calendar year 2019. The United Kingdom does not collate comprehensive data relating to the import of all goods covered by the ATT.

7.2 Small arms and light weapons

Preventing small arms and light weapons (SALW) falling into the hands of terrorists, organised criminals and other unintended recipients, including through strong and effective multilateral instruments, remains a United Kingdom priority. Throughout 2020, the United Kingdom remained active in international efforts to prevent the illicit trade and diversion of SALW and their ammunition. This was in spite of the COVID-19 pandemic pausing much of the routine international programme of work in 2020.

The United Kingdom remains a strong supporter of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects (UNPoA) and the International Tracing Instrument (ITI). As the only globally-accepted politically-binding agreements on SALW, they provide a common set of standards for establishing effective national controls over the full lifecycle of small arms and light weapons, from production, transfer, possession and storage, to eventual disposal. In addition, they promote law enforcement cooperation in order to disrupt illicit trafficking networks. The United Kingdom also supports implementation of relevant technical guidelines in the management of SALW and their ammunition, including the Modular Small Arms Control Implementation Compendium (MOSAIC) and the International Ammunition Technical Guidelines (IATG).

HM Government regularly reports on the United Kingdom's implementation of international instruments to promote transparency and for confidence-building. Previous and current United Kingdom national reports are published and available at:

<https://smallarms.un-arm.org/national-reports/>

<https://www.unroca.org/>

<https://thearmstradetreaty.org/annual-reports.html?templateId=209826>

HM Government has funded capacity-building projects to support the universalisation and implementation of global arms control and counter-proliferation norms, treaties and obligations. The United Kingdom also supports projects to reduce illicit flows and the destabilising accumulation of SALW and their ammunition. These projects have been funded through the Counter-Proliferation Programme Fund and the Conflict, Stability and Security Fund (CSSF), both bilaterally and through multilateral trust funds such as the NATO Partnership for Peace Trust Fund and the Organisation for Security and Cooperation in Europe (OSCE) SALW Assistance Mechanism.

7.3 Convention on Certain Conventional Weapons

The Convention on Certain Conventional Weapons (CCW) aims to prohibit or restrict the use of conventional weapons deemed to cause unnecessary suffering or to have indiscriminate effects, to include: weapons with non-detectable fragments, mines, booby-traps, incendiary weapons, and blinding laser weapons.

The Convention itself contains only general provisions, with annexed Protocols – a structure adopted to allow flexibility and the inclusion of other types of conventional weapon in the future. Prohibitions or restrictions on the use of specific weapons or weapon systems are contained in five Protocols which cover:

- Protocol I – Non-Detectable Fragments
- Protocol II – Mines, Booby Traps and Other Devices (Amended)
- Protocol III – Incendiary Weapons
- Protocol IV – Blinding Laser Weapons
- Protocol V – Explosive Remnants of War

The Convention with three annexed Protocols (I, II and III) was adopted on 10th October 1980 and entered into force on 2nd December 1983. Protocol IV and Amended Protocol II entered into force in 1998. Protocol V entered into force in 2006. The United Kingdom ratified Protocols I, II and III on 13th February 1995, and Amended Protocol II and Protocol IV on 11th February 1999. The United Kingdom has signed but not ratified Protocol V; a review of the implications of ratification is ongoing.

Due to COVID-19 related restrictions and a lack of consensus among Participating States on proceeding without in-person meetings, the following annual conferences were postponed until 2021: 14th Conference of the High Contracting Parties to Protocol V, the 22nd Conference of the High Contracting Parties to (Amended) Protocol II, and the Meeting of High Contracting Parties.

The CCW Group of Governmental Experts (GGE) on Emerging Technologies in the area of Lethal Autonomous Weapons Systems (LAWS)³⁶ continued its discussions for five days during 2020. This fell short of the 10-20 days mandated for the year, due to restrictions on in-person meetings because of the COVID-19 pandemic and a lack of consensus among Participating States to hold hybrid meetings (a mixture of in-person and virtual).

7.4 Anti-Personnel Mine Ban Convention (the ‘Ottawa Convention’)

Anti-personnel mines (APMs) continue to cause suffering and casualties in many parts of the world and can hamper development goals.

The Ottawa Convention³⁷ was adopted on 18th September 1997. It entered into force for signatory states, including the United Kingdom, on 1st March 1999. There are 164 States who are parties to the Convention that bans the use, stockpiling, production and transfer of APMs.

Due to COVID-19 restrictions, the Convention’s annual meetings were held in both hybrid (a mixture of in-person and virtual) and virtual formats. The United Kingdom took part in the Intersessional Meeting between 30th June and 2nd July 2020, during which the Conference reviewed the operation and status of the Convention against the goals set out in the 2019 Oslo Action Plan. The Oslo Action Plan’s goals include universalisation of the Convention, stockpile destruction, mine clearance, mine risk education, victim assistance, and international cooperation and assistance.

³⁶ https://meetings.unoda.org/section/ccw-gge-2020_reports_10635_press-releases_10640/
³⁷ <https://www.apminebanconvention.org/overview-and-convention-text/>

Article 5 of the Convention obliges States Parties to destroy all APMs in areas under their jurisdiction or control. On 14th November 2020, the United Kingdom successfully fulfilled this obligation with the completion of the Falkland Islands Demining Programme. This marked the end of the clearance operation of the only part of United Kingdom territory contaminated with legacy land mines and the release of over 23 million m² of land to the local population since 2009.

The United Kingdom remains committed to mine action through its support to countries where the clearance of landmines, cluster munitions and other explosive remnants of war contributes significantly to the lives of some of the world's most disadvantaged communities.

In April 2018, the Department for International Development launched its second Global Mine Action Programme (GMAP2),³⁸ which expanded the geographic scope of the programme, increasing support to the most heavily contaminated countries around the world. The United Kingdom has invested £124 million since 2018 in demining projects in Africa, the Middle East and Asia. In 2020, this programme provided survey and clearance, mine risk education, and support to mine action authorities and organisations working in Afghanistan, Angola, Cambodia, Iraq, Laos, Lebanon, Myanmar, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Yemen, Vietnam and Zimbabwe. As of December 2020, GMAP2 had cleared and confirmed safe 394 million m² of land.

7.5 Convention on Cluster Munitions (the 'Oslo Convention')

Cluster munitions can have a devastating humanitarian impact on civilian populations, both at the time of use and subsequently. Unexploded sub-munitions can threaten the lives of civilians and hamper post-conflict reconstruction and development for years afterwards.

