



Department for
International Trade

The procurement channel for export of nuclear and dual-use goods and services to Iran

Guidance for UK exporters

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The procurement channel for export of nuclear and dual-use goods and services to Iran

On 16 January 2016 the majority of EU trade and financial sanctions against Iran were lifted under the Joint Comprehensive Plan of Action (JCPOA) agreed between the E3+3 (ie UK, France, Germany, USA, Russia, China) and Iran. However some sanctions remain in force including the arms embargo and a ban on the supply of missile-related goods, technology and associated services (see [embargoes and sanctions on Iran](#)).

In addition, certain nuclear-related activities with Iran can only take place if they have been approved in advance by the UN Security Council. States will seek approval for these activities from the Security Council which will then consult the Procurement Working Group comprising the E3+3 and Iran. The Procurement Working Group will consider all such proposals and make a recommendation to the Security Council for its final review and decision. The Security Council will then notify the proposing State whether its request has been approved or disapproved. This is known as the Procurement Channel.

This note is intended to provide practical guidance for UK exporters and service providers regarding the Procurement Channel. Links to further information about doing business with Iran, sanctions, the JCPOA and the Procurement Channel; also export licensing are provided at the end of this note.

What does the Procurement Channel cover?

1. The supply, sale or transfer of items (including temporary exports) materials, equipment, goods, and technology specified in the Nuclear Suppliers Group (NSG) [Trigger List and NSG Dual-Use List](#), as well as any further items if the relevant State determines that they could contribute to activities inconsistent with the JCPOA.
2. The provision to Iran of assistance or services related to the supply, sale, transfer, manufacture, or use of the items specified above (e.g. technical assistance or training, financial assistance, investment, brokering).
3. The acquisition by any Iranian person, entity or body of an interest in commercial activities in another state involving uranium mining and the production and use of goods in the NSG Trigger List, and related investments.

How is approval given through the Procurement Channel?

The process is as follows:

- Any exporter or service provider established in the UK wishing to supply to Iran the goods and services specified in points 1 and 2 above, or to accept the acquisition of an interest or an investment

by an Iranian person or entity in a commercial activity in point 3, must first apply for a licence from the Export Control Joint Unit (ECJU) in the Department for International Trade.

- Licence applications involving the supply of goods (including temporary exports) and technology must be submitted on [SPIRE](#). Applications involving only the supply of technical or financial assistance or investments should be submitted in writing to exportcontrol.help@trade.gov.uk.
- As well as providing full details of the activity concerned and full technical specifications of any goods to be supplied the licence application must also include the following documents which are required for submission to the UN Security Council:
 - The additional application form completed as fully as possible
 - Optional End-Use certificate on the specified template which must be signed by (i) the Atomic Energy Organisation of Iran (AEOI) where the goods and services are for Iran's nuclear programme, or (ii) by another appropriate Iranian government body where the goods and services are for non-nuclear civil use (e.g. industrial, scientific or medical uses).
- The EUU and application form can be downloaded at: [nuclear-related transfers and activities \(procurement channel\)](#) on the United Nations website.

Note: Failure to provide these documents will delay and may result in your application being rejected. However we accept that certain information – such as contract numbers and dates, export licence number, and details of shipping details – may not be available at the time you make your application to us and may be submitted later. Should your application be successful we will be required to provide this additional information to the UN Security Council before the goods or services are supplied. We will therefore make it a condition of your licence that you submit this information to us at least five days before the actual shipment so that we may forward the information to the UN.

- The Government will assess the licence application against the Consolidated EU and National Arms Export Licensing Criteria in the normal way. If we decide that the proposed activity would be a breach of the criteria your licence application will be refused and you will be notified accordingly. (Note: in line with standard practice you will have 28 days to submit an appeal against this decision.) If the activity is consistent with the Criteria we will submit your application to the Procurement Channel through the UN Security Council and we will inform you that we have done so – but this should not be taken as permission to proceed with the activity.
- The JCPOA sets specific timeframes for the processing of applications through the Procurement Channel but the process may take as long as 50 working days. As a result the Export Control Joint Unit's (ECJU's) licence processing targets will not apply to Procurement Channel applications.
- The decision of the UN Security Council is binding:
 - If the application is approved by the Security Council we will

grant your licence with the condition that you provide to us any required information regarding contracts and shipping that was not available when you submitted your application. Failure to provide this information will be a breach of the licence. This must be provided to us at least five days before the shipment takes place.

