



Department  
for Business  
Innovation & Skills

**A PRE-LICENSING REGISTER OF  
ARMS BROKERS**

Call for Evidence

APRIL 2014

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## 1. Executive Summary

1. “Arms brokering” can be loosely defined as arranging or facilitating the supply of goods between overseas countries. An arms broker is therefore a person or entity who conducts those activities. There are a range of activities that might be considered to be brokering, depending on the precise circumstances of the transaction, such as buying and selling goods on behalf of others, the supply chain activities of multinational defence firms, and the provision of insurance or transport services for the movement of military goods.
2. Arms brokering, and therefore the activities of arms brokers, is already controlled through a system of licensing. We believe this system is robust and that the controls are robustly enforced. However the perception remains in some quarters that more could and should be done to regulate brokering. One possible additional measure is a pre-licensing register of brokers.
3. The requirement to register would be in addition to the need to apply for a licence and only persons on the register could apply for licences. The register would be made public. Proponents of a register often cite three benefits that a register might bring:
  - Greater transparency;
  - Improved standards through the application of some form of test of “competence”;
  - Better enforcement of the controls.
4. At its simplest a register might be little more than a public list of licensed brokers. This might be relatively straightforward to create and maintain. A more sophisticated scheme involving assessment of competence might bring greater benefits but would be more complex to create and might involve significant costs for businesses and Government.
5. This Call for Evidence sets out how brokering is currently controlled and then seeks views on the potential benefits and costs of a pre-licensing register. We are considering whether a register should be established and looking at various models of how a register might work. We are looking at a range of possible elements of a register to help us determine which, if any, might be suitable to bring forward as a formal proposal. We also seek views on whether any of these elements might be implemented on a stand-alone basis, without creating a formal register.
6. The Call for Evidence is aimed at all those with an interest in arms brokering. That clearly includes brokers themselves, defence manufacturers and contractors, and businesses providing services such as insurance or transport. It also includes those NGOs who campaign on this issue and others in civil society with an interest.
7. The closing date for responses is 30 May 2014. The Government intends to publish its formal response by September 2014. We also intend to publish all individual responses to this Call for Evidence, unless the respondent explicitly requests otherwise (see Section 3). Should we decide to bring forward formal proposals we would expect to consult further on the detail of those proposals and to prepare a fully costed Impact Assessment.

## 2. How to respond

8. This Call for Evidence will open on 17 April 2014 and the last date for responses will be 30 May 2014. Responses can be completed online or submitted by email, post or fax.
9. To complete the survey online, go to <https://www.surveymonkey.com/s/eco-register-arms-brokers-call-evidence>.
10. If completing by post or email, please download a Word version of the response form. The response form is also available electronically on the consultations page of <https://www.gov.uk> (until the consultation closes). The form can be submitted online/by email or by letter or fax to:

Edwina Osborne  
Export Control Organisation  
Department of Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 4948  
Fax: 020 7215 0531  
Email: [Edwina.osborne@bis.gsi.gov.uk](mailto:Edwina.osborne@bis.gsi.gov.uk)

11. When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

## 3. Confidentiality & Data Protection

12. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
13. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

## 4. A Register of Arms Brokers – Call for Evidence

### Background

14. The UK already has comprehensive controls on brokering of military goods – known as “trade controls”. These controls are set out in articles 20 to 25 of the Export Control Order 2008<sup>1</sup>. The activities subject to control are described in the widest possible terms, i.e. “any act calculated to promote the supply or delivery of” specified goods between overseas destinations. There are exemptions for so-called “ancillary activities”<sup>2</sup> to a greater or lesser extent depending on the nature of the goods and the destination.
15. Whether the controls apply only to activities carried out by a person within the UK or whether they also apply to the activities of UK persons anywhere in the world (extra-territorial controls) also depends on the nature of the goods and the destination. This differentiated approach, while making the controls more complex, does allow us to maintain stricter controls over activities that are of greater concern (e.g. supply to embargoed destinations, or of goods whose export is prohibited such as cluster munitions), while reducing the burden on legitimate trade in less sensitive goods (e.g. components of non-lethal military equipment to non-embargoed destinations).
16. Trade controls were first implemented in 2004 through secondary legislation introduced under the Export Control Act 2002. The trade controls were included in the then Government’s Post-Implementation Review of export control legislation that commenced in 2007. As a result a significant number of changes to the scope of the controls were made; the last of these changes came into force in April 2009. That review also examined case for a register of brokers. It concluded “we are not yet fully convinced at this stage that the benefits of a pre-licensing registration system would justify the burden it could impose on legitimate business”<sup>3</sup>.
17. Annex 1 of this Call for Evidence explains what we mean by “brokering” and how those brokering activities are licensed. Further detailed information on the scope of the controls is available through the gov.uk website: <https://www.gov.uk/export-controls-on-controlled-military-goods>

