



Second Joint Report of the Business, Innovation and Skills, Defence, Foreign Affairs and International Development Committees of Session 2014-15

Scrutiny of Arms Exports and Arms Controls (2015): Scrutiny of the Government's Strategic Export Controls Annual Report for 2013, Quarterly Reports from October 2013 to June 2014, and the Government's policies on arms exports and international arms control issues

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

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

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Glossary of Abbreviations

ADS	Trade organisation advancing the UK Aerospace, Defence, Security and Space industries
AG	Australia Group
ATAS	Academic Technology Approval Scheme
ATT	Arms Trade Treaty
BIS	Department for Business, Innovation and Skills
BMS5	Fifth Biennial Meeting of States
BTWC	Biological and Toxin Weapons Convention
CCW	Convention on Certain Conventional Weapons
CD	Conference of Disarmament
CJEF	Combined Joint Expeditionary Force
CAEC	Committees on Arms Export Controls
CTBT	Comprehensive Nuclear Test Ban Treaty
CWC	Chemical Weapons Convention
DFID	Department for International Development
DGP	Defence Growth Partnership
DSEi	Defence and Security Equipment International (Trade Exhibition)
E3+3	France, Germany, the UK, China, Russia and the US
ECO	Export Control Organisation (within BIS)
ECR	(US) Export Control Reform
EEA	European Economic Area
EGAD	Export Group for Aerospace and Defence
EU	European Union
ETL	Exempt Technologies List
FASGW	Future Anti-Surface Guided Weapon
FCAS	Future Combat Air System
FCO	Foreign and Commonwealth Office
FMCT	Fissile Material Cut-off Treaty
G7	(formerly G8) A governmental forum of leading advanced economies in the world comprising Canada, France, Germany, Italy, Japan, the UK and the USA, plus the European Union
GDS	Government Digital Service
GGE	Group of Governmental Experts
GMAP	Global Mine Action Programme
HMRC	Her Majesty's Revenue and Customs
IAEA	International Atomic Energy Agency
ICT	Intra-Community Transfer (ICT) Directive on arms transfers within the EU
IED	Improvised Explosive Device
IHL	International Humanitarian Law
IHRB	Institute for Human Rights and Business
IMO	International Maritime Organisation
INF	Intermediate-Range Nuclear Forces
ITAR	(US) International Traffic in Arms Regulations

ITI	International Tracing Instrument
LAWS	Lethal Autonomous Weapons Systems
MANPADS	Man-Portable Air Defence Systems
MOU	Memorandum of Understanding
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organisation
NPT	Nuclear Non-Proliferation Treaty
NSG	Nuclear Suppliers Group
OIEL	Open Individual Export Licence
OPCW	Organisation for the Prohibition of Chemical Weapons
OSJA	Overseas Security and Justice Assistance
P5	The 5 permanent members of the UN Security Council
PMSC	Private Maritime and Security Company
SALW	Small Arms and Light Weapons
SDSR	Strategic Defence and Security Review
SIEL	Standard Individual Export Licence
SITL	Standard Individual Transshipment Licence
UAV	Unmanned Aerial Vehicle
UKTI DSO	United Kingdom Trade and Investment Defence and Security Organisation
UN	United Nations
UNPoA	UN Programme of Action
UNODC	United Nations Office on Drugs and Crime
UNROCA	United Nations Register of Conventional Arms
USML	United States Munitions List
WA	Wassenaar Arrangement
WMD	Weapons of Mass Destruction

GOVERNMENT RESPONSE TO THE HOUSE OF COMMONS COMMITTEES ON ARMS EXPORT CONTROLS REPORT HC 608 ON SCRUTINY OF ARMS EXPORTS AND ARMS CONTROLS (2015)

The Government welcomes the Committees' annual inquiry into the Government's performance and policies on arms export controls and arms issues more widely, which was published on 20 March 2015. The Government appreciates the detailed work the Committees have undertaken.

This Command Paper sets out the Government's response to each of the Committees' conclusions and recommendations. The Committees' text is in plain text and the Government's response is in bold. Paragraph numbers refer to those in the Committees' report.

INTRODUCTION

4. The Committees conclude that the decision in each of the last three years of the present Parliament of the Foreign Secretary and the Secretary of State for Business, Innovation and Skills to give Oral Evidence themselves to the Committees is welcome. The Committees continue to conclude that the giving of Oral Evidence to the Committees by the Secretary of State for Business, Innovation and Skills and the Foreign Secretary at the last three annual Oral Evidence sessions of the Committees reflects the importance that the Government rightly attaches to arms export and arms control policies. (See paragraphs 1 to 7 of Volume II of this Report)

The Government notes the Committees' conclusion.

5. The Committees continue to recommend that given the far-reaching significance of arms export and arms control decisions for the Government's foreign, trade, defence and international development policies, Oral Evidence should continue to be given to the Committees on Arms Export Controls by both Secretaries of State. (See paragraphs 1 to 7 of Volume II of this Report)

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

THE GOVERNMENT'S "UNITED KINGDOM STRATEGIC EXPORT CONTROLS ANNUAL REPORT 2013" (HC 480)

6. The Committees conclude that the Government has produced no reason for refusing to accept the Committees' Recommendation in their last Report that the Government's United Kingdom Strategic Export Controls Annual Report should include the Government's policies on all, rather than just some, international arms control measures, all of which raise strategic export or proliferation issues, either directly or indirectly, and require parliamentary scrutiny. (See paragraphs 8 to 13 of Volume II of this Report)

7. The Committees therefore recommend that the Government's Report should include the Government's policies and performance on the following international arms control measures, references to all of which were omitted from the Government's last Annual Report (HC 480):

- The Fissile Material Cut-off Treaty;
- The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction;
- The Chemical Weapons Convention;
- The Biological and Toxin Weapons Convention;
- The Nuclear Non-Proliferation Treaty;
- The Comprehensive Nuclear Test Ban Treaty;
- Sub-Strategic and Tactical Nuclear Weapons;
- A Middle-East Weapons of Mass Destruction Free Zone; and
- The National Counter-Proliferation Strategy for 2012-2015. (See paragraphs 8 to 13 of Volume II of this Report)

8. The Committees further conclude that, regardless of the Government's Response to the Committees' Recommendation in their last Report, in view of the importance of the international arms control measures listed immediately above, the Committees will continue to scrutinize the Government's policies and performance in relation to each of them. (See paragraphs 8 to 13 of Volume II of this Report)

9. The Committees continue to recommend that the title of the Government's Annual Report should be widened accordingly. (See paragraphs 8 to 13 of Volume II of this Report)
The Committees' Report of 2013-14 (HC 186)

The Government notes the Committees' conclusions and recommendations. However, the Government's position remains as set out in its last Response (CM 8935).

The Government's United Kingdom Strategic Export Controls Annual Report will continue to cover strategic exports from the UK, and in particular the UK's implementation of its international and domestic regulation of strategic exports.

The Government does not agree that it should change the title or broaden the scope of its Annual Report.

THE COMMITTEES' REPORT (HC 186) AND THE GOVERNMENT'S RESPONSE (CM8935)

10. The Committees conclude that the fact that the Government's Response (Cm8935) to the Committees' 2014 Report (HC 186) contained no deferred responses is welcome. (See paragraphs 14 to 17 of Volume II of this Report)

11. The Committees recommend that the Government continues to provide timely and detailed responses to the Committees' Report. (See paragraphs 14 to 17 of Volume II of this Report)

The Government notes the Committees' conclusion and recommendation and will, as always, endeavour to provide timely and detailed responses.

THE COMMITTEES' QUESTIONS ON THE GOVERNMENT'S QUARTERLY INFORMATION ON ARMS EXPORT LICENCES

12. The Committees conclude that the Government's acceptance of the Committees' conclusion that the Government's answers to the Committees' questions on the Government's published quarterly reports of arms export licences granted, refused or appealed should provide the maximum disclosure of information on a non-classified basis consistent with safeguarding the UK's security and trade interests is welcome. The Committees recommend that the Government continues to do so. (See paragraphs 18 to 21 of Volume II of this Report)

The Government accepts the Committees' conclusion, which reflects current practice.

ARMS EXPORT CONTROL LEGISLATION AND PROCEDURES

EXTRA-TERRITORIALITY

13. The Committees continue to conclude that it is not justifiable to enable a UK person to escape UK criminal jurisdiction by engaging in arms export or arms brokering activity overseas which would be a criminal offence if carried out from the UK. (See paragraphs 22 to 28 of Volume II of this Report)

14. Though the Government has now been obliged, in order to achieve compliance with the terms of the Arms Trade Treaty, to extend extra-territoriality to brokering by UK persons worldwide of battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, and certain missiles and their launchers, the Committees continue to recommend that extra-territoriality is extended to the remaining military and dual-use goods in Category C. (See paragraphs 22 to 28 of Volume II of this Report)

The Government does not accept the Committees' conclusion and recommendation. The Government remains unconvinced that there is a compelling public interest in applying controls on UK persons outside the UK who are engaged in brokering of Category C goods between non-embargoed destinations that would outweigh the administrative burdens placed upon UK nationals engaged in legitimate business activity.