In 2008 a number of governments, including the United Kingdom, agreed the Convention on Cluster Munitions (CCM),³⁹ which prohibits the use, development, production, acquisition, stockpiling and transfer of cluster munitions. The United Kingdom became the 32nd State Party to the CCM in 2010. The Convention now has 110 full States Parties and 13 signatories.

The United Kingdom has continued to play an active role in international cooperation and assistance to countries affected by cluster munitions as part of its mine action work, as detailed above in Section 7.4.

The Convention's Second Review Conference was due to be held from 23rd to 27th November 2020. Due to COVID-19 restrictions, it was decided to split the meeting into two parts, with the first part in November 2020, and the second to be scheduled in 2021. The United Kingdom took part in Part 1 of the Second Review Conference from 25th to 27th November 2020, as well as the preparatory meetings that took place on 29th June and 4th September 2020. All meetings were held in both hybrid (a mixture of in-person and virtual) and virtual formats.

At the Part 1 Conference, the United Kingdom informed the Convention that a private contractor had recently found cluster munitions stockpiles. The United Kingdom's Ministry of Defence subsequently arranged for and completed destruction in December 2020.

³⁸ <https://devtracker.fcdo.gov.uk/projects/GB-GOV-1-300544/documents>

³⁹ <https://www.clusterconvention.org/>

7.6 UN Register of Conventional Arms

The UN Register of Conventional Arms (UNRoCA) is a voluntary reporting instrument, intended to create greater transparency in international arms transfers and help identify excessive build-up of arms in countries or regions. The Register was established in 1991; the United Kingdom has reported to the UNRoCA since its inception. The UN Register currently covers seven categories of conventional weapons:

- battle tanks
- armoured combat vehicles
- large-calibre artillery systems
- combat aircraft
- attack helicopters
- warships (including submarines)
- missiles and missile-launchers (including Man-Portable Air Defence Systems)

Under a trial agreed by the Group of Governmental Experts (GGE) in 2016, countries can also use the Register to report voluntarily on national holdings of small arms and light weapons. In 2019, the GGE agreed to the normalisation of this “7 + 1” formula to continue to allow states flexibility in reporting.

The United Kingdom submits an annual report to the UN Register on all exports of military equipment in these categories, including small arms and light weapons. HM Government has actively encouraged all UN Member States to make reports with similar levels of transparency. Transparent systems, underpinned by strict export controls, are less vulnerable to exploitation and manipulation. Previous and current United Kingdom national reports are available in the Register.⁴⁰

7.7 Nuclear Suppliers Group

The NSG,⁴¹ which was established in 1974 and seeks to prevent the proliferation of nuclear weapons through the adoption into national export controls guidelines on the transfer of nuclear and nuclear-related material, dual-use material, equipment, software and technology. The NSG Guidelines are not intended to hinder international cooperation on peaceful uses of nuclear energy; the NSG also promotes effective safeguards and the physical protection of existing nuclear materials. In 1994, the NSG adopted into the Guidelines the “Non-proliferation Principles” whereby a supplying country, notwithstanding any other provisions in the NSG Guidelines, will only authorise a transfer when satisfied that the transfer would not contribute to the proliferation of nuclear weapons.

The NSG Guidelines are consistent with, and complement, the various international, legally binding nuclear non-proliferation instruments. These include the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco), the South Pacific Nuclear-Free-Zone Treaty (Treaty of Rarotonga), the African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba), the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (Treaty of Bangkok), and the Central Asian Nuclear-Weapon-Free Zone Treaty (Treaty of Semipalatinsk).

⁴⁰ <https://www.unroca.org/>

⁴¹ <https://www.nuclearsuppliersgroup.org/en/about-nsg>

As of December 2020 there were 48 Participating Governments (PGs) with the European Commission and the Chair of the Zangger Committee participating as observers.

Due to the COVID-19 pandemic there were no formal meetings during 2020. Despite this, the Group maintained its work on technical issues important to the implementation of the Control Lists and updating the NSG Guidelines to keep pace with the evolving global security landscape and a fast-paced nuclear and nuclear related industry. The Group continued to work on existing technical proposals in these areas and exchanged best practices and national experiences in implementing the NSG Guidelines. The work of the Group was helped greatly by the rollout in 2020 of an updated electronic information exchange system, the NSG Information Sharing System (NISS).

The Group continued to exchange information on global proliferation and reiterated its firm support for the full, complete, and effective implementation of the Treaty on NPT as the cornerstone of the international non-proliferation regime. The Group reconfirmed its commitment to UN Security Council Resolutions, including UN Security Council Resolution 1540 in respect to the establishment of effective export control as an international obligation under the resolution.

7.8 Zangger Committee

The Zangger Committee,⁴² also known as the NPT Exporters Committee, consisting of 39 states, since 1971 has the remit to serve as the “faithful interpreter” of Article III.2 of the NPT, to harmonise the interpretation of nuclear export control policies for NPT Parties regarding what is meant in the article by “especially designed or prepared equipment or material for the processing, use or production of special fissionable material”. The Zangger Committee maintains a trigger list (triggering safeguards as a condition of supply) of nuclear-related strategic goods to assist NPT Parties in identifying equipment and materials subject to export controls. The Zangger Committee trigger list forms the basis of the NSG Trigger List.

The United Kingdom, through the United Kingdom Permanent Mission to the United Nations in Vienna, acts as the secretariat for the Zangger Committee.

7.9 Australia Group

AG⁴³ is an informal forum of 42 states and the European Union which seeks to ensure, through the harmonisation of export controls, that exports do not contribute to the development or proliferation of chemical and biological weapons. Coordination of national export control measures assists AG participants in fulfilling their obligations under the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC). There are currently 43 participating members.

In February 2020, Slovakia hosted an Intersessional Meeting of the AG. Following that meeting, the AG agreed to add Novichok nerve agent precursors to the control list of chemical weapons precursors. This complemented the November 2019 consensus decision by the Organisation for the Prohibition of Chemical Weapons Conference of States Parties to add Novichok nerve agents to the banned substances listed in Schedule 1 of the CWC. AG participants also agreed to continue reviewing other potential chemical precursors that might need to be added to the control list in the future.

⁴² <http://zanggercommittee.org/>

⁴³ <https://www.dfat.gov.au/publications/minisite/theaustraliagroupnet/site/en/index.html>

Due to the COVID-19 pandemic it was not possible to meet in person for the remainder of 2020, including the AG's Annual Plenary Meeting. However, in November and December 2020 the AG held virtual meetings, which the UK attended. During the virtual meetings members exchanged information on enforcement activities, visa screening, synthetic biology, additive manufacturing for biological systems and the implementation of Intangible Technology Transfers. The group also agreed to a clarification for chemical isolators.