### A register of brokers

18. Brokering of military goods is already regulated through the licensing system, as described above. If a register of brokers were to be adopted it would be **in addition** to the existing licensing requirements. As a result it would be necessary for any person to be on the register before that person was able to apply for or register to use specific licences for specific transactions. Because licence applications would still be assessed on a case-by-

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<sup>1</sup> The original Order is available here: <http://www.legislation.gov.uk/uksi/2008/3231/contents/made> The Order has been amended several times but articles 20 to 25 have not been amended. There is separate, EU legislation dealing with brokering of “dual-use” items. This Call for Evidence is only concerned with national controls on brokering of military goods.

<sup>2</sup> See Annex 1 for an explanation of how and when “ancillary” activities may be considered to be “brokering”.

<sup>3</sup> Documents relating to the 2007 review are available on The National Archives web archive: <http://webarchive.nationalarchives.gov.uk/20090902183635/berr.gov.uk/whatwedo/europeandtrade/strategic-export-control/legislation/export-control-act-2002/review/index.html>

case basis against the “Consolidated Criteria”<sup>4</sup>, being accepted onto the register would not guarantee that a licence would be granted for any particular transaction.

19. In general terms, three broad arguments have been made in favour of a pre-licensing register of brokers:

- a publicly-available list of “authorised” brokers would improve transparency;
- the requirement to pre-register would allow for some form of “vetting” or assessment of the suitability of the applicant to engage in brokering activity; and
- it would improve enforcement of the controls.

**Question 1: Are there other benefits that a pre-licensing register of brokers might bring?**

### A register as a public list of “authorised” or “approved” brokers

20. It can be argued that maintaining a public register of brokers would increase transparency because the names of all those licensed to carry out brokering activities would be known. The licensing database, [SPIRE](#), holds the list of all those currently and formerly licensed to broker. As explained in Annex 1 we have already made public the names of companies using certain trade licences. To the extent that a register is essentially a publicly-available list of brokers, publishing the names of all of those who hold trade licences (and are therefore authorised to carry out specific brokering activities) may go some way to satisfying the demands for a full register. It would be fairly straightforward to publish and maintain a public list of trade licence holders<sup>5</sup>. We would need to consider how often such a list should be updated, and whether it should be a list of those holding licences *at that time*, or a “cumulative” list of all those that had ever held licences.

**Question 2a: What are your views on publishing the complete list of trade licence holders?**

**Question 2b: Would this fulfil one of the main purposes of a register of brokers?**

**Question 2c: If not, why not?**

**Question 3a: Whose details should be included on a public register of brokers?**

**Question 3b: How often should such a list be updated?**

21. Publishing the names of the holders of Individual licences may raise concerns regarding commercial sensitivity and confidentiality. Information about these licences is already published in the Government’s Annual and Quarterly Reports and it may be possible to link

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<sup>4</sup> All export licence applications are assessed against the Consolidated EU and National Arms Export Licensing Criteria (the “Consolidated Criteria”), as most recently stated to Parliament on 25 March 2014. A licence would not be granted if to do so would be a breach of the Criteria. See <https://www.gov.uk/assessment-of-export-licence-applications-criteria-and-policy> for further information.