15. The Committees further recommend that the Government in its Response lists the goods in the Military List and the Dual-Use List which remain in Category C and therefore outside the ambit of extra-territorial legal proceedings. (See paragraphs 22 to 28 of Volume II of this Report)

Extra-territorial brokering controls only apply to those items specified in Categories A and B of Schedule 1 to the Export Control Order 2008. Category C comprises all items in the UK Military List, as well as portable devices for the purpose of riot control or self-protection by the administration or dissemination of an incapacitating chemical substance and the related chemical substances pelargonic acid vanillylamide (PAVA) and oleoresin capsicum (OC), with the exception of those Military List items specified in Categories A and B. UK trade controls do not apply to dual-use items.

"BRASS PLATE" COMPANIES

16. The Committees recommend that the Government states in its Response whether it is aware of any UK registered "Brass Plate" companies with no or minimal staff permanently based in the UK and which are, or have been, carrying out arms exporting and arms brokering activities overseas in contravention of UK Government policies, and, if so, what action it will take. (See paragraphs 29 to 31 of Volume II of this Report)

Enforcement action has been taken against one UK-registered company with a limited presence in the UK. The company was being operated by a British national who was based outside the UK. In this case, a compound penalty for £47,000 was issued for an offence relating to the trafficking and brokering of arms and ammunition. The Government is aware of a small number of other UK-registered companies with no staff in the UK whose activities are, or may be subject to, UK trade controls. The activities of these companies are monitored carefully.

ARMS BROKERS

17. The Committees conclude it is regrettable that by the time of the Committees' approval of this Report on 9 March 2015 the Government had still not published the results of its 'call for evidence' on the introduction of a pre-licensing register of arms brokers with the Government's response which was expected by the end of 2014 or, at the latest, in January 2015. The Committees recommend that the Government does so as soon as possible and in any event no later than in its Response to this Report. (See paragraphs 32 to 37 of Volume II of this Report)

The Government notes the Committees' recommendation. The results of the 'call for evidence' will be published as soon as possible.

EU DUAL-USE CONTROLS

18. The Committees recommend that the Government states in its Response why it has not made, and will not be making, a formal response to the EU Commission's report on Council Regulation (EC) 428/2009 (the so-called "Dual-Use Regulation"). (See paragraphs 38 to 44 of Volume II of this Report)

The Commission's report was a report to the European Council and the European Parliament that it is required to produce periodically under the terms of the Dual-Use Regulation. It was not part of any public consultation and a formal response was neither expected nor required. However, the Government's position on the report was set out in the Explanatory Memorandum submitted to the Parliamentary Scrutiny Committees on 4 November 2013 by the then Minister of State for Business and Enterprise, the Rt Hon Michael Fallon MP (EM 15045/13).

19. The Committees further recommend that the Government states in its Response whether the amended Annex 1 of the EU Dual-Use Regulation has now come into force, and, if so, on what date, and whether any amendments to Annex 1 of the EU Dual-Use Regulation will require amendments to either the UK Military List or the UK Dual-Use List, or amendments to either UK primary or secondary legislation, in order to achieve UK compliance. (See paragraphs 38 to 44 of Volume II of this Report)

The amended Annex I came into force on 31 December 2014. No changes to UK legislation were required to achieve UK compliance.

20. The Committees further recommend that the Government keeps the Committees closely informed of amendments or changes of policy it wishes to see to the EU Dual-Use Regulation. (See paragraphs 38 to 44 of Volume II of this Report)

The Government notes the Committees' recommendation.

EU END-USE CONTROL OF EXPORTED MILITARY GOODS

21. The Committees recommend that the Government states in its Response what specific steps it is taking to rectify the particular limitations of EU end-use control of exported military goods set out in Articles 4(2) and 4(4) of EU Council Regulation 428/2009 (the so-called "Dual-Use Regulation") which it highlighted in its Response to the Committees' 2013 Report, namely the need to ensure that military end-use controls:

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

b) will permit preventing the export of unlisted items that are to be modified for military purposes, either in the destination country or in an intermediate destination. (See paragraphs 45 to 47 of Volume II of this Report)

The Government continues to engage constructively in the ongoing review of EU dual-use export controls. However, only the European Commission can propose amendments to the Dual-Use Regulation and we do not expect to see any legislative proposals until late 2015 or early 2016.

TORTURE END-USE CONTROL AND END-USE CONTROL OF GOODS USED FOR CAPITAL PUNISHMENT

22. The Committees recommend that the Government states in its Response what the latest position is on:

a) the EU's consideration and implementation of the European Commission's proposals to amend Council Regulation (EC) No. 1236/2005 (known as the "EU Torture Regulation");

The Commission's proposed amendments to Council Regulation (EC) No. 1236/2005 have been discussed at a number of working party meetings at the European Council since their publication in January 2014. The Government continues to take a leading role in these ongoing discussions. The European Parliament is assessing these proposals in tandem and started its consideration in February 2015.

b) the EU's consideration of a torture and capital punishment end-use control. (See paragraphs 48 to 57 of Volume II of this Report)

The European Commission has the right of initiative in this area. The Government continues to believe that list-based controls are more likely to be effective than end-use controls, which can be problematic to enforce. However, the two approaches are not mutually exclusive. In the course of discussions at the European Council, we have reiterated our readiness to engage positively with the Commission, should it seek to consider a torture and capital punishment end-use control. The Commission has not yet indicated that it is willing to bring forward such a proposal.

RE-EXPORT CONTROLS AND UNDERTAKINGS

23. The Committees recommend that the Government states in its Response whether, apart from the sniper rifles to France case in 2012, it remains unaware of controlled goods with export licence approval from the UK Government having subsequently been re-exported for undesirable uses or to undesirable destinations contrary to the Government's re-export controls and undertakings which became compulsory from July 2010. (See paragraphs 58 to 60 of Volume II of this Report)

The Government still remains unaware of any other such cases.

LICENSED PRODUCTION OVERSEAS

24. The Committees once again recommend that the Government states whether it is still the case that the Government has no evidence that, during the lifetime of the present Government, breaches of UK arms control policies may have occurred as a result of the export of UK-designed goods, including components, from licensed production facilities overseas. If this is no longer the case, the Committees further recommend that the Government provides details of such breaches in its Response to this Report. (See paragraphs 61 to 63 of Volume II of this Report)

It remains the case that the Government has no such evidence.

USE OF UK SUBSIDIARIES TO EXPORT ARMS

25. The Committees continue to conclude that it is a significant loophole in UK arms export controls that a UK company can circumvent those controls by exporting military and dual-use goods using an overseas subsidiary. (See paragraphs 64 to 67 of Volume II of this Report)

The Government does not accept the Committees' conclusion. If a UK company is actively involved in arranging the supply of military goods between third countries then the company will already be subject to UK trade controls. However, overseas subsidiaries are foreign companies subject to the laws of the countries where they operate and are outside UK jurisdiction. It is inherently problematic to try and apply UK law to their activities.

26. The Committees recommend that the Government considers how it could deter a UK parent company from utilising an overseas subsidiary in this way. (See paragraphs 64 to 67 of Volume II of this Report)

The Government does not accept the Committees' recommendation and has no such plans.

THE CONSOLIDATED CRITERIA AND EU COUNCIL COMMON POSITION

27. The Committees continue to conclude that, notwithstanding the Government's statement to the contrary, the Government's dropping from its revised Consolidated Criteria of March 2014 for arms exports of the statement in the previous Government's Consolidated Criteria of October 2000 that: "An export licence will not be issued if the arguments for doing so are outweighed...by concerns that the goods might be use for internal repression" represented a substantive change of policy. (See paragraphs 68 to 78 of Volume II of this Report)

As the Government has made clear on a number of occasions, it does not accept the Committees' interpretation of the changes made to the wording of the introductory text to the Consolidated EU and National Arms Export Licensing Criteria (Consolidated Criteria). There has been no change in policy in respect of Criterion 2 (internal repression).

28. The Committees recommend that this wording is re-instated into its current Consolidated Criteria. (See paragraphs 68 to 78 of Volume II of this Report)

29. The Committees further conclude that as the Government attaches no policy significance to this wording, it can have no objection to accepting the Committees' recommendation on policy grounds. (See paragraphs 68 to 78 of Volume II of this Report)

As noted above, the Government does not accept the Committees' conclusions on this issue. The Government has no plans to amend the Consolidated Criteria.

ORGANISATIONAL AND OPERATIONAL ISSUES

EXPORT CONTROL ORGANISATION (ECO) - REMIT, RESPONSIBILITIES, STRUCTURE AND STAFFING

30. The Committees recommend that the Government states in its Response:
a) whether it remains satisfied that staffing levels at the Export Control Organisation (ECO) remain adequate;

Staffing levels in the Export Control Organisation (ECO) are kept under review as part of the Department for Business, Innovation and Skills (BIS) business planning cycle. Overall staffing levels are adequate in most areas, though there is a current resource shortfall in the Technical Assessment Unit caused by normal staff turnover. BIS is recruiting to fill vacancies in this area.

b) whether the Government is continuing to meet its export licensing targets, and, if not, to specify which targets are not now being met. (See paragraphs 79 to 81 of Volume II of this Report)

The temporary technical resource shortfall in ECO, combined with some delays in issuing licences to sensitive destinations, has hit our primary licensing target (70% of applications for Standard Individual Export Licences (SIELs) processed within 20 working days) in the period until the end of April 2015. Year-to-date performance at the end of April was 64.5%. The secondary SIELs target (99% within 60 working days) was missed by 1% because of a backlog of sensitive cases. Year-to-date performance at the end of April for Open Individual Export Licence (OIELs) remains strong at 63% (target of 60% processed within 60 working days).