7.10 Missile Technology Control Regime

MTCR⁴⁴ is a politically binding instrument, formed in 1987. As of 31st December 2020, the MTCR had 35 Partner countries, working together to prevent the proliferation of unmanned delivery systems capable of delivering WMD by coordinating national export licensing efforts. The United Kingdom is a founding member and plays a leading role, including as part of the MTCR's Technical and Law Enforcement Experts Groups.

The MTCR guidelines and lists of controlled items form an international benchmark for controlling exports of missile-related items and technologies.

Due to the COVID-19 pandemic it was not possible to hold the regular meetings of the MTCR; however, HM Government continue to discuss proliferation concerns and trends through the point of contact in Paris. The United Kingdom has also conducted bilateral and multilateral engagement on MTCR policy with international partners outside the formal framework throughout 2020. Russia will host the next meeting of the MTCR in October 2021.

7.11 Wassenaar Arrangement

WA⁴⁵ was established to contribute to regional and international security and stability by promoting transparency and helping to prevent destabilising accumulations of conventional arms and associated sensitive dual-use goods and technologies. The WA was established on 18th and 19th December 1995 by 28 Participating States, including the United Kingdom. As of 31st December 2020, the WA had 42 Participating States.

WA Control Lists, which underpin the arms export control regimes of all Participating States (as well as many non-participating States), is the WA's most important contribution to global security. The WA produces two Control Lists – one for conventional weapons (the Munitions List) and one for dual-use goods and technologies. Participating States report exports of controlled arms, goods, or technology to non-members every six months.

Due to COVID-19 related restrictions and a lack of consensus amongst Participating States on proceeding without in-person meetings, no formal WA meetings were held in 2020. Through the use of silence procedure, all mandates for 2020 and Experts Group proposals have been rolled over to 2021. Technical Working Groups continued to study complex proposals submitted for the 2020 list review.

The framework for 2021's Assessment Year – an exercise held every five years to review and evaluate the WA's overall functioning – was agreed. The United Kingdom has agreed to act as Co-Coordinator of the Strategic Issues Task Force (one of four) alongside Poland, to consider proposals to strengthen the arrangement.

⁴⁴ <https://mtcr.info/>

⁴⁵ <https://www.wassenaar.org/genesis-of-the-wassenaar-arrangement/>

7.12 Academic Technology Approval Scheme (ATAS)

The United Kingdom's ATAS student vetting scheme was introduced in November 2007. It seeks to protect sensitive scientific and engineering-based technologies relating to advanced conventional military technology, WMD and their means of delivery from misappropriation.

ATAS operates with the cooperation of United Kingdom higher education institutions. Any overseas student from outside the European Economic Area, Switzerland, the United States, Australia, Canada, New Zealand, Singapore, the Republic of Korea and Japan wishing to study an established set of sensitive subjects must first obtain an ATAS certificate before applying for a visa. The applicant makes an application online at no cost.

On 1st October 2020 ATAS was expanded beyond its traditional WMD remit to include advanced conventional military technologies. The nationals of six countries (the United States, Canada, Australia, New Zealand, Singapore, the Republic of Korea and Japan) were exempted from ATAS at the same time.

Between April and June 2020, the scheme was closed due to the COVID-19 pandemic. In 2020, ATAS approved 20,406 applications and denied clearance on 128 occasions.⁴⁶

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

The Global Partnership (GP)⁴⁷ was created to address and mitigate the regional and global threat from chemical, biological, radiological and nuclear (CBRN) weapons and related materials. Established at the 2002 Kananaskis G7 Summit, the G7-led GP has proven itself to be the primary international WMD threat reduction coordination mechanism. Currently, there are 30 Member States, plus the EU, active within the GP. The GP CBRN Working Group (CBRN WG), one of four working groups, covers activities relating to UNSCR 1540⁴⁸ and other export control relevant mechanism to prevent the access to WMD technology and materials by non-state actors and terrorists. Under the 2020 US chairmanship, efforts were made to further develop the work of the CBRN WG in export controls.

The United Kingdom, as part of its 2021 presidency of the G7, will chair the GP, and plans to continue to develop the GP's efforts towards the international adoption of effective export controls as a key part of the work of the CBRN WG. The United Kingdom has proposed a range of initiatives, such as a GP Export Control Information Hub and a panel of international experts to look at the development of international standards for the implementation of UNSCR 1540. The United Kingdom is also looking to develop greater awareness of the issue of Proliferation Finance through the working group.

7.14 International outreach

The COVID-19 pandemic limited international outreach during 2020. At the invitation of the Government of Japan, the United Kingdom presented at the 27th Asian Export Control Seminar in Tokyo in February 2020. In the margins of the conference, the United Kingdom, United States and Japanese officials had trilateral discussions about continued closer cooperation in export

⁴⁶ Data is based on management information records as of 31st December 2020.

⁴⁷ <http://www.gpwmd.com/>

⁴⁸ <https://www.un.org/disarmament/wmd/sc1540/>

controls and control of the transfer of sensitive technologies. In addition, the British Embassy in Tokyo hosted a discussion between international partners on the issue of controlling Intangible Technology Transfers.

The United Kingdom took part in virtual meetings organised by the Vienna Centre for Disarmament and Non-Proliferation (VCDNP) on the topic of Advanced Nuclear and Emerging Technologies: Implications for Nuclear Safeguards and Export Controls. The United Kingdom participated in a virtual workshop on export controls hosted by the European Safeguards Research and Development Association (ESRDA). In addition, the United Kingdom presented at two virtual meetings of the GP CBRN Working Group. The presentations were on the topics of the control of dual-use missile sensitive technologies and the use of end-use controls and emerging technologies.

At the request of the NSG Consultative Group (CG) Chair, the United Kingdom drafted an update to the NSG outreach best practice guidance.

The United Kingdom also took part in MTCR outreach to Israel, under the New Zealand Chair, to update Israeli officials involved in export control licensing of changes to the control lists.