<sup>5</sup> Although we have published the names of brokers under specific circumstances the routine publication of any pre-licensing register would require a change to the rules on disclosure of information obtained through the licensing process and which are currently set out in Article 43 of the Export Control Order 2008.

named licence holders with specific licences and therefore with specific transactions. This could reveal commercially sensitive information. To mitigate this we could release the names as a separate, alphabetically-ordered, list – the names would not be published alongside details of any licences that the companies may hold. A further concern relates to persons registering in their own name. Personal information is subject to the Data Protection Act and, for example, we would not normally disclose under FoIA the names of private individuals who hold licences. This needs to be explored further.

**Question 4a: Would publishing the names of licence holders reveal commercially sensitive information?**

**Question 4b: How would this be harmful to commercial interests?**

**Question 4c: How could these risks be mitigated or reduced?**

22. It has been argued that publishing a list of licensed brokers would enable foreign governments to check whether a UK entity involved in a proposed transaction was known to and authorised by the relevant UK authorities. They might then choose to only license transactions involving UK registered brokers, and to refuse licences involving a UK broker who was not registered with us. The register would therefore be seen as some kind of “white list” of “approved” brokers. This could be beneficial for registered brokers themselves as they might be seen as more “responsible” or more competent and therefore more likely to win business.
23. On the other hand it is possible that some foreign governments might rely too heavily on the registered status of the UK broker and not look sufficiently closely at the nature of the transaction itself, i.e. they might approve a risky transaction purely on the basis that it involved a “UK Government-approved broker”. This might be particularly true for less well-resourced states. It should be noted that the possibility already exists for states to seek information from other states, on a bilateral and confidential basis through normal diplomatic channels, regarding the entities involved in particular transactions. The UK would always look to respond positively to any such request, subject to guarantees that the information would be treated as confidential and used only for the purpose for which it was disclosed.
24. A further consideration is that a UK person’s involvement in a foreign transaction might not be subject to the UK’s trade controls and they would therefore not need to be registered with us. However if foreign governments refused to license the transaction on the basis that the UK person was not registered then that could deny UK companies the opportunity to participate in legitimate overseas transactions.

**Question 5a: What are your views on the idea that a register of brokers might be seen as a “white list” of approved UK brokers?**

**Question 5b: On balance, would this be a positive or a negative development?**

**Question 6: Would there be any benefit to businesses of a register being perceived as a “white list”?**



## **A register as a means to only permit “qualified” persons or companies to conduct brokering activities**

25. The strongest arguments for a register – but also the most complex and potentially costly to implement – are that it would enable the Government to “weed out” persons or companies considered unsuitable to be brokers through the application of some form of pre-qualification “test”. This could entail, for example, a mandatory requirement to attend certain training courses, or an assessment of the broker’s “competence” against a range of relevant criteria (a so-called “fit and proper person” test).
26. A requirement for mandatory, and possibly ongoing, training would ensure that brokers remained fully up-to-date with the controls. This might reduce the likelihood of minor non-compliance with licence conditions, and in the event of any serious non-compliance might make it harder for the broker to claim ignorance of the controls. The ECO already offers advice and training to exporters and this could be tailored to the needs of brokers. For large companies we would need to determine which, or how many, staff would need to undertake the training. There could be an “exam” at the end of the training which had to be passed before that person or company could be registered. For larger companies we would need to determine who – and how many staff – within that company would have to attend and pass the training. For example, we might require Directors or other senior staff to be trained, or the more junior staff actually carrying out the transaction, or a combination of both. We would also need to consider whether there should be a fee to attend the training.