CHARGING FOR PROCESSING ARMS EXPORT LICENCES

31. The Committees continue to conclude that it would be undesirable to make the Export Control Organisation financially dependent on fee income from arms exporters. (See paragraphs 82 to 85 of Volume II of this Report)

The Government notes the Committees' conclusion.

32. The Committees recommend that the Government states in its Response whether it has given any consideration to options for chargeable export licensing services since the publication of its previous Response (Cm8935). (See paragraphs 82 to 85 of Volume II of this Report)

BIS has recently (first half of 2015) considered options for charging for ECO export licensing services, but has decided not to proceed with charging at this time.

PERFORMANCE

33. The Committees recommend that the Government states in its Response:
a) what specific steps it will take to achieve its target of processing 70% of export licence appeals within 20 working days from receipt of all relevant information from the appellant and 99% in 60 working days;

ECO is in the process of recruiting additional Technical Officers to address the temporary shortfall noted in response to paragraph 30 above. ECO has also introduced a range of processing efficiency measures.

b) whether it has decided to adjust its appeals target, and, if so, what that adjusted target now is;

No decision has been taken to adjust the appeals target. At the end of April 2015, appeals performance was 50% of cases finalised within 20 working days and 93% within 60 working days, a further improvement on the figures for 2014.

c) whether it will engage in detailed and constructive discussions with EGAD to establish whether EGAD's frustrations in dealing with ECO, as recounted to the Committees, are historic or current, and, if the latter, whether it will take the earliest possible steps to try to resolve them. (See paragraphs 86 to 98 of Volume II of this Report)

ECO is doing more work to further reduce the number of requests for further information and is, as part of this work, engaged with ADS, the Export Group for Aerospace and Defence's (EGAD) parent organisation.

EXPORT CONTROL ORGANISATION'S COMPUTER SYSTEM (SPIRE)

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

a) how it reconciles its assertion in its Response (Cm8935) that Government staffing levels within the Export Control Organisation are adequate with the statement made to the Committees by Edward Bell, Head of ECO, on 1 December "we want to replace it [the control classification system] but within the current resource that we have available, it is just not practical";

ECO is resourced to provide licensing services to meet its statutory requirements. It is considering options for re-establishing non-statutory advisory services.

b) what specific lessons, with particular reference to ECO, have the Business, Innovation and Skills Department learnt from the faulty introduction of the new departmental computer system in June 2014. (See paragraphs 99 to 104 of Volume II of this Report)

The BIS Information Technology Directorate carried out a full analysis of the lessons learnt following the introduction of the new departmental computer system in June 2014. The actions relating to ECO business continuity are being applied.

EXPORT CONTROL ORGANISATION'S WEBSITE

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

a) what specific steps it will take to make the Export Control Organisation's website more user-friendly for Small and Medium Enterprises (SMEs) in particular;

ECO is making every effort to address the issues of accessibility for business of all sizes by analysing the way businesses are using the webpages.

Export control guidance is hosted on GOV.UK and businesses need to access information through an internal search engine. This does not currently provide the same level of sophistication as a commercial search engine. Exporters are advised to use commercial search tools for faster access to guidance on the web.

Contacts with Small and Medium Enterprises indicate a preference for information grouped by export market. ECO is working across Government to ensure all export control-related material is cross-referenced on GOV.UK, including links from UK Trade and Investment webpages and the 'Business is Great' website, which is designed to assist business start-ups and with growth acceleration. ECO is also working with the Government Digital Service to identify how all the export control-related material held on GOV.UK can be usefully developed into a single web portal for easier access.

b) whether it will include a reference on ECO's website to the Export Group for Defence and Aerospace's website. (See paragraphs 105 to 107 of Volume II of this Report)

The request to include references on ECO's website to EGAD and ADS has already been addressed. Please see: <https://www.gov.uk/aerospace-and-defence-import-and-export-regulations>

TRANSPARENCY OF ARMS EXPORT LICENSING

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

a) whether it has concluded from its review of the Transparency Initiative that took place in the first quarter of 2015 that changes are necessary or justified, and, if so, what those changes are and when they will be implemented;

The review continues and no decisions have yet been taken about any possible changes to the reporting requirements.

b) what was the outcome of its consideration of the feasibility of seeking and reporting on estimates of the value of goods exporters propose to ship against Standard Individual Trade Control Licences (SITCLs);

BIS is collecting nominal values on Standard Individual Trade Control Licences (SITCL) application forms and will review how they can be included in future reports. The value will not always represent the commercial value of goods because there are circumstances when a trade licence is required before negotiations have been finalised. Similarly, where the licensable activity relates to promotion, advertising and insurance, the value may only represent the commercial value to the applicant's particular role e.g. their portion of a

larger insurance cover, or the value of what they are being paid to promote the goods.

c) whether it has now decided to make public the number of Weapons of Mass Destruction (WMD) technical assistance licences issued and refused each quarter. (See paragraphs 108 to 120 of Volume II of this Report)

Information about Weapons of Mass Destruction (WMD) technical assistance licences is not available in the quarterly data reports as these are paper-based licences and cannot be generated via the existing automated process. ECO is currently reviewing how these could be included in future quarterly reports.

37. The Committees conclude that the Government's argument that it cannot provide details of end-users of arms exports from the UK because the Government would be laid open to challenge for breach of confidentiality by the exporters does not have validity because it is open to the Government to advise exporters in advance what information on their licence applications will be made public. (See paragraphs 108 to 120 of Volume II of this Report)

The Government does not accept the Committees' conclusion. Export licence applications contain information that is commercially sensitive, which may be the subject of legally-binding confidentiality agreements between the exporter and the customer or other third parties, and disclosure may also cause other harm to the exporter. It is essential for the proper operation of the licensing system that exporters have confidence that sensitive information that they provide to us will be protected. While we will continue to consider requests for disclosure in specific cases on a case-by-case basis, taking into account the nature of the information and the context in which that disclosure would occur, we cannot commit to making such information available on a routine basis.

38. The Committees recommend that on both transparency and human rights grounds the Government makes public the end-use, as well as the country of destination, of UK Government approved export licences for both military and dual-use goods. (See paragraphs 108 to 120 of Volume II of this Report)

The Government does not accept the Committees' recommendation, for the reasons set out in the response to paragraph 37 above.

POWERS TO CREATE NEW CATEGORIES OF EXPORT LICENCES

39. Given that Article 26 of the Export Control Order 2008 enabling the Secretary of State to create new types of arms export licences without Parliamentary approval could be used in a way that would significantly diminish the ability of Parliament to scrutinise the Government's arms export policies, the Committees continue to recommend that the Government should amend the Export Control Order 2008 to safeguard Parliament against this possibility. (See paragraphs 121 to 123 of Volume II of this Report)

The Government does not accept the Committees' recommendation. Article 26 of the Export Control Order 2008 only permits the Business Secretary to grant

individual and general licences. It does not permit him/her to create other types of licence. Any change to Article 26 of the Order would be subject to Parliamentary scrutiny, as required under the Export Control Act 2002.

PRIORITY MARKETS FOR UK ARMS EXPORTS

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

a) what are its priority markets for UK arms exports in 2015/16 with an explanation of why each country is included in the list;

The UK Trade and Investment, Defence and Security Organisation (UKTI DSO) List of Priority Markets is an administrative tool for use in business and resource planning by UKTI DSO. This planning enables UKTI DSO to focus its efforts for better effect in support of UK companies. The list has not been revised or amended since the 2014-15 list was agreed because of DSO's ongoing work with the Defence Growth Partnership (DGP), to identify a common Government and industry view of strategic priority markets. Along with other stakeholder contributions, this work will inform DSO's planning and prioritisation for 2015-16. Once completed, UKTI DSO's 2015-16 List of Priority Markets will be subject to approval by the Business Secretary.

The Government continues to note that the Committees welcome the Business Secretary's decision to notify the Committees of UKTI DSO priority lists, including an explanation about why each country is listed.

b) whether it will adopt a policy of explaining to Parliament and the wider public more fully why certain countries, such as Saudi Arabia, are listed by the Business Department as a Priority Market for arms exports whilst simultaneously being listed by the Foreign and Commonwealth Office as being a country of major human rights concern. (See paragraphs 124 to 126 of Volume II of this Report)

The Government notes the Committees' recommendation.

The Government remains confident that the UK has a thorough and robust export control and licensing system, which distinguishes between exports for legitimate defence and security purposes and exports that might be used for internal repression, violation of human rights or gender-based violence. These considerations are specifically identified in the Consolidated Criteria, which are used to assess all applications for strategic export control licences for military goods, including arms and dual-use goods, on a case-by-case basis.

All controlled defence and security exports, including those opportunities in UKTI DSO Priority Markets, and in any other market, are subject to the Consolidated Criteria.