Section 8

Compliance and enforcement

8.1 Compliance

ECJU carry out thorough compliance checks at the sites of companies and individuals that hold Open Individual or Open General Licences, and Standard Individual Licences where electronic transfers arise. The aims of this activity are to:

- provide assurance to HM Government that all licence holders are meeting the terms and conditions of their licences and
- raise awareness of export controls within businesses (including on wider controlled activities, such as employees accessing technology while overseas, or undertaking activities under trafficking and brokering legislation). This is particularly important for those new to export controls

ECJU undertakes three types of compliance checks:

- 1) First compliance check: with the aim to conduct this within six months of the first use of the licence(s)
- 2) Routine compliance checks: Follow-up checks at a frequency determined by risk assessment and/or changes in circumstances, such as a business takeover or change in key staff
- 3) Revisits: where a company has been found non-compliant at a previous compliance check. ECJU aims to revisit these sites within six to eight months of the previous visit

The Compliance Team use four predefined criteria, agreed with Her Majesty's Revenue & Customs (HMRC), to determine the level of compliance and to ensure a consistent approach.

The four pre-defined criteria are:

- compliant: where all documentation is fully in order. Compliant sites are issued with a Compliance Certificate if they also have no follow-up actions or recommendations to implement. We issued three Compliance Certificates in 2020
- generally compliant: where minor (for example, typographical) errors are identified on undertakings and/or licence identifiers on documentation

- not fully compliant: where repeated minor administrative errors are identified or a substantive error is identified in one of multiple shipments; and/or an incorrect licence was quoted, where another extant licence held by the exporter permitted the export
- non-compliant: where significant errors have been identified such as incorrect use of licences; goods or destinations not permitted; or a failure to obtain prerequisite permissions and/or undertaking prior to export/transfer. Serious or repeated non-compliance may lead to open licences being withdrawn. All instances of non-compliance are reported to HMRC

United Kingdom based businesses are usually subject to on-site compliance checks, although COVID-19 restrictions meant that for the majority of 2020 these were undertaken remotely, initially via correspondence and then telephone or video calls.

Businesses whose operations are based overseas are subject to remote compliance checks related to trade or trafficking and brokering activities. As such there are usually no tangible exports to examine. In these cases, the business is required to send to the ECJU Compliance Officer for review a log of its activities and any supporting information or documentation required by the licence utilised.

The number of compliance checks undertaken in 2020 fell in comparison with previous years as a consequence of COVID-19 and a reduced number of trained Compliance Officers.

The Compliance Team carried out 22 first time contact engagements with those new to exporting, and 385 site checks (including revisits) in 2020. Tables 8.1 to 8.3 show compliance levels for sites inspected in 2020. Information for 2018 and 2019 is also provided for comparative purposes.

Table 8.1* Compliance checks undertaken

Outcomes	2020	2019	2018
Number of compliance checks undertaken	385	554	399
Number of compliance checks during which no audit was undertaken or the outcome was inconclusive	0	0	1

Table 8.2* Compliance checks – substantive infractions

Outcomes	2020	2019	2018
Number of warning letters	51	97	95
Number of suspensions	3	2	1

Table 8.3* Compliance checks - compliance

% of first compliance checks	2020	2019	2018
compliant	48%	51%	40%
generally compliant	18%	11%	17%
not fully compliant	16%	22%	18%
non-compliant	18%	16%	25%
% of routine compliance checks			
compliant	33%	33%	37%

generally compliant	28%	24%	17%
not fully compliant	18%	22%	15%
non-compliant	21%	21%	31%
% of revisits			
compliant	50%	63%	69%
generally compliant	35%	15%	15%
not fully compliant	3%	8%	7%
non-compliant	12%	14%	9%

* Data is based on management information records as of 30th April 2021.

The Compliance Team issued 51 warning letters to Company Directors during 2020, where breaches of licence conditions were identified. Overall, this is a four percentage point decrease from 2019. Two exporters surrendered licences which did not cover their goods. Surrendering licences helps avoid repeat offences. Three exporters had a licence suspended due to repeat infractions.

8.2 Enforcement activity undertaken by HMRC, Border Force and the Crown Prosecution Service

HMRC continued to work with Border Force and the Crown Prosecution Service (CPS) to undertake a wide range of enforcement activity throughout 2020. This activity included:

- 160 seizures of strategic goods. These are cases where goods were presented for export and found to be in breach of licensing requirements or sanctions and embargoes (see Table 8.3)
- 103 end-use cases, where non-listed items were stopped from leaving the United Kingdom and brought within export controls. This control is used if there is a risk that the goods would be put to an illicit military or WMD end-use
- 19 compound penalties paid totalling £700,368.01. HMRC issued 19 companies with compound settlement offers ranging from £1,000 to £211,250 for unlicensed exports of military goods, dual-use goods and related activity controlled by The Export Control Order 2008
- 67 HMRC warning letters issued

There were several ongoing criminal investigations throughout the period, although no prosecutions were finalised in the courts in 2020. HMRC assesses all breaches of arms export controls and sanctions. Where serious and/or deliberate breaches of export controls are identified, or where there are aggravating features, cases will be adopted for a full criminal investigation. These cases will be investigated and, if appropriate, referred to the Crown Prosecution Service (CPS), which determines a) whether there is sufficient evidence to prosecute and b) whether that prosecution is in the public interest.

HMRC continues to receive and process voluntary disclosures of errors made by exporters. These disclosures are assessed by HMRC and appropriate action taken. This ranges from educational visits or the issuing of written warnings, through to compound penalties and, in the most serious cases, an investigation with a view to criminal prosecution. Table 8.4 shows voluntary disclosures that were disposed of in 2020.

Table 8.4* Voluntary disclosures disposed in 2020

Disposal	Total
Voluntary Disclosures received	136
Warning Letters issued as a result of voluntary disclosures	64
No Further Action (NFA)	10
Compound settlement offers issued as a result of voluntary disclosures	18 Offers, totalling £622,868.01

* This represents 2020 activity only. This means some outcomes may originate from voluntary disclosures received in 2019, as some will not be recorded until the following period. The warning letters and compound settlement offers recorded here form part of the totals for this period and are not additional to those presented at the opening of this section. Data is based on Management Information records as of 19th February 2021.

HMRC works with DIT and other agencies to contribute to raising awareness of strategic export controls through educational outreach to business.

HMRC also participates in outreach and capacity-building events. This activity strengthens links with other enforcement agencies in the field of strategic export control and improves the capabilities of our international partners. HMRC supports the international export control commitments of HM Government through its contributions to international operational expert groups. These groups help improve international arms controls and aim to improve processes by sharing expertise and best practice.

This work includes supporting and contributing to the enforcement expert meetings of the MTCR, NSG, AG and WA (see Section 7 above). HMRC contributes to the Proliferation Security Initiative (PSI), working alongside international partners to strengthen capabilities to prevent the smuggling of illicit goods.