**Question 7: Should a requirement to pass a mandatory training course be sufficient to allow acceptance onto a register?**

**Question 8a: Who within a company should be required to attend a mandatory training course?**

**Question 8b: How often should such training be repeated?**

**Question 9: Do businesses see any benefit to completing a mandatory training course?**

27. The application of a “fit and proper person” test might allow the Government to “weed out” those who are “unsuitable” to be brokers, or who are considered unlikely to be able to comply fully with the controls. Various parameters of this test have been suggested in the past, including: whether the person has been convicted of an export control-related or other serious criminal offence in a specified time period prior to registration; an assessment of the internal compliance systems that the company maintains; or an assessment of previous involvement in exporting or brokering controlled goods.
28. We would need to show that the parameters of any “fit and proper person” test were appropriate in relation to arms brokering and were a reasonable and proportionate response to the problem we were trying to solve. If the test were to be applied to all those parties currently subject to the trade controls the parameters of the test would have to be equally relevant to all those involved in the overseas movement of military goods. For example the criteria that are relevant to an individual acting as the principal broker in a deal between two foreign parties may not be relevant to a multinational defence contractor arranging the movement of goods between foreign subsidiaries as part of its normal supply chain activity, and they are unlikely to be relevant to an insurance company whose only involvement is to provide insurance cover for a cargo of military goods legitimately being



supplied to an embargoed destination in support of a UN peacekeeping mission. Alternatively we might choose to exclude from registration some or all of those who are only engaged in so-called “ancillary” activities.

29. We would also need to consider whether there were any legal difficulties in requiring disclosure of certain information, such as a criminal record. We would have to give reasons for rejecting an application to be on the register and for revoking a registration and this would be subject to appeal. Ultimately an unsuccessful applicant could seek judicial review. As we would, in effect, be declaring that the person or company was “unfit” to carry on the trade of brokering military goods *at all* the likelihood of legal challenge is perhaps higher than in the case of refusal of an individual licence, where we are in effect only saying that a particular transaction is undesirable. We would therefore have to have strong grounds, which would withstand scrutiny in a court of law, for rejecting or revoking a registration.
30. In addition, if the parameters of the “test” go beyond those related directly to export and trade control compliance there would be a question mark over the Government’s ability to make proper assessments. In that case there may be a need to recruit additional expertise or to seek assistance from an external body. Either option would impose additional costs. We have not made any assessment of the potential costs at this stage.

**Question 10: What criteria might be suitable as a basis for determining acceptance onto a pre-licensing register of brokers?**

**Question 11: What is the relevance of those criteria to assessing the suitability of a person’s involvement in the brokering of military goods?**

**Question 12: Should those who are only engaged in “ancillary” activities be exempt from the “fit and proper person” test, or from the requirement to register at all?**

**Question 13: How often should any broker be subject to re-assessment?**

31. There are currently around 450 trade licence holders all of whom would need to be “vetted”. Depending on the criteria for acceptance onto the register this process could take a considerable amount of time and could cause problems for licence applicants who had not yet been vetted. Extant licences might have to be revoked in the event that the broker fails to pass the test. It is therefore likely that we would have to allow a transition phase where extant licences could be used and new licences applied for in the usual way while we conducted the initial assessments. At this stage it is not possible to make any estimate of the time that these initial assessments would take to complete or of the costs of doing so.

**Question 14: What are your views on a “transition” phase to allow checking of all existing licence holders?**

**Question 15: Are there any other requirements, besides the need to attend compulsory training and/or pass a “fit and proper person” test, which should determine whether a person or entity is accepted onto a register?**

## A register as a tool to improve enforcement

32. Carrying out a controlled brokering activity without an appropriate licence is a criminal offence subject to a maximum of 10 years imprisonment. Since 2004 there have been seven successful prosecutions for illegal brokering. As far as we are aware the UK is one of only two countries – the other being the USA – to have successfully prosecuted an arms brokering offence.
33. We would of course want to take any reasonable steps to improve both the regulation of brokering and the enforcement of that regulation. But if a person is willing to commit a criminal offence by brokering without a licence it is difficult to see why they would apply to be on a register; and the standard of evidence required to prove that an unauthorised brokering activity had taken place would remain the same whether or not a register was in place. On the other hand, there may be benefits through being able to ensure that those registered as brokers are kept up to date with changes to the controls, and it may be that measures referred to in the previous section would “drive up standards” so that compliance would improve, reducing the need for enforcement action.