TRADE EXHIBITIONS

41. The Committees recommend that the Government states in its Response what has been the outcome of the Government's review of its 2013 Memorandum of Understanding between Clarion Events and the Export Control Organisation prior to the next DSEi exhibition due to take place in September 2015. (See paragraphs 127 to 139 of Volume II of this Report)

Discussions with Clarion Defence and Security Limited for the review of the Memorandum of Understanding (MOU) have now concluded. A copy of the MOU will be placed in the Libraries of both Houses.

ENFORCEMENT

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

- a) whether it is satisfied that it has eliminated completely its double-counting of compliance audit visits resulting in the scale of effort being put into this aspect of enforcement being inadvertently exaggerated to Parliament and the public;
- b) what are the categories now adopted to help inspectors to identify more precisely the extent of business non-compliance; and
- c) whether, following the finding of the Government's compliance review team "that there were unacceptable levels of non-compliance by first time users of open licences", the new processes introduced by the Government have resulted in significantly improved compliance by first time users of open licences. (See paragraphs 140 to 144 of Volume II of this Report)

The Government has continued to use the levels for assessing compliance with open licence conditions set some time ago and now use them for enforcement reporting. These levels are used to assess the compliance of businesses holding open licences. The Government no longer reports against the previous compliance headings because duplicate data is likely to be recorded. The levels for compliance are reviewed and updated on a regular basis, as new non-compliance scenarios arise. This ensures inspection consistency for determining the level of compliance for each audit visit. The policy to engage first-time users of licences is still in its infancy and so there is insufficient data at present to undertake a robust analysis of the impact of these changes.

COMPOUND PENALTIES

43. The Committees recommend that the Government states in its Response what are the internal guidelines used by HMRC for determining whether exporters making breaches of strategic export controls or strategic trade controls can be offered a compound penalty rather than having their case referred to the Crown Prosecution Service for a decision on prosecution. (See paragraphs 145 to 148 of Volume II of this Report)

All potential breaches of UK export controls are considered on a case-by-case basis. Her Majesty's Revenue and Customs (HMRC) officials consider the criteria set out below to determine whether breaches of strategic export controls or strategic trade controls are suitable for an offer of a compound penalty. An offer to compound proceedings will only be made in cases where

there is sufficient evidence that would support criminal proceedings with reasonable prospect of success. HMRC reserves its absolute discretion to seek criminal prosecution in such cases. When considering whether to offer to compound proceedings, HMRC takes into account, and balances, factors including the seriousness of the offence and the best interests of law enforcement. Compound settlement is not generally offered in cases where:

- The offence involves sensitive goods or sensitive destinations;
- A custodial sentence or significant confiscation of assets is likely;
- The offender is a privileged person (public servant, freight agent, port authority) who has abused their official position to commit the offence; or
- There are other aggravating factors such as a poor compliance history and/or there are other offences that have a bearing on the case.

If an offence is out of time for prosecution a compound settlement cannot be offered as an alternative.

HMRC staff will also consider:

- The seriousness of the alleged offence;
- Whether fraudulent intent can be proven;
- The extent of the offender's efforts to perpetrate the alleged offence;
- The type and value of the items involved;
- The offender's previous history;
- Penalties known to have been imposed by courts for similar offences;
- The extent to which the offender has tried to conceal the offence;
- Whether the offender has taken remedial action such as implementing a review of company systems and compliance, or terminating the employment of culpable officers or employees;
- Whether the offender had voluntarily reported the offence and the likelihood of the offence being otherwise detected; and
- Whether the offender has been otherwise compliant.

CROWN DEPENDENCIES AND DEPENDENT TERRITORIES

44. The Committees conclude that all aspects of strategic exports have an international relations dimension, whether in relation to their financing, transit or export. (See paragraphs 149 to 153 of Volume II of this Report)

45. The Committees therefore recommend that any such activities being carried out in the UK Crown Dependencies or in the UK Dependent Territories should be monitored by the Government and any breaches of the Government's arms export controls and policies be notified to the Committees on Arms Export Controls and to Parliament. (See paragraphs 149 to 153 of Volume II of this Report)

The Government does not accept the Committees' recommendation. Export licensing falls within the domestic competence of the governments of the

Crown Dependencies and Overseas Territories and it would not be appropriate for the Government to report to the UK Parliament on these issues.

COMBATING BRIBERY AND CORRUPTION

46. The Committees recommend that the Government in its Response to this Report states, since its last Response in Cm8935, the names of any individuals and any companies against whom it has taken action under the provisions of the Bribery Act 2010 in relation to their arms export dealings or financing. (See paragraphs 154 to 156 of Volume II of this Report)

No offences under the Bribery Act 2010 have yet been brought to court in relation to arms export dealings or related financing.

INTERNATIONAL DEVELOPMENT

47. The Committees conclude that they welcome the Government's commitment to consider periodically whether the Department for International Development (DFID) should be involved formally in arms export licence assessments in addition to those under Criterion 8 ("whether the proposed export would seriously hamper the sustainable development of the recipient country") for example those under Criterion 3 ("Internal situation in the country of final destination") and Criterion 4 ("Prevention of regional peace, security and stability"). The Committees also conclude that they welcome the Government's commitment to update the Committees if the assessments change. (See paragraphs 157 to 161 of Volume II of this Report)

48. The Committees further conclude that the Government's policy decision to strengthen the application of Criteria 8, as set out in the letter of the International Development Minister Desmond Swayne to the Chairman of the Committees of 19 February 2015, is welcome. (See paragraphs 157 to 161 of Volume II of this Report)

In 2014 and 2015, the Department for International Development (DFID) improved the data and indicators used to calculate the Criterion 8 thresholds by excluding countries considered particularly low risk from the analysis. This has allowed DFID to focus on the higher risk licences in greater detail. Under the revised methodology, DFID has also begun to consider the cumulative value of licences, so as to take into account the impact of all arms exports to a given country in a year rather than just for each export.

Open licences have no financial value attached to them and therefore cannot be assessed against numerical thresholds. Under the revised methodology, where it is appropriate and when officials are available, more open licences are being considered jointly by DFID advisers in London and overseas. This has strengthened the assessment of open licences, incorporating local expertise into the consideration of factors, including the nature of the goods being exported, previous licences approved, and the wider risk of Criterion 8 concerns in each country.

DFID will provide the Committees with an update on the impact of these changes in December 2015.

ARMS EXPORTS AGREEMENT

UK/US DEFENCE TRADE COOPERATION TREATY

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

a) the reasons, in the Government's view, as to why as at the time of the Government's Response (Cm8935) no UK Industry-to-US Government transactions had taken place under the UK/US Defence Trade Cooperation Treaty; and

The Government believes that the reason there has not been any UK Industry to US Government transactions under the Treaty to date is primarily because of the limitations imposed on the Treaty's utility by the Exempt Technologies List (ETL). The Treaty has been used on a UK Government to US Government basis but both Governments are committed to making the Treaty work more effectively, and are keen to see the first UK Industry to US Government transactions. With that aim, the last Treaty Management Board in Washington in October 2014 endorsed the need to undertake a more fundamental review of the ETL. The US Government has put in place a specialist team of six people to take forward this work, which is a very positive development. The UK Government will be working closely with the US Government to ensure that this work delivers a positive outcome, as envisaged by the Treaty Management Board.

b) the specific changes in the Exempted Technologies List (ETL) that the UK Government wants to be made. (See paragraphs 162 to 164 of Volume II of this Report)

The Government's position is that only the most sensitive of technologies should be on the ETL and these should be added by exception. The Government recognises, and fully supports, the need for certain technologies to remain on the ETL, but will be working with the US Government to keep these to the absolute minimum required for national security reasons. The Government would like to see all other items removed from the ETL unless there is a clear explanation about why they should remain. In addition, the Government will be seeking the narrowing of some of the ETL categories so that it is less of a "catch all" list. The Government is working alongside industry to establish what ETL changes would have the most positive impact in respect of potential Industry use of the Treaty and this work will also support the Government view about which specific ETL changes should be made. This work is ongoing and the UK Government is discussing with the US Government when it will be complete, but is looking for substantive progress in 2015.

US INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

50. The Committees recommend that the Government in its Response states whether it has any evidence to date that either the US Government's Export Control Reform (ECR) process or the movement of items from the US Munitions List (USML) to the Commerce Control List (CCL) has resulted in a net benefit to UK exports. (See paragraphs 165 to 167 of Volume II of this Report)

The Government has no evidence on this point.

UK-FRANCE DEFENCE AND SECURITY CO-OPERATION TREATY

51. The Committees recommend that the Government in its Response to this Report provides a further update on the specific steps the Government is taking to ensure that the UK/France Defence and Security Co-operation Treaty is working to the benefit of the UK defence industry. (See paragraphs 168 to 170 of Volume II of this Report)

The UK and French Governments are continuing to develop mutual defence co-operation and are working toward the goals set at the 2014 Brize Norton Summit. Since the Summit, the Government has maintained frequent Ministerial and senior level engagement with its French counterparts on security policy dialogue; invested £500 million in the very advanced Future Anti-Surface Guided Weapon (Heavy) (FASGW); signed a £120M two year feasibility phase contract for the Future Combat Air System (FCAS); taken early delivery of the first UK A400M Aircraft, enabled by French agreement to swap a number of production slots, and worked together on wider A400M support. We are also making good progress on developing the Combined Joint Expeditionary Force (CJEF); major exercise GRIFFIN RISE took place in June 2015 and GRIFFIN STRIKE is planned for April 2016. Our Exchange Officer network continues to add depth to the relationship, as does our work in other areas of military and equipment co-operation, as recently demonstrated by HMS Kent providing the anti-submarine escort for the French Aircraft Carrier, Charles De Gaulle, in the Gulf.