Table 8.5* Number of HMRC strategic exports and sanctions seizures

Financial Year	Total
2007-08	55
2009-10	50
2008-09	115
2010-11	134
2011-12	141
2012-13	280
2013-14	450
2014-15	225
2015-16	232
Calendar Year**	Total
2016	183
2017	118
2018	160
2019	194
2020	160

* Data is based on Management Information records as of 19th February 2021.

**The period over which exports and sanctions seizures were measured changed to calendar years in 2016.

Table 8.6* Number of HMRC strategic exports and sanctions prosecutions

Calendar Year	Total
2007	2
2008	1
2009	3
2010	9
2011	1
2012	2
2013	1
2014	2
2015	2
2016	Nil
2017	Nil
2018	3
2019	Nil
2020	Nil

*Data is based on Management Information records as of 19th February 2021

Section 9

Case studies

This section contains a selection of case studies which are provided to illustrate some of the issues that we need to address when considering export licence applications and how HM Government's policy on export controls is applied.

The examples covering the Philippines and Brazil look at the issues and concerns in each country and the key export control considerations that arise. The examples covering COVID-19 (detection, medical treatment and research equipment) and inertial equipment, looks at the risks posed by such equipment, considered against the most relevant criteria.

9.1 Philippines

The Philippines government faces longstanding security challenges. There are two insurgencies and a significant terrorist threat, including from groups who align themselves to Da'esh. Despite the Bangsamoro peace process and COVID-19 lockdowns, violence is a daily occurrence in the Philippines, particularly on and around the southern island of Mindanao, the home to several Da'esh-linked terrorist groups. Kidnap-for-ransom remains a significant problem. At the regional level, the Philippines is party to the South China Sea dispute.

In addition, and often related to these security challenges, various human rights concerns have been identified, for example, by the United Nations High Commissioner for Human Rights; in particular, the number of killings associated with the "war on drugs".

HM Government continues to assess all export licence applications to the Philippines rigorously, including with respect to concerns related to the "war on drugs". In particular, in line with Criterion 2a of the "Consolidated Criteria", HM Government will not issue an export licence if there is a clear risk that the items might be used for internal repression. This means that exports for use in policing are scrutinised closely and HM Government assesses whether there is a clear risk that the items might be used for internal repression, as well as the legitimate security objectives of the Philippines government with respect to counter-terrorism.

9.2 Brazil

As a growing market, Brazil is a major export destination for United Kingdom business. The majority of controlled goods exported to Brazil are destined for use in research institutions and for commercial use in oil and gas exploration.

United Kingdom exporters also routinely supply the Brazilian defence industry as the United Kingdom-Brazil defence relationship continues to strengthen. A number of Brazilian Navy ships are either former Royal Navy ships, or were built in the United Kingdom. In addition, increasing numbers of Brazilian military personnel are undertaking training in the United Kingdom.

Maintaining public security is a challenge for the Brazilian authorities. Ten Brazilian cities feature in the world's top 30 most dangerous cities in 2020 based on murder rate per 100,000 inhabitants.⁴⁹ Gun ownership is also on the rise. Alongside this, high rates of deaths caused by police action remain a concern. For example, in 2019 police killed 6,357 people, one of the highest rates of police killings in the world, rising by 6 percent in the first half of 2020.⁵⁰ Applications for firearms and equipment which might facilitate arrest are closely scrutinised, in particular applications for equipment going to frontline police forces. Applications are assessed on a case-by-case basis against the "Consolidated Criteria" to identify whether there is a clear risk that the equipment might be used for internal repression (Criterion 2a).

Brazil does not have robust export and Small Arms and Light Weapons (SALW) controls. As a result, the risk of diversion (Criterion 7) is considered for exports of SALW and components to stockists and munition factories in Brazil, alongside the United Kingdom's obligations under the United Nations Arms Trade Treaty (Criterion 1b).

When making these assessments information is drawn from a wide range of sources including the British Embassy in Brasilia, open source media and NGO reporting. The nature of the equipment is taken into account, as well as the specific end user and end use.

9.3 COVID-19

During 2020, a number of export licences were issued in relation to COVID-19, including for detection, medical treatment and research purposes. Items ranged from information security equipment, biotechnology equipment, Nuclear Biological Chemical (NBC) detection equipment, imaging cameras, and anaesthetic agents for injection. Each licence was assessed as standard against the "Consolidated Criteria" and, where relevant, our obligations under the EU Torture Regulation.

Information security equipment was, in this case, for encrypted handheld radios for use by a Department of Health. This type of application would be considered in particular in relation to risks around internal repression (Criterion 2a) and also the risk that the items will be diverted within the buyer country or re-exported to an undesirable end user or for an undesirable end use (Criterion 7).

For biotechnology and NBC equipment, which was exported for research purposes, HM Government consider in particular the risk of diversion (Criterion 7); whether the goods can be used to produce WMD; and whether granting a licence would be inconsistent with the United Kingdom's obligations under the Nuclear Non-Proliferation Treaty, the Biological & Toxin Weapons Convention, the Chemical Weapons Convention or any country-specific UN or EU sanctions (Criterion 1a and 1e).

Imaging cameras are dual-use and were exported in this instance for testing temperatures. These would be considered in relation to the same risks as biotechnology and NBC equipment (Criteria 1 and 7), and also Criterion 2a, whether there is a clear risk that the items might be used for internal repression.

49 <https://www.statista.com/statistics/243797/ranking-of-the-most-dangerous-cities-in-the-world-by-murder-rate-per-capita/>

50 <https://www.hrw.org/world-report/2021/country-chapters/brazil>

The Torture Regulation (outlined in Sections 2 and 3), prohibits and regulates trade in equipment and products that could be used for example, for capital punishment, such as barbiturate anaesthetic agents for lethal injection. These barbiturates also have legitimate medical use as anaesthetic agents. When assessing these applications, the death penalty laws and methods of the destination country are considered, and whether the stated end use is credible, assessing applications against Criteria 2a and 7.

9.4 Inertial Navigation Systems

The United Kingdom is home to a large aerospace sector that employs tens of thousands of people across the country. According to ADS Group, over 90% of the aerospace industry's turnover is generated from exports. During 2019, there were £31.8 billion aerospace exports.⁵¹ Many of these exports, such as aircraft components and inertial navigation systems, are assessed by ECJU's technical advisers to be controlled goods. These goods have utility in both civilian and military applications, from the maintenance of commercial airlines to the development of ballistic missile programmes.