### **Question 16: How would a pre-licensing register of brokers help improve enforcement of the trade controls?**

## Costs of a register

34. Clearly there may be costs associated with setting up and maintaining a register, both for Government and for traders, for example in operating a vetting scheme. The scale of these costs would depend on the precise nature of the scheme adopted. A register would have to bring tangible benefits in order to justify those costs. Under the Government’s Better Regulation agenda any additional costs to business would need to be offset by a reduction in regulatory costs elsewhere. In addition there may be legal issues with setting up a register – for example, we would have to show that any pre-licensing registration scheme complied with the EU Services Directive<sup>6</sup> and that any criteria for acceptance onto the register were reasonable and proportionate.

### **Question 17: Are there any other costs or problems that a pre-licensing register of brokers might bring?**

### **Question 18: What regulatory burdens might be reduced or removed altogether to compensate for the costs imposed by a register?**

## Enhancing regulation of brokering without a register?

35. Some of the ideas explored in this document could be implemented through the existing licensing system, without the need to create and maintain a separate pre-licensing register.

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<sup>6</sup> A register would be an authorisation scheme under the [EU Services Directive \(2006/123/EC\)](#). Article 9 of the Directive would require the UK to demonstrate an “*overriding reason relating to the public interest*” for creating a register, that it was non-discriminatory, and that “*the objective pursued cannot be attained by means of a less restrictive measure*”. This might be difficult to demonstrate because the Government already regulates brokering through the licensing system. Article 16 would require the UK to demonstrate that a requirement for brokers in other Member States who wished to provide services in the UK to be on the register did not discriminate against those brokers and that any such requirement was objectively justified by a public interest reason and was proportionate. Further analysis would be required on these points in the light of the responses to this consultation.

For example, we could publish on a periodic basis the names of those who held trade licences; and a requirement to attend certain training courses or to meet certain conditions could be written into the terms and conditions of specific licences. This would avoid the costs of setting up a dedicated register, and may allow a more flexible approach to be taken, but might be seen as less transparent or less robust.

**Question 19: What are your views on implementing some of the ideas explored in this paper through the licensing system rather than through a dedicated register?**

**Question 20: Which of the ideas explored in this paper would be the most important to take forward in the absence of a dedicated pre-licensing register?**

**Question 21: Are there any other ways in which the regulation of arms brokers and arms brokering could be improved?**

### The practice of other EU Member States

36. A number of other Member States of the EU operate a system of pre-licensing registration of brokers<sup>7</sup>. However the majority do not, including most of the major producers/exporters of military goods (i.e. Germany, France, Sweden and Italy). In parallel with this consultation we will be seeking the views of other Member States. From those that do have a register we will want to understand what benefits they derive from it; from those that don't we will want to know why not. Where possible we will publish these responses in our official response to this public consultation, subject of course to the consent of the Member States providing the information.

## 5. What happens next?

37. The Government will consider carefully all responses to this Call for Evidence, as well as evidence obtained through discussions with other EU Member States and from other sources, in developing policy in relation to the regulation of arms brokering. The Government will publish its official Response to this Call for Evidence by September 2014. The Response will set out what, if any, further steps we intend to take in this area.

38. If we decide to bring forward formal proposals for a pre-licensing register, or to implement as stand-alone measures any of the ideas discussed in this paper, we would carry out further consultations on the detail of those proposals. We would also prepare a fully-costed Impact Assessment.

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<sup>7</sup> According to information provided to the Committees on Arms Export Controls (CAEC) by the UK Working Group on Arms and published in the [CAEC's 2010 Report \(HC 202, 30 March 2010\)](#) the following EU Member States require pre-licensing registration of brokers: Bulgaria, Czech Republic, Estonia, Lithuania, Portugal, Romania and Spain.

## Annex 1: Arms Brokering - What is it and how is it licensed?

### What is brokering?

There is no single, internationally-agreed definition of “arms brokering” or of an “arms broker”. An arms broker is usually understood to be a “middleman” arranging or negotiating contracts between third parties for the sale or supply of military goods; and brokering is therefore the act of arranging or negotiating those deals.

However there is also a range of other activities related to the supply of the goods which do not form part of the main contract negotiation but which nevertheless contribute to the eventual supply of the goods. These “ancillary” activities include the provision of finance or insurance, arranging the means of transport or providing transport services, obtaining necessary documentation (such as export, import or transit licences or clearances), and so on.