THE INTRA-COMMUNITY TRANSFER (ICT) DIRECTIVE ON ARMS TRANSFERS WITHIN THE EU

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

a) whether any UK companies in addition to Roxel (UK Rocket Motors) Ltd and Honeywell UK Ltd have achieved certification for a general licence under the Intra-Community Transfer (ICT) Directive on arms transfers within the EU;

No other UK companies have been certified.

b) whether English versions of the complete general licences with details of their goods coverage and conditions shown to facilitate their use have now been published, and, if not, by what date this is expected to be done;

The Commission has asked Member States to include details of their general licences in this format on the public website (details in response to paragraph

52c below). This information is not yet complete and the Commission continues to encourage Member States to meet this requirement.

c) whether the EU Commission has now adapted CERTIDER (the Commission database established for certification arrangements) to include a public area showing a centralised database of all ICT general licences, and, if not, by what date this will be done. (See paragraphs 171 to 173 of Volume II of this Report)

The Commission has completed this work. The database is available at <http://ec.europa.eu/growth/tools-databases/certider> under the General Licences heading.

ARMS CONTROL AGREEMENTS

ARMS TRADE TREATY (ATT)

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

a) whether it considers that China, Russia and the USA intend to ratify the Arms Trade Treaty or not;

China and Russia have not signed the Arms Trade Treaty (ATT). The ATT has now entered into force, so China and Russia will have to accede in order to become States Parties. The USA is a signatory to the ATT and is engaged in the political dialogue to shape the future of the Treaty, but the timescale for US ratification is reliant on domestic political decisions. The UK has engaged with China, Russia and the USA to highlight the benefits of acceding to, or – in the case of the US – ratifying, the ATT as well as the importance of all P5 States being States Parties.

b) what steps it will be taking to help ensure that those countries who have ratified the Arms Trade Treaty comply with the Treaty's provisions; and

The Government has again granted funding to NGOs to implement projects to enable the effective implementation of the ATT. These are being funded through the Foreign and Commonwealth Office (FCO) Counter-Proliferation Programme Fund. The projects will focus on engaging China on the ATT and the Wassenaar Arrangement (WA); roundtable discussions with Commonwealth countries at Wilton Park; and recording assistance projects in sub-Saharan Africa to minimise duplication. The Government also continues to support the EU's ATT Outreach Project conducted in the framework of Council Decision 2013/768/CFSP.

c) what is the latest position on the updating of the EU User's Guide in line with the Arms Trade Treaty which the Foreign Secretary rightly described as an essential component and what is the expected publication date of the EU User's Guide. (See paragraphs 174 to 186 of Volume II of this Report)

The EU User's Guide has now been finalised and will be made public shortly.

EU COUNCIL COMMON POSITION

54. The Committees continue to recommend that the Government when considering its future policy towards the EU should have in mind the significance of the EU Common Position on Arms Exports in helping to maintain a fair competitive position in the EU for UK defence industry exports. (See paragraphs 187 to 190 of Volume II of this Report)

The Government notes the Committees' recommendation.

CLUSTER MUNITIONS

55. The Committees recommend that the Government states in its Response when it will be updating the Committees as to how the Government will be taking forward the development of a Code of Conduct on the indirect financing of cluster munitions. (See paragraphs 191 to 195 of Volume II of this Report)

It is clear that the direct financing of cluster munitions production is prohibited by the Cluster Munitions (Prohibitions) Act. However, in common with the practice of the majority of States Parties to the Convention on Cluster Munitions, indirect financing (e.g. loans to, or the purchase of shares in, a company involved in the manufacture of cluster munitions) is not prohibited by the Act. The Government considers that a voluntary approach is preferable to Government intervention in this area. The FCO will continue to monitor the situation.

SMALL ARMS AND LIGHT WEAPONS (SALW)

56. The Committees conclude that the Government's commitment to ensuring full implementation of the UN Programme of Action (UNPoA) to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons (SALW) in All its Aspects, together with the International Tracing Instrument, is welcome. (See paragraphs 196 to 199 of Volume II of this Report)

57. The Committees recommend that the Government states in its Response what is the specific assistance and support that the UK Government is providing to implement the UNPoA effectively. (See paragraphs 196 to 199 of Volume II of this Report)

The Government remains fully committed to the full implementation of the UN Programme of Action (UNPoA) to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons (SALW) in All its Aspects, together with the International Tracing Instrument (ITI). The Government believes that co-operation and assistance is vital to ensure the effective implementation of both the UNPoA and ITI.

In terms of specific assistance and as made clear by the UK delegation to the Fifth Biennial Meeting of States (BMS5), since 2012 the UK has provided over £1.5 million towards projects focused on addressing the threats posed by conventional weapons, and in particular SALW in Libya, through the FCO

Counter-Proliferation Programme Fund. This has included work to secure Man-Portable Air Defence Systems (MANPADS) in Libya, assisting states in strengthening conventional arms controls, engaging industry in conventional arms compliance, and assisting states in effective export control implementation.

In 2013-2014, the Government continued its work through the Counter-Proliferation Programme Fund to host two well-attended conferences on Libya and the Sahel region. The conferences focused on addressing the threats posed by conventional weapons in Libya and on tackling the illicit availability of SALW in the Sahel. During this period, the Government also continued to provide assistance to states to strengthen their conventional arms controls.

LANDMINES

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

a) whether the UK mine action programme for 2014-17 has now been developed and made public, and, if not, when it will be; and

The Government's Global Mine Action Programme (GMAP) was approved in January 2013 and projects began in Cambodia, Laos, Mozambique, Sri Lanka, and Vietnam in July 2014. Further projects in other countries are currently being developed. The programme is due to run until July 2017 and has an allocated budget of £30 million. More information, including the programme's business case, can be found on the development tracker website: <http://devtracker.dfid.gov.uk/projects/GB-1-203243/documents/>

b) precisely what are the UK Government's other obligations, in addition to the development of the UK mine action programme for 2014-17, under the Anti-Personnel Mine Convention. (See paragraphs 200 to 203 of Volume II of this Report)

Under the Anti-Personnel Mine Ban Convention the Government's obligations include the following:

- **To observe a general prohibition on the use, development, production, stockpiling and transfer of anti-personnel mines, noting the legitimate purposes for which a number of anti-personnel mines may be retained;**
- **To clear mined areas under national jurisdiction and control. The Government continues to clear mined areas on the Falkland Islands in compliance with this obligation. In 2015, at least 25 mined areas are to be cleared following the 2014 award of contracts for a fourth phase of clearance;**
- **To provide an annual transparency report.**

The Government has already met its obligations with respect to stockpile destruction, submission of an initial transparency report, and adoption of appropriate national implementation measures.

BARREL BOMBS

59. The Committees conclude that they do not agree with the Government's view that "Barrel Bombs, air-delivered improvised explosive devices, unlike antipersonnel mines or cluster munitions, are not of themselves inherently indiscriminate nor necessarily excessively injurious." The Committees consider that they are reinforced in this Conclusion by the Foreign Secretary's letter to the Committees of 10 December 2014 in which he said: "The Government believes that the Assad regime's armed forces have used chlorine as a chemical weapon on several occasions. There is no reason to believe that the chlorine used in these attacks had been subject to any specialist processing. The evidence suggests that chlorine cylinders were placed inside crude barrel bombs and delivered to targets in Syria." (See paragraphs 204 to 207 of Volume II of this Report)

60. The Committees continue to recommend that as the use of cluster munitions and anti-personnel landmines has been banned under international Conventions, the Government should reconsider its position that "it does not currently have any plans to bring the issue of barrel bombs to the UN Convention on Certain Conventional Weapons or any other fora." (See paragraphs 204 to 207 of Volume II of this Report)

The Government notes the Committees' conclusion and recommendation.

However, the Government continues to advocate the view that existing International Humanitarian Law (IHL) provisions are appropriate and sufficient for governing the use of weapons. At the heart of the matter are people in authority making decisions about the use of lethal force, which may be in close proximity to civilians or civilian objects, for which they should be held to account. The Government's policy, therefore, is to strengthen and better implement these existing IHL provisions and bear down on impunity in order to bring perpetrators to justice, rather than seek to create new law.

The Government is committed to upholding the Geneva Conventions and strongly encourages others to do the same. Barrel Bombs are in effect air-delivered improvised explosive devices (IEDs) which could be capable of legal use but we condemn their indiscriminate and disproportionate use.