We conduct a thorough assessment of each export licence application and reach a decision on a case-by-case basis. For inertial navigation systems, whether for aircraft, UAVs or marine navigation systems, we pay particular attention to the United Kingdom's international obligations and commitments (Criterion 1) and the risk of diversion (Criterion 7).

Some inertial navigation systems are controlled by the MTCR (Criterion 1e). The MTCR aims to prevent the proliferation of unmanned systems capable of delivering WMD. Assessments ensure that any export of inertial navigation systems is consistent with the United Kingdom's obligations as outlined in the regime. In conducting the assessment, ECJU considers the credibility of the end use and end user, and whether it is assessed that the goods will be susceptible to diversion. ECJU works closely with international partners in the regime to make sure that information and conclusions are shared which are relevant to the assessments. HM Government is committed to facilitating responsible exports in support of the aerospace industry including managing the risks that such equipment might be diverted for other purposes.

⁵¹ <https://www.adsgroup.org.uk/industry-issues/facts-figures/>

Annex A:

Consolidated EU and National Arms Export Licensing Criteria

WRITTEN MINISTERIAL STATEMENT⁵²

RT HON DR VINCE CABLE, SECRETARY OF STATE FOR BUSINESS, INNOVATION AND SKILLS

THE CONSOLIDATED EU AND NATIONAL ARMS EXPORT LICENSING CRITERIA

25 MARCH 2014

The UK's defence industry can make an important contribution to international security, as well as provide economic benefit to the UK. The legitimate international trade in arms enables governments to protect ordinary citizens against terrorists and criminals, and to defend against external threats. The Government remains committed to supporting the UK's defence industry and legitimate trade in items controlled for strategic reasons. But we recognise that in the wrong hands, arms can fuel conflict and instability and facilitate terrorism and organised crime. For this reason, it is vital that we have robust and transparent controls which are efficient and impose the minimum administrative burdens in order to enable the defence industry to operate responsibly and confidently.

The Government's policy for assessing applications for licences to export strategic goods and advance approvals for promotion prior to formal application for an export licence was set out on behalf of the then Foreign Secretary on 26 October 2000, *Official Report*, Column 200W. Since then there have been a number of significant developments, including:

- the entry into force of the Export Control Act 2002
- the application of controls to electronic transfers of software and technology and to trade (brokering) in military goods between overseas destinations
- the adoption by the EU of Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment
- further development of EU export control law, including: the adoption of Council Regulation (EC) 1236/2005 of 27 June 2005 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment; Directive 2009/43/EC of 6 May 2009 simplifying terms and conditions of transfers of defence-related

⁵² <https://publications.parliament.uk/pa/cm201314/cmhansrd/cm140325/wmstext/140325m0001.htm>

products within the Community; and the re-cast Council Regulation (EC) 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items

- the adoption by the UN General Assembly on 2 April 2013 of an international Arms Trade Treaty, which the UK signed on 3 June 2013

The Government believes that the procedures for assessing licence applications and our decision-making processes are robust and have stood the test of time. We also believe that the eight Criteria continue to adequately address the risks of irresponsible arms transfers and are fully compliant with our obligations under the EU Common Position and the Arms Trade Treaty. Nevertheless, it is appropriate to update these Criteria in light of developments over the last 13 years. In particular: the list of international obligations and commitments in Criterion 1 has been updated; there is explicit reference to international humanitarian law in Criterion 2; and the risk of reverse engineering or unintended technology transfer is now addressed under Criterion 7 rather than Criterion 5. There are also minor changes to improve the clarity and consistency of the language used throughout the text. None of these amendments should be taken to mean that there has been any substantive change in policy.

These Criteria will be applied to all licence applications for export, transfer, trade (brokering) and transit/transshipment of goods, software and technology subject to control for strategic reasons (referred to collectively as “items”); and to the extent that the following activities are subject to control, the provision of technical assistance or other services related to those items. They will also be applied to MOD Form 680 applications and assessment of proposals to gift controlled equipment.

As before, they will not be applied mechanistically but on a case-by-case basis taking into account all relevant information available at the time the licence application is assessed. While the Government recognises that there are situations where transfers must not take place, as set out in the following criteria, we will not refuse a licence on the grounds of a purely theoretical risk of a breach of one or more of those Criteria.

In making licensing decisions I will continue to take into account advice received from FCO, MOD, DFID, and Other Government Departments and agencies as appropriate. The Government’s Strategic Export Controls Annual Reports will continue to provide further detailed information regarding policy and practice in strategic export controls.

The application of these Criteria will be without prejudice to the application to specific cases of specific criteria as may be announced to Parliament from time to time; and will be without prejudice to the application of specific criteria contained in relevant EU instruments.

This statement of the Criteria is guidance given under section 9 of the Export Control Act. It replaces the “Consolidated Criteria” announced to Parliament on 26 October 2000.

CRITERION ONE

Respect for the UK’s international obligations and commitments, in particular sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.

The Government will not grant a licence if to do so would be inconsistent with, *inter alia*:

- a. The UK's obligations and its commitments to enforce United Nations, European Union and Organisation for Security and Cooperation in Europe (OSCE) arms embargoes, as well as national embargoes observed by the UK and other commitments regarding the application of strategic export controls
- b. The UK's obligations under the United Nations Arms Trade Treaty
- c. The UK's obligations under the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention and the Chemical Weapons Convention
- d. The UK's obligations under the United Nations Convention on Certain Conventional Weapons, the Convention on Cluster Munitions (the Oslo Convention), the Cluster Munitions (Prohibitions) Act 2010, and the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction (the Ottawa Convention) and the Land Mines Act 1998
- e. The UK's commitments in the framework of the Australia Group, the Missile Technology Control Regime, the Zangger Committee, the Nuclear Suppliers Group, the Wassenaar Arrangement and The Hague Code of Conduct against Ballistic Missile Proliferation
- f. The OSCE Principles Governing Conventional Arms Transfers and the European Union Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.

CRITERION TWO

The respect for human rights and fundamental freedoms in the country of final destination as well as respect by that country for international humanitarian law.

Having assessed the recipient country's attitude towards relevant principles established by international human rights instruments, the Government will:

- a. Not grant a licence if there is a clear risk that the items might be used for internal repression
- b. Exercise special caution and vigilance in granting licences, on a case-by-case basis and taking account of the nature of the equipment, to countries where serious violations of human rights have been established by the competent bodies of the UN, the Council of Europe or by the European Union
- c. Not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international humanitarian law

For these purposes items which might be used for internal repression will include, *inter alia*, items where there is evidence of the use of these or similar items for internal repression by the proposed end-user, or where there is reason to believe that the items will be diverted from their stated end-use or end-user and used for internal repression.