The persons providing these ancillary services may be dealing with the “main” broker or they may be dealing directly with the buyer or the seller; or indeed there may be a chain of persons providing services related to the delivery of the goods but in each case increasingly remote from the core transaction. For example one of the principals (i.e. seller, buyer or broker) may contract a freight forwarder to arrange delivery of the goods, who then contracts a shipping company to actually transport them, who arranges insurance for the cargo, and the insurance company then sells on the risk insured through re-insurance contracts. Under a broad definition of “brokering”, which includes all “ancillary” activities, it is possible that all these parties may be considered “brokers”, even though none of them was actually involved in arranging or negotiating the sale of the goods.

Furthermore, the defence industry increasingly relies on multi-national collaborative programmes and utilises increasingly lengthy supply chains spanning many countries. Managing these projects and supply chains often requires UK companies to arrange the movement of components and subsystems between their foreign collaborative partners or suppliers. UK nationals may be employed in foreign defence firms with jobs that involve arranging the sale or supply of military goods. These activities may also be regarded as brokering if the definition is drawn widely enough.

Any consideration of the regulation of arms brokering or of arms brokers must take into account, and if appropriate make allowance for, the different levels of engagement with a particular transaction that different parties may have.

### Licensing

In the UK we refer to controls on brokering of military goods as “trade controls”. Any person who wishes to carry out a controlled brokering activity requires a “trade control” licence. Brokering without the required licence is a criminal offence which is subject to a maximum sentence of 10 years imprisonment. Detailed information on the scope of the trade controls and on the procedures for licensing trade activity is available here: <https://www.gov.uk/export-controls-on-controlled-military-goods>

Information on licences granted and refused is published in the Government’s Annual and Quarterly Reports on Strategic Export Controls. These reports are available on the Strategic Export Controls: Reports and Statistics website: <https://www.exportcontroldb.bis.gov.uk>

All Individual Trade Control Licences are applied for via SPIRE, the ECO's web-based export licensing database. Traders (brokers) must also use this system to register for Open General Trade Control Licences. SPIRE therefore holds information about all those companies and individuals that have been authorised to carry out a controlled brokering activity, and therefore all persons who have legally carried out a controlled brokering activity are known to us through the licensing system.

### Assessment of licence applications

All applications for individual export and trade control licences are assessed on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria (the "Consolidated Criteria"). These assessments take account of all relevant circumstances of the proposed transaction, such as the nature of the goods, the situation in the recipient country and the existence or otherwise of regional tensions, the identity and track record of the end-user, the stated end-use and the risk of diversion to undesirable end-users or end-uses. From time to time more specific policies may be announced to Parliament, for example in respect of the supply of controlled goods to Argentina, or in relation to export or brokering of electric stun guns ("Tasers"). In all cases a licence would not be granted if to do so would be a breach of the Criteria or other relevant policy.

## **Annex 2: Further information about the call for evidence**

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

### **Questions about the policy issues raised in the document can be addressed to:**

Edwina Osborne  
Export Control Organisation  
Department of Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 4948  
Email: [Edwina.osborne@bis.gsi.gov.uk](mailto:Edwina.osborne@bis.gsi.gov.uk)

### **Comments or complaints on the conduct of this consultation**

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

John Conway,  
BIS Consultation Co-ordinator,  
1 Victoria Street,  
London  
SW1H 0ET

Telephone John on 020 7215 6402  
or e-mail to: [john.conway@bis.gsi.gov.uk](mailto:john.conway@bis.gsi.gov.uk)

## Annex 3: Pre-Licensing Register of Arms Brokers response form

The closing date for this Call for Evidence is 30 May 2014.