THE WASSENAAR ARRANGEMENT

61. The Committees recommend that the Government states in its Response:
a) what is the present position on Brazil, China, India, Israel and Serbia becoming members of the Wassenaar Arrangement (WA);

As with all export control regimes, the Government continues to engage with non-partners about the importance of the WA. Government officials have raised membership of the WA with counterparts from the countries listed in paragraph 61. Officials participated in a recent official WA outreach visit to Israel to discuss recent changes to the controls on cyber technology. Progress with Serbia's application to join the WA remains promising but will

need more consideration. The Government will continue as a co-rapporteur for Serbia's application to join the WA, as well as continuing to provide appropriate assistance. At the moment, Brazil, China and India remain outside the WA, as they have not submitted membership applications. However, Chinese officials have engaged with the WA. In June 2014, Chinese officials gave WA licensing and enforcement experts a detailed presentation on China's export licensing system.

b) whether the UK Government's paper on consideration by states participating in the Wassenaar Arrangement of the link between membership and outreach as well as ways to encourage adherence by non-members has now been accepted by WA participating states, and, if so, whether it will be made public;

In October 2014, the Government had to withdraw its paper on the links between membership and outreach as consensus could not be achieved. This was a disappointing result given the importance of the objectives of the paper. UK officials at WA meetings continue to speak in favour of recognising adherence as a way to improving the reach of the WA and co-operation with the regime.

c) whether the Wassenaar Arrangement's new export controls on surveillance and law enforcement/intelligence gathering tools and on Internet Protocol network surveillance systems or equipment have now been implemented through amendment of Annex 1 of the EU Dual-Use Regulation, and, if not, the date by which they will be;

The amendment to Annex I of the EU Dual-Use Regulation was contained in Commission Delegated Regulation (EU) 1382/2014, which came into force on 31 December 2014.

d) whether the comprehensive review of the Wassenaar Control List is still on-going; and

This list review is ongoing and subject to National Proposals. The Government has submitted a 2015 proposal covering a number of entries in Category 8 Marine relating to submersible vessels and related control equipment and underwater vision systems.

e) whether the changes to the Wassenaar Arrangement Munitions List have now been implemented in the UK through an amendment to the UK Military List, and, if not, the date by which they will be. (See paragraphs 208 to 220 of Volume II of this Report)

The update to the UK Military List, to take account of changes to the WA Munitions List agreed in 2013, was implemented by Export Control (Amendment) Order 2008 (SI 2015 No. 351). The Order was laid before Parliament on 25 February 2015 and came into force on 24 March 2015.

THE UN REGISTER OF CONVENTIONAL ARMS (UNROCA)

62. The Committees recommend that the Government states in its Response which UN Member States do not provide the information required for the UN Register of Conventional Arms under UN General Assembly Resolutions 46/36L and 58/34, and what steps the UK Government is taking to encourage them to do so. (See paragraphs 221 to 224 of Volume II of this Report)

The Government continues to advocate the value of a UN Register of Conventional Arms (UNROCA) to which all states have fully contributed. This transparency in arms transfers helps build confidence and prevent conflict. The Government will continue to promote the value of the register and for increased contributions at the Group of Governmental Experts (GGE). Details on states that have not provided information to UNROCA, is available at: (<http://www.un.org/disarmament/convarms/Register/>)

THE CONVENTION ON CERTAIN CONVENTIONAL WEAPONS (CCW)

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

a) whether it is aware of countries that are developing, or have developed, Lethal Autonomous Weapon Systems, and, if so, which those countries are;

The Government is not aware of any country that has developed or currently has plans to develop fully autonomous lethal weapon systems.

b) to what weapons systems it is referring to when it describes Lethal Autonomous Weapons Systems or systems which are able to comprehend higher-level intent and which once activated may choose from a range of options to deliver lethal force;

This definition refers to the category of LAWS, which do not and may never exist. It does not refer to any weapons systems known currently to be in existence.

c) whether the report on the informal discussions at the UN Convention on Certain Conventional Weapons (CCW) in May 2014 has now been made public; and

The report of these informal discussions has been made public and is available on the website of the UN Office in Geneva at:

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G14/048/96/PDF/G1404896.pdf?OpenElement>

d) what were the Government's objectives at the UN CCW Meeting of High Contracting Parties in November 2014 and whether these were achieved. (See paragraphs 225 to 228 of Volume II of this Report)

The Government's objectives at the meeting of the High Contracting Parties to the Convention on Certain Conventional Weapons (CCW) in November 2014 were to discuss the status and operation of the Convention and its protocols, and to support a renewal of the mandate for an Informal Meeting of Experts on LAWS. This mandate was adopted and the meeting was held in April 2015.

THE FISSILE MATERIAL CUT-OFF TREATY (FMCT)

64. The Committees conclude that the Government's Response that the Fissile Material Cut-Off Treaty (FMCT) is a "necessary step towards disarmament" is welcome. (See paragraphs 229 to 233 of Volume II of this Report)

65. The Committees continue to recommend that the Government should agree with other like-minded Governments an alternative method of getting the FMCT negotiations started if the impasse at the Conference on Disarmament continues, notwithstanding the work of the Group of Government Experts in which the Committees welcome the UK's participation of. (See paragraphs 229 to 233 of Volume II of this Report)

The Fissile Material Cut-off Treaty (FMCT) GGE deliberated for a total of eight weeks on technical, legal and political aspects and concluded with a substantive report agreed by consensus on their mandate to “*make recommendations on possible aspects that could contribute to, but not negotiate, a treaty banning the production of fissile material for nuclear weapons or other explosive devices on the basis of document CD/1299 and the mandate contained therein*”. The Government was pleased to be invited to contribute an expert to that Group. The Government believes the report of the GGE, which was published on 19 June 2015, will make a useful contribution to future negotiations.

For a FMCT to succeed, it must be agreed on the basis of consensus and involve all the relevant parties. The Conference on Disarmament (CD) is the main negotiating body of the UN Disarmament Machinery and has the right membership to achieve this aim. The Government will continue to work with CD Member States towards agreement on a substantive programme of work, which would allow the immediate start and early conclusion of negotiations of an FMCT in the CD. Such a treaty would represent a significant step closer to our goal of a world without nuclear weapons.

THE MISSILE TECHNOLOGY CONTROL REGIME (MTCR)

66. The Committees recommend that the Government states in its Response:
a) whether it expects Belarus, China, India, Israel, Malaysia, Pakistan, Singapore and any other states to become members of the Missile Technology Control Regime in the foreseeable future;

The Government cannot say if membership of the Missile Technology Control Regime (MTCR) will expand in the foreseeable future. Membership decisions are adopted via consensus. However, recent discussions between the MTCR and India have proved positive. Membership discussions with the other states listed above are not as advanced. The Government continues to speak in support of the nine EU Member States that remain outside of the MTCR, and has determined that there are no technical barriers to their accession.

b) whether the UK paper at the Rome MTCR Plenary in 2013 to explore ways in which adherence to the MTCR could be formally recognised and to identify states that adhere to the MTCR guidelines has been adopted, implemented and made public. (See paragraphs 234 to 238 of Volume II of this Report)

The UK paper debated at the 2013 Plenary was submitted as a food for thought paper to stimulate discussion within the MTCR on this important subject. It was not submitted for adoption. However, at the 2014 Plenary, the regime adopted a decision to formalise its relationship with adherents. Full details are expected to appear shortly on the MTCR public website: www.mtcr.info.

THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY

67. The Committees conclude that it is a matter of utmost concern that "the United States has determined that the Russian Federation is in violation of its obligations under the INF Treaty not to possess, produce, or flight-test a ground-launched cruise missile (GLCM) with a range capability of 500km to 5,500km, or to possess or produce launchers of such missiles." (See paragraphs 239 to 241 of Volume II of this Report)

68. The Committees recommend that the UK Government gives the highest possible priority to helping to ensure that Russia returns to full compliance with the INF Treaty in a verifiable manner in accordance with the NATO Secretary General's statement of 30 July 2014, and further recommends that the Government states in its Response whether Russia has now done so. (See paragraphs 239 to 241 of Volume II of this Report)

The Government fully supports the North Atlantic Treaty Organisation (NATO) Secretary-General's statement of 30 July 2014 that Russia should work constructively to resolve this critical Treaty issue and preserve the viability of the Intermediate-Range Nuclear Forces (INF) Treaty by returning to full compliance in a verifiable manner. The Alliance's call on Russia to preserve the viability of the INF Treaty through ensuring full and verifiable compliance was repeated in the NATO Wales Summit Communiqué of 5 September 2014.

The UK is not a party to the INF Treaty, and is not responsible for monitoring compliance with the requirements of the Treaty. However, the Government co-sponsored a resolution, put forward by the US Government, at the UN General Assembly 69 First Committee meeting in October 2014 entitled "*Compliance with non-proliferation, arms limitation and disarmament agreements and commitments*". This resolution underscores the contribution that compliance with non-proliferation, arms limitation and disarmament agreements and with other agreed obligations makes to enhancing confidence and to strengthening international security and stability and urges all states to implement and comply fully with their respective obligations under such agreements. Russia was among 14 countries which abstained on this resolution.