- If the application is rejected by the Security Council then your licence application will be refused. You still have the right of appeal, however you must be aware that there is no corresponding Procurement Channel appeal process. If possible, we will tell you why your application was rejected so that you may address any shortcomings should you wish to submit a new application.

How do I know if my goods are on the NSG Trigger List or Dual-Use List?

You can consult the NSG Trigger List and the NSG Dual-Use List directly. These lists also comprise Annex I of the [EU Council Regulation](#) that gives legal effect to Implementation Day in the EU.

Note: Items on the NSG Trigger List require a licence to be exported to all destinations including other EU Member States; NSG Dual-Use List items require a licence to be exported to all destinations outside the EU; therefore we would expect exporters of these goods to know the control status of their products.

I am exporting controlled dual-use items to Iran but they are not listed by the NSG; does my application have to go through the Procurement Channel?

No, only applications for NSG-listed items and associated services and investments must go through the Procurement Channel (although exceptionally we can decide to submit other applications through the Procurement Channel – we will contact you if this is the case). Missile-related goods and technology remain banned for export to Iran. In other cases normal export licensing procedures apply.

I am exporting items or providing related services listed in Annex II of the EU Regulation; does my application have to go through the Procurement Channel?

No, only applications for NSG-listed items and associated services and investments must go through the Procurement Channel (although exceptionally we can decide to submit other applications through the Procurement Channel – we will contact you if this is the case).

My goods do not normally require an export licence (they are ‘NLR’) but they are for a nuclear end-use in Iran: do I need to apply for a licence?

There is no obligation to apply for a licence, although you should be aware that the government may choose to invoke the WMD End-Use Control in individual cases and, as noted above, in exceptional circumstances we may choose to submit a proposed transaction through the Procurement Channel. If you are in any doubt or have any concerns you should contact us at (exportcontrol.help@trade.gov.uk) or submit a licence application.

What if my Iranian customer won't provide the EEU (end-use certificate) on the required template or the government of Iran will not certify the EEU?

The provisions of the JCPOA including the Procurement Channel, as well as the template application form and EEU, have been agreed by the E3+3 and by Iran and as such it is in Iran's interest to provide the correct documentation. Without the correct documentation we will be unable to proceed with your application.

Will it really take 50 days for the UN to approve an application through the Procurement Channel?

Fifty days is the maximum time taking into account the possibility that the Procurement Working Group may seek further information from applicant states, and that states may ask the Procurement Working Group to reconsider its recommendation prior to the Security Council making a final decision. We expect that decisions will be made much more quickly than this but until a representative sample of applications have been processed through the Procurement Channel we cannot provide guidance on realistic timescales.

What information will be shared with the UN Security Council? Will that information be treated as confidential?

The information contained in the template application form will be sent to the UN Security Council and will be shared with the E3+3 and Iran. UN rules regarding confidentiality will apply.

Can I submit an application direct to the UN?

No - only states can submit applications to the UN. Please submit a licence application to the ECJU as described above and provided we assess the proposed transaction to be consistent with our licensing criteria we will submit the application to the UN.

Can I submit a speculative licence application now and obtain end-user undertakings later?

No – we can only submit an application to the UN where all the required information is available and is supported by an EEU signed by the AEOI or Iranian Ministry of Industry, Mine and Trade (IMT) as appropriate. We will reject any

application that does not have the required information and supporting documentation.

Could the remaining financial sanctions relating to Iran apply to me if I use this channel?

Yes. You need to check the Treasury's [consolidated list](#) to ensure that you are not looking to deal, either directly or indirectly, with a designated entity either in the supply of material to Iran or in the payment route utilised. Even after Implementation Day a number of Iranian entities are still designated e.g. for proliferation, human rights and terrorism concerns. Making funds and economic resources to these entities, directly or indirectly, is still prohibited in the absence of a licence. If you are looking to deal with an entity designated under financial sanctions you will need to approach HM Treasury with information about your proposed dealings and the relevant grounds for licensing, who will consider whether a licence can be issued. Further information can be found on the Treasury's [Financial Sanctions](#) pages.

Where can I find further information?

ECJU helpline: exportcontrol.help@trade.gov.uk

ECJU pages on [gov.uk](#)

Iran pages on [gov.uk](#)

[Joint Comprehensive Plan of Action](#) (JCPOA) and its implementation (European Union, External Action)

UN guidance on [Procurement Channel](#)

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