The nature of the items to be transferred will be considered carefully, particularly if they are intended for internal security purposes. Internal repression includes, *inter alia*, torture and other cruel, inhuman and degrading treatment or punishment; summary or arbitrary executions;

disappearances; arbitrary detentions; and other major violations of human rights and fundamental freedoms as set out in relevant international human rights instruments, including the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights.

In considering the risk that items might be used for internal repression or in the commission of a serious violation of international humanitarian law, the Government will also take account of the risk that the items might be used to commit gender-based violence or serious violence against women or children.

CRITERION THREE

The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.

The Government will not grant a licence for items which would provoke or prolong armed conflicts or aggravate existing tensions or conflicts in the country of final destination.

CRITERION FOUR

Preservation of regional peace, security and stability.

The Government will not grant a licence if there is a clear risk that the intended recipient would use the items aggressively against another country, or to assert by force a territorial claim.

When considering these risks, the Government will take into account, *inter alia*:

- a. The existence or likelihood of armed conflict between the recipient and another country
- b. A claim against the territory of a neighbouring country which the recipient has in the past tried or threatened to pursue by means of force
- c. The likelihood of the items being used other than for the legitimate national security and defence of the recipient
- d. The need not to affect adversely regional stability in any significant way, taking into account the balance of forces between the states of the region concerned, their relative expenditure on defence, the potential for the equipment significantly to enhance the effectiveness of existing capabilities or to improve force projection, and the need not to introduce into the region new capabilities which would be likely to lead to increased tension.

CRITERION FIVE

The national security of the UK and territories whose external relations are the UK's responsibility, as well as that of friendly and allied countries.

The Government will take into account:

- a. The potential effect of the proposed transfer on the UK's defence and security interests or on those of other territories and countries as described above, while recognising that this factor cannot affect consideration of the criteria on respect of human rights and on regional peace, security and stability

- b. The risk of the items being used against UK forces or against those of other territories and countries as described above
- c. The need to protect UK military classified information and capabilities

CRITERION SIX

The behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law.

The Government will take into account, *inter alia*, the record of the buyer country with regard to:

- a. Its support for or encouragement of terrorism and international organised crime
- b. Its compliance with its international commitments, in particular on the non-use of force, including under international humanitarian law applicable to international and non-international conflicts
- c. Its commitment to non-proliferation and other areas of arms control and disarmament, in particular the signature, ratification and implementation of relevant arms control and disarmament instruments referred to in criterion one

CRITERION SEVEN

The existence of a risk that the items will be diverted within the buyer country or re-exported under undesirable conditions.

In assessing the impact of the proposed transfer on the recipient country and the risk that the items might be diverted to an undesirable end-user or for an undesirable end-use, the Government will consider:

- a. The legitimate defence and domestic security interests of the recipient country, including any involvement in United Nations or other peace-keeping activity
- b. The technical capability of the recipient country to use the items
- c. The capability of the recipient country to exert effective export controls
- d. The risk of re-export to undesirable destinations and, as appropriate, the record of the recipient country in respecting re-export provisions or consent prior to re-export
- e. The risk of diversion to terrorist organisations or to individual terrorists
- f. The risk of reverse engineering or unintended technology transfer

CRITERION EIGHT

The compatibility of the transfer with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources

The Government will take into account, in the light of information from relevant sources such as United Nations Development Programme, World Bank, IMF and Organisation for Economic Cooperation and Development reports, whether the proposed transfer would seriously undermine the economy or seriously hamper the sustainable development of the recipient country.

The Government will consider in this context the recipient country's relative levels of military and social expenditure, taking into account also any EU or bilateral aid, and its public finances, balance of payments, external debt, economic and social development and any IMF or World Bank-sponsored economic reform programme.

OTHER FACTORS

Article 10 of the EU Common Position specifies that Member States may, where appropriate, also take into account the effect of proposed exports on their economic, social, commercial and industrial interests, but that these factors will not affect the application of the criteria in the Common Position.

The Government will thus continue when considering licence applications to give full weight to the UK's national interest, including:

- a. The potential effect on the UK's economic, financial and commercial interests, including our long-term interests in having stable, democratic trading partners
- b. The potential effect on the UK's international relations
- c. The potential effect on any collaborative defence production or procurement project with allies or EU partners
- d. The protection of the UK's essential strategic industrial base
- e. In the application of the above criteria, account will be taken of reliable evidence, including for example, reporting from diplomatic posts, relevant reports by international bodies, intelligence and information from open sources and non-governmental organisations.

ANNEX B:

A summary of key changes affecting Open General Export Licences (OGELs) in 2020

January - Annex I of EU regulation 428/2009 (list of dual-use controlled items) was updated. As a result of these changes, the following 14 OGELs and one OGTL were amended:

- OGEL (technology for dual-use Items - from June 2019)
- OGEL (technology for dual-use Items)
- OGEL (export after exhibition: dual-use items)
- OGEL (low value shipments – from December 2019)
- OGEL (low value shipments)
- OGEL (export for repair/replacement under warranty: dual-use items - from December 2019)
- OGEL (export for repair/replacement under warranty: dual-use items)
- OGEL (X – from December 2019)
- OGEL (X)
- OGEL (export after repair/replacement under warranty: dual-use Items)
- OGEL (export after repair/replacement under warranty: dual-use Items - from June 2019)
- OGEL (oil and gas exploration: dual-use items)
- OGEL (oil and gas exploration: dual-use items – from December 2019)
- OGEL (dual-use Items: Hong Kong Special Administrative Region)
- OGTL (dual-use goods: Hong Kong Special Administrative Region)

Following a review of OGELs, where Turkey was a permitted destination, OGEL (Turkey) was revoked.

February – The following 13 OGELs were reissued with changes to the permitted destinations. These included Yemen removed as a permitted destination on nine OGELs; Lebanon removed as a permitted destination on two OGELs; and the Italian continental shelf added as a permitted destination on two OGELs.