THE G8 GLOBAL PARTNERSHIP AGAINST THE SPREAD OF WEAPONS AND MATERIALS OF MASS DESTRUCTION

69. The Committees recommend that the Government in its Response to this Report states:
a) its estimated expenditure under the Global Threat Reduction Programme in FY 2016-17 and subsequent years for which estimates are available;

Planned expenditure for the Global Threat Reduction Programme for the 2015-16 Financial Year is approximately £12m. Decisions on expenditure in future years will be subject to the outcome of the Government's Spending Review.

b) whether the Government is currently engaged in co-operative work with Russia to reduce Russian stockpiles of chemical weapons and chemicals for chemical weapons;

The Government's Eighth Annual Report on the Global Threat Reduction Programme 2010 noted that UK assistance with construction and procurement tasks in support of the chemical weapon destruction facility at Shchuch'ye in Russia was complete. The Shchuch'ye facility started destruction operations in 2009, and has since continued to operate successfully. The Government has provided no further assistance to Russia with chemical weapon destruction.

c) whether the Government has now found the resources to compile a summary report of activities and funding contributions under the Global Threat Reduction Programme, including details of projects, and. If so, when the summary report will be made public. (See paragraphs 242 to 244 of Volume II of this Report)

The Government will publish a summary report of activities and funding contributions under the Global Threat Reduction Programme by October 2015.

THE NUCLEAR SUPPLIERS GROUP

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

a) whether it is supporting prospective membership of the Nuclear Suppliers Group (NSG) for India, Israel and Pakistan, notwithstanding they are not members of the Nuclear Non-Proliferation Treaty, and, if so, what specific steps the Government is taking to progress their membership;

The Government actively supports India's membership of the Nuclear Suppliers Group (NSG). A 2013 joint statement noted that the Prime Minister and his then Indian counterpart "*agreed to work actively together to achieve India's ambitions to join the major export control regimes*". The Government does not believe that India's non-membership of the Nuclear Non-Proliferation Treaty (NPT) is a bar to it joining the NSG. The Government believes that such a move would strengthen the global non-proliferation regime. Government officials have supported the case for Indian membership through regular interventions at NSG meetings, a 2013 non-paper on the issue, as well as participation in a January 2015 workshop that explored the issue of non-NPT members.

The Government has discussed NSG issues, including membership of the regime, with both Israel and Pakistan and supports further engagement between the NSG's Chair and both countries.

b) which were the seven non-NSG members who attended the NSG technical outreach meeting in Vienna in April 2014;

The NSG Technical Outreach meeting was attended by Armenia, Chile, Egypt, India and Pakistan, as well as representatives from the WA. Israel was due to attend but had to cancel at the last moment.

c) whether the UK-Netherlands joint paper presented at the 2014 NSG Plenary in Buenos Aires exploring options to encourage non-NSG members to adhere unilaterally to the NSG Guidelines has been made public. (See paragraphs 245 to 249 of Volume II of this Report)

The paper was intended to contribute to the confidential discussions of NSG members and so has not been made public.

THE NUCLEAR SECURITY SUMMIT

71. The Committees conclude that the 12 commitments made by the UK Government at the 2014 Nuclear Security Summit - detailed immediately below - are welcome:

- To host an International Atomic Energy Agency (IAEA) International Physical Protection Advisory Service Mission in 2015-16. This follows a 2011 Mission that reviewed security at our biggest site - Sellafield.
- To continue our Global Threat Reduction Programme of financial and expert assistance for nuclear and radiological security improvements overseas. Since 2010, our experts have assisted more than 20 countries, embedding high standards worldwide.
- To contribute £3.4 million to the IAEA Nuclear Security Fund in 2014, bringing the total UK contribution since 2010 to over £12 million.
- To contribute £500,000 to Interpol's Operation Fail Safe to track the movements of individuals involved in the illicit trafficking of radioactive or nuclear material.
- To continue to support the work of the Global Initiative on Combating Nuclear Terrorism.
- To extend outreach and assistance work to at least 16 countries that have yet to ratify or implement key international instruments in the nuclear security field, including the Convention on the Physical Protection of Nuclear Material and its 2005 Amendment, and the International Convention for the Suppression of Acts of Nuclear Terrorism.
- To develop and share best practice on nuclear security and work to strengthen international nuclear security culture, including:
- As Sponsor of the 2012 Multinational Statement on Nuclear Information Security, to lead international action to ensure the effective protection of sensitive nuclear information.
- To continue to work with the IAEA and other States to develop and test security guidance on nuclear material accountancy and control, facilitating a roll out of this where States would find it beneficial.
- To co-host, with the US, a workshop on Enhancing the Security of the Maritime Supply Chain.

- To continue to take forward the development of options for the future management of the UK's inventory of separated civil plutonium.
- To continue to prioritise security of our non-civil nuclear material, in line with our commitment in the UK's recent UNSCR1540 National Implementation Action Plan.
- To continue to develop our National Strategic Framework for nuclear emergency planning and response.
- With France, to continue the UK-France framework for cooperation on civil nuclear security to facilitate the exchange of good practice.
- In partnership with the US and France, and engaging with others, to continue to develop appropriate responses to the threat of nuclear terrorism including render-safe capability. (See paragraphs 250 to 253 of Volume II of this Report)

The Government notes the Committees' conclusion.

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

a) on what dates and where the UK Government will be hosting the International Atomic Energy Agency (IAEA) International Physical Protection Advisory Service Mission in 2015-16;

An International Physical Protection Advisory Service Mission will visit the UK in late 2015 or early 2016. The Government will issue a public statement following the visit.

b) which are the 16 countries to which the Government referred to in its previous Response (Cm8935) that "have yet to ratify or implement key international instruments in the nuclear security field, including the Convention on the Physical Protection of Nuclear Material and its 2005 Amendment, and the International Convention for the Suppression of Acts of Nuclear Terrorism." (See paragraphs 250 to 253 of Volume II of this Report)

At the 2014 Nuclear Security Summit, the Government committed to “*extend outreach and assistance work to at least 16 countries that have yet to ratify or implement key international instruments in the nuclear security field*”.

The Government supported the UN Office on Drugs and Crime (UNODC) to organise a regional conference in Thailand in December 2014 to promote ratification of the 2005 Amendment to the Convention on the Physical Protection of Nuclear Material and the International Convention for the Suppression of Acts of Nuclear Terrorism. Representatives attended from the following countries: Afghanistan, Azerbaijan, Bangladesh, Cambodia, Laos, Marshall Islands, Mongolia, Palau, Philippines, Tajikistan and Tonga. The Government is supporting UNODC and the IAEA to organise a larger workshop targeting over 40 countries later this year.

A list of countries that have ratified the Convention on the Physical Protection of Nuclear Material and its 2005 Amendment can be found on the IAEA website: <http://www.iaea.org/Publications/Documents/Conventions/cppnm.html>

A list of countries that have ratified the International Convention for the Suppression of Acts of Nuclear Terrorism can be found on the UN Treaties webpage:

https://treaties.un.org/Pages/ViewDetailsIII.aspx?src=IND&mtdsg_no=XVIII-15&chapter=18&Temp=mtdsg3&lang=en

THE AUSTRALIA GROUP

73. The Committees recommend that the Government states in its Response which are the Australia Group non-member countries playing a strategically significant role in the chemicals industry or hosting important chemical transshipment hubs that the Government is actively supporting in becoming members of the Australia Group. (See paragraphs 254 to 259 of Volume II of this Report)

The Government continues its active support for India's membership of the Australia Group (AG). To become a member, India must apply to join and ensure adherence to the membership requirements. The UK will consider any other application on a case-by-case basis. The AG agrees new members by consensus.

THE ACADEMIC TECHNOLOGY APPROVAL SCHEME (ATAS)

74. Given that the Home Secretary, Theresa May MP, stated on 29 August 2014 that "We face a real and serious threat in the UK from international terrorism" when announcing a change in the threat level from substantial to severe,^[11] the Committees conclude that it is extraordinary that the Government continues to reject the Committees' recommendation in successive Reports that the Government should extend the Academic Technology Approval Scheme (ATAS) to prevent students, not merely from abroad but also from the UK, who pose the greatest risk from studying potential Weapons of Mass Destruction (WMD) proliferation subjects at UK Institutions of Higher Education. (See paragraphs 260 to 264 of Volume II of this Report)

75. The Committees once again recommend the extension of the Academic Technology Approval Scheme (ATAS) to prevent students from the UK, and not just from abroad, who pose the greatest risk, from studying potential Weapons of Mass Destruction (WMD) proliferation subjects at UK Institutions of Higher Education. (See paragraphs 260 to 264 of Volume II of this Report)

The Committees' recommendation about UK students is not directly relevant to export controls, but the Government is happy to confirm that it believes the Scheme represents a proportionate and appropriate risk-based response to our counter-proliferation obligations. It does so by reducing the risks of intangible technology transfer from the UK's higher education sector and preventing the spread of knowledge and skills that could assist in the development of WMD or their means of delivery.

The Government suggests that any member of the Committees who has an interest in discussing how the Government and universities work together to

reduce the risk of knowledge and technology being used by UK students for terrorist purposes should contact the Home Office.

THE CHEMICAL WEAPONS CONVENTION (CWC)

76. The Committees conclude that the Government's decision to reach out to 5 of the 6 countries that have still to accede to the Chemical Weapons Convention (CWC), namely Angola, Burma, Egypt, Israel and South Sudan (though not North Korea), to urge their adherence to the CWC is welcome. (See paragraphs 265 to 268 of Volume II of this Report)

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

a) why so far, it had not reached out to North Korea to urge its adherence to the CWC; and
b) what it assesses the prospects to be of realising the aim of achieving universality of the CWC through the accession of the remaining 6 countries, namely Angola, Burma, Egypt, Israel, North Korea and South Sudan, by the time of the 100th anniversary in 2015 of the first large-scale use of chemical weapons during World War I. (See paragraphs 265 to 268 of Volume II of this Report)

The Government is committed to universalisation of the Chemical Weapons Convention (CWC). The Government, either nationally or through organisations of which we are a member, such as the EU and G7, has repeatedly called for all states not party to the CWC to accede or ratify without delay. The Government will take part in demarches planned this year by the German Presidency of the G7 on universalisation of the CWC.