You can respond online at <https://www.surveymonkey.com/s/eco-register-arms-brokers-call-evidence> or you can complete this form and email, fax or post it to:

Edwina Osborne  
Export Control Organisation  
Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET

Telephone: 020 7215 4948  
Fax: 020 7215 0531  
email: [Edwina.osborne@bis.gsi.gov.uk](mailto:Edwina.osborne@bis.gsi.gov.uk)

### Your details

Name:

Organisation (if applicable):

Address:

Telephone:

Please tick the box below that best describes you as a respondent to this consultation:

<input type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local Government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)
<input type="checkbox"/>	Small business (10 to 49 staff)



<input type="checkbox"/>	Trade union or staff association
<input type="checkbox"/>	Other (please describe)

### Confidentiality and disclosure of response

We intend to publish the responses to this Call for Evidence. Information you provide may also be subject to disclosure under the Freedom of Information Act 2000. If you want any information you provide to be treated as confidential please tick the box below and provide an explanation. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances (see Section 3).

- ☐ Responses can be published with respondent's details
- ☐ Responses can be published but without respondent's details
- ☐ I would like my response to be treated as confidential

Reason:

### A register of brokers

**Question 1: Are there other benefits that a pre-licensing register of brokers might bring?**

### A register as a public list of “authorised” or “approved” brokers

**Question 2a: What are your views on publishing the complete list of trade licence holders?**

**Question 2b: Would this fulfil one of the main purposes of a register of brokers?**

☐ Yes      ☐ No      ☐ Not sure

**Question 2c: If not, why not?**

**Question 3a: Whose details should be included on a published list of brokers?**

- ☐ List of current licence holders only
- ☐ List of both *former* and current licence holders

**Question 3b: How often should a list be updated?**

- ☐ Quarterly      ☐ Yearly
- ☐ Other time period (please specify)

**Question 4a: Would publishing the names of licence holders reveal commercially sensitive information?**

☐ Yes      ☐ No      ☐ Not sure

**Question 4b: How would this be harmful to commercial interests?**

**Question 4c: How could these risks be mitigated or reduced?**

**Question 5a: What are your views on the idea that a register of brokers might be seen as a “white list” of approved UK brokers?**

**Question 5b: On balance, would this be a positive or a negative development?**

☐ Very positive

☐ Fairly positive

☐ Neither positive or negative

☐ Fairly negative

☐ Very negative

**Question 5c: Would there be any benefit to businesses of a register being perceived as a “white list”?**

**A register as a means to only permit “qualified” persons or companies to conduct brokering activities**

**Question 7: Should a requirement to pass a mandatory training course be sufficient to allow acceptance onto a register?**

**Question 8a: Who within a company should be required to attend a mandatory training course?**

**Question 8b: How often should such training be repeated?**

☐ Yearly

☐ Every three years

☐ Other time period (please specify)

**Question 9: Do businesses see any benefit to completing a mandatory training course?**

**Question 10: What criteria might be suitable as a basis for determining acceptance onto a pre-licensing register of brokers?**

**Question 11: What is the relevance of those criteria to assessing the suitability of a person's involvement in the brokering of military goods?**

**Question 12: Should those who are only engaged in "ancillary" activities be exempt from the "fit and proper person" test, or from the requirement to register at all?**

**Question 13: How often should any broker be subject to re-assessment?**

**Question 14: What are your views on a "transition" phase to allow checking of all existing licence holders?**

**Question 15: Are there any other requirements, besides the need to attend compulsory training and/or pass a "fit and proper person" test, which should determine whether a person or entity is accepted onto a register?**

## A register as a tool to improve enforcement

**Question 16: How would a pre-licensing register of brokers help improve enforcement of the trade controls?**

## Costs of a register

**Question 17: Are there any other costs or problems that a pre-licensing register of brokers might bring?**

**Question 18: What regulatory burdens might be reduced or removed altogether to compensate for the costs imposed by a register?**

## Enhancing regulation of brokering without a register

**Question 19: What are your views on implementing some of the ideas explored in this paper through the licensing system rather than through a dedicated register?**

**Question 20: Which of the ideas explored in this paper would be the most important to take forward in the absence of a dedicated pre-licensing register?**

**Question 21: Are there any other ways in which the regulation of arms brokers and arms brokering could be improved?**

### Further Comments

**Question 22: Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

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