- OGEL (technology for dual-use Items - from June 2019)
- OGEL (export after exhibition: dual-use items)

- OGEL (low value shipments – from December 2019)
- OGEL (export for repair/replacement under warranty: dual-use items - from December 2019)
- OGEL (X – from December 2019)
- OGEL (export after repair/replacement under warranty: dual-use Items - from June 2019)
- OGEL (oil and gas exploration: dual-use items)
- OGEL (oil and gas exploration: dual-use items – from December 2019)
- OGEL (chemicals – from December 2019)
- OGEL (cryptographic development – from December 2019)
- OGEL (military components)
- OGEL (military goods: for demonstration – from December 2019)
- OGEL (military goods: for demonstration)

Turkey was removed as a permitted destination from the OGEL (military components).

We removed the ability to register to use the OGEL (military goods: A400M collaborative programme). A new version of the licence, OGEL (military goods: A400M collaborative programme - from February 2020), was published. This version does not permit exports to Turkey.

The ability to register for the OGEL (exports in support of joint strike fighter: F-35 Lightning II) was reinstated.

August – Open general licences that include Hong Kong were amended to bring them in line with restrictions on China. This was in response to the Foreign Secretary oral statement of 20th July 2020 that extended to Hong Kong the arms embargo that has applied to mainland China since 1989.

The following 22 open general licences were amended to remove Hong Kong as a permitted destination:

- OGEL (chemicals)
- OGEL (chemicals) from December 2019
- OGEL (cryptographic development)
- OGEL (cryptographic development) from December 2019
- OGEL (export after repair/replacement under warranty: dual-use items) from June 2019
- OGEL (export after repair/replacement under warranty: dual-use items)
- OGEL (information security items)
- OGEL (information security items) from December 2019
- OGEL (military and dual-use goods: UK forces deployed in non-embargoed destinations)
- OGEL (military and dual-use goods: UK forces deployed in non-embargoed destinations) from December 2019
- OGEL (export for exhibition: military goods)
- OGEL (export for exhibition: military goods) from December 2019

- OGEL (export for repair/replacement under warranty: military goods)
- OGEL (export for repair/replacement under warranty: military goods) from December 2019
- OGEL (historic military goods)
- OGEL (historic military goods) from December 2019
- OGEL (military goods: for demonstration)
- OGEL (military goods: for demonstration) from December 2019
- OGEL (PCBs and components for military goods)
- OGEL (PCBs and components for military goods) - from June 2019
- Open general transshipment licence (sporting guns)
- Open general trade control licence (maritime anti-piracy)

The following two open general licences were revoked as Hong Kong was the only permitted destination:

- OGEL (dual-use items: Hong Kong Special Administrative Region)
- OGTL (dual-use goods: Hong Kong Special Administrative Region)

December – As a result of changes to legislation that came into force at the end of the Transition Period, 59 open general licences were amended and timed to come into force at the end of the transition period

In addition, nine of these OGELs were further revised as a result of the updated EU dual-use export control list in Annex I to Regulation (EC) No 428/2009.

The following open general licences were revised as a result of changes to legislation that came into force at the end of the Transition Period:

- OGEL (export of dual-use items to EU member states)
- OGEL (PCBs and components for dual-use items - from June 2019)
- OGEL (PCBs and components for dual-use items)
- OGEL (export after exhibition dual-use items)
- OGEL (export after repair replacement under warranty dual -use items)
- OGEL (export after repair replacement under warranty dual-use Items - from June 2019)
- OGEL (chemicals - from December 2019)
- OGEL (chemicals)
- OGEL (cryptographic development)
- OGEL (cryptographic development - from December 2019)
- OGEL (export for repair/replacement under warranty dual-use items)
- OGEL (export for repair/replacement under warranty dual-use Items - from December 2019)
- OGEL (information security items)
- OGEL (information security items - from December 2019)

- OGEL (low value shipments)
- OGEL (low value shipments - from December 2019)
- OGEL (oil and gas exploration dual-use items)
- OGEL (oil and gas exploration dual-use items - from December 2019)
- OGEL (technology for dual-use items)
- OGEL (technology for dual-use items - from June 2019)
- OGEL (X)
- OGEL (X - from December 2019)
- OGEL (access overseas to software and technology for military goods individual use only)
- OGEL (access overseas to software and technology for military goods individual use only - from December 2019)
- OGEL (export after repair/replacement under warranty military goods)
- OGEL (export after repair/replacement under warranty military goods - from June 2019)
- OGEL (exports or transfers in support of UK government defence contracts)
- OGEL (exports or transfers in support of UK government defence contracts - from June 2019)
- OGEL (technology for military goods)
- OGEL (technology for military goods - from June 2019)
- OGEL (military surplus vehicles)
- OGEL (military surplus vehicles - from December 2019)
- OGEL (exports under the US UK defence trade cooperation Treaty)
- OGEL (vintage aircraft)
- OGEL (military goods A400M collaborative programme)
- OGEL (military goods A400M collaborative programme - from February 2020)
- OGEL (export for exhibition military goods)
- OGEL (export for exhibition military goods - from December 2019)
- OGEL (military components)
- OGEL (military goods for demonstration)
- OGEL (military goods for demonstration - from December 2019)
- OGEL (PCBs and components for military goods)
- OGEL (PCBs and components for military goods - from June 2019)
- OGEL (export after exhibition or demonstration military goods)
- OGEL (exports of non-lethal military and dual-use goods to UK diplomatic missions or consular Posts)
- OGEL (exports in support of Turkish Aerospace Industries (TAI) TF X Programme)
- OGEL (exports in support of Joint Strike Fighter (F 35 Lightning II))
- OGEL (military goods collaborative project Typhoon - from June 2019)

- OGEL (military goods collaborative project Typhoon)
- OGEL (military goods software and technology government or NATO end-use)
- OGEL (military goods software and technology)
- OGEL (certified companies)
- Open general transshipment licence (postal packets)
- Open general trade control licence (trade and transportation small arms and light weapons)
- Open general trade control licence (trade and transportation small arms and light weapons - from December 2019)
- Open general trade control licence (category C goods)
- Open general trade control licence (category C goods - from November 2019)
- Open general trade control licence (maritime anti-piracy)
- Open general licence (Iraq)

The licences which were amended following the changes to the EU dual-use export control list in Annex I to Regulation (EC) No 428/2009 are as follows:

- OGEL (chemicals - from December 2019)
- OGEL (chemicals)
- OGEL (cryptographic development)
- OGEL (cryptographic development - from December 2019)
- OGEL (export after exhibition dual-use items)
- OGEL (export after repair/replacement under warranty dual-use items)
- OGEL (export after repair replacement under warranty dual-use items - from June 2019)
- OGEL (export for repair/replacement under warranty dual-use items)
- OGEL (export for repair/replacement under warranty dual-use items - from December 2019)

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