There are some prospects for progress. At the time of writing, Angola and Burma have passed the necessary national legislation to ratify and accede to the CWC. South Sudanese succession is also expected soon. The Government will continue, both bilaterally and in partnership with the Organisation for the Prohibition of Chemical Weapons (OPCW), EU and G7, to urge those remaining states not party to the CWC – namely the Democratic People's Republic of Korea, Egypt and Israel - to accede to or ratify the Convention.

THE BIOLOGICAL AND TOXIN WEAPONS CONVENTION (BTWC)

78. The Committees conclude that the Government's statement that: "The Government's main long-term objective is to seek agreement on a verification regime for the Biological and Toxin Weapons Convention (BTWC)" is welcome. (See paragraphs 269 to 272 of Volume II of this Report)

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

a) whether it is seeking to get the issue of a verification regime for the Biological and Toxin Weapons Convention (BTWC) placed on the agenda for the BTWC Eighth Review Conference scheduled to take place in 2016;
b) what options the Government has identified so far that could be agreed at the Eighth Review Conference and which could lead to further substantive strengthening of the Convention;

c) which of the following 10 states that have signed but not ratified the BTWC according to the Government's last Response (Cm8935), namely: Central African Republic; Côte d'Ivoire; Egypt; Haiti; Liberia; Burma; Nepal; Somalia; Syrian Arab Republic; and the United Republic of Tanzania, have now done so; and

d) which of the following 16 states that have neither signed nor ratified the BTWC according to the Government's last Response (Cm8935), namely: Andorra; Angola; Chad; Comoros; Djibouti; Eritrea; Guinea; Israel; Kiribati; Mauritania; Micronesia (Federated States of); Namibia; Niue; Samoa; South Sudan; and Tuvalu, have now done so. (See paragraphs 269 to 272 of Volume II of this Report)

Verification remains a contentious key issue for the Biological and Toxin Weapons Convention (BTWC). It is expected to be discussed again at the Eighth Review Conference in November 2016. The Government will actively participate in such discussions. A verification mechanism remains our long-term goal but it is clear to us that the political conditions still do not exist for such discussions to be productive, or for any consensus to emerge on developing specific measures.

The Government is focussing its efforts on issues that could help strengthen the Convention in other ways but which do not require negotiation or adoption of a verification protocol. The Government thinks that efforts are better focussed instead on applying the lessons to be learned from the Ebola outbreak in West Africa for more effective responses to outbreaks of infectious diseases, as this could be relevant to Article VII of the Convention; working with States Parties to improve their national implementation of the Convention; improving States Parties' approach to science and technology reviews; and, separately, improving the current UN Secretary-General's Mechanism for the investigation of allegations of biological weapons use.

The Government has started to work with partners and EU Member States to develop these and other options for the Review Conference.

Since the Government's last Response (Cm8935), Andorra, Burma and Mauritania have all acceded to the Convention and the UK shall continue to work with the G7 to urge those remaining states not party to the BTWC to accede to or ratify the Convention.

THE NUCLEAR NON-PROLIFERATION TREATY (NPT)

80. The Committees recommend that the Government in its Response states the specific actions on which it will be seeking agreement at the Nuclear Non-Proliferation Treaty Review Conference being held at the UN in New York on 27 April to 22 May 2015 in relation to each of the "Three mutually reinforcing pillars" it cited in its last Response (Cm8935), namely:

- i. "further progress towards a world free from nuclear weapons";
- ii. "action that will help to contain any threat of proliferation or non-compliance with the NPT"; and
- iii. "support the responsible global expansion of civil nuclear industries". (See paragraphs 273 to 276 of Volume II of this Report)

As the NPT Review Conference has since concluded, the Government refers the Committees to the Government's report on the Review Conference in the Written Ministerial Statement of 1 June 2015. The Statement is available here: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-06-01/HCWS7/>

Despite the Government's constructive engagement, it was not possible to achieve a consensual outcome. Whilst this is disappointing, the NPT remains strong and its role in maintaining global security and stability is unparalleled.

The Committees may be also interested to read a report of the backbench debate of 9 March 2015 on the NPT, where Parliamentary Under Secretary of State for the FCO, Tobias Ellwood MP, set out our priorities against the three mutually reinforcing pillars of the NPT, as referenced above. The report is available here: <http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm150309/debtext/150309-0003.htm#15030930000002>

THE COMPREHENSIVE NUCLEAR TEST BAN TREATY (CTBT)

81. The Committees again recommend that the Government states in its Response what specific steps it has taken, or intends to take, since its last Response (Cm8935) with each of the remaining 8 countries whose signature and ratification is necessary to enable the Comprehensive Nuclear Test Ban Treaty to enter into force—namely China, Egypt, India, Iran, Israel, North Korea, Pakistan and the USA—to try to persuade them to ratify the CTBT. (See paragraphs 277 to 279 of Volume II of this Report)

Since its last Response (Cm8935), the Government has continued to raise the issue of entry into force on the Comprehensive Nuclear Test Ban Treaty (CTBT) in a wide range of bilateral and multilateral meetings. Specifically, the UK has led or supported calls for the eight remaining Annex II States to sign and/or ratify the Treaty in our capacity as chair of the P5 (the five permanent members of the UN Security Council) Process at the London P5 Conference (4-5 February 2015); during 2014, through the G7 Non-Proliferation Directors Group; at the 69th UN General Assembly First Committee and at the Seventh CTBT Ministerial Meeting. The Government has also discussed the issue bilaterally with China, Egypt, India, Israel and the USA.

One of the main concerns of those states yet to ratify is the effectiveness of the Treaty's verification regime. The Government has provided extensive support to the CTBT Organisation's Preparatory Commission to strengthen the regime and so allay this concern. Of particular note in the last year is the successful completion of the Integrated Field Exercise 2014 in Jordan, to which the Government contributed a significant amount of expertise and equipment. This exercise demonstrated substantial progress since the last large scale exercise in 2008 in building an on-site inspection operational

capability, and identifying those areas within such a capability where further priority developmental work is required.

SUB-STRATEGIC AND TACTICAL NUCLEAR WEAPONS

82. The Committees conclude that they welcome the Government's statement in its last Response (Cm8935) that "both its and NATO's policy remains that NATO Allies would consider further reducing NATO's requirement for so-called 'tactical nuclear weapons' in the context of reciprocal steps by Russia, taking into account Russia's larger stockpile" and that the UK Government "would be supportive of the eventual elimination of tactical nuclear weapons, including those held by the US and Russia in Europe, provided that this is achieved in a manner that does not risk compromising the security of the UK and its Allies". (See paragraphs 280 to 283 of Volume II of this Report)

The Government notes the Committees' conclusion.

83. The Committees recommend that the Government states in its Response on what specific aspects of "further progress against NPT commitments and other nuclear issues" it intends to continue to work with Russia as part of the P5 process during the UK Government's Presidency of the P5 in November 2015. (See paragraphs 280 to 283 of Volume II of this Report)

The Government started the P5 Nuclear Weapon States process in 2009 to help build the mutual trust, confidence and transparency necessary to allow further steps on disarmament. The UK hosted the most recent P5 Conference in London on 4-5 February 2015, where Government officials engaged in detailed and frank discussions on a wide range of issues. Although agreement was not reached on all matters, these talks are vital to progressing nuclear disarmament and non-proliferation. The Conference outcomes included:

- **A strong P5 statement that included language on Iran and the Korean Peninsula and confirmed the P5's commitment to delivering concrete action under all three pillars of the NPT;**
- **The agreement of a final list of terms for the P5 Nuclear Glossary that was published during the NPT Review Conference;**
- **A marked increase in intra-P5 transparency resulting from a site visit to the Atomic Weapons Establishment;**
- **Well-received outreach sessions with non-nuclear weapon states and civil society.**

The Government welcomes the offer by France to host the Seventh P5 Conference. We will continue to work with other P5 Nuclear Weapons States to further improve transparency and confidence-building in the run-up to and beyond the UK's Presidency of the UN Security Council in November 2015.

A MIDDLE-EAST WEAPONS OF MASS DESTRUCTION FREE ZONE

84. The Committees conclude that the Government's statement in its last Response (Cm8935) that: "The Government is committed to convening a Conference on a Middle East WMD Free Zone as soon as regional States agree on arrangements to allow that to happen, and preferably by the end of 2014", is welcome, though it was most disappointing once again that no such conference was held before the end of 2014. (See paragraphs 284 to 287 of Volume II of this Report)

The Government is disappointed that this year's NPT Review Conference did not end in consensus. As has been made clear in the Written Ministerial Statement of 1 June 2015 (available here: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-06-01/HCWS7/>) delivered by Parliamentary Under Secretary of State for the FCO, Tobias Ellwood MP, the language on the proposed Conference on a Middle East WMD Free Zone was the key area of disagreement. The Government sought a process which was meaningful and based on arrangements freely arrived at by all states of the region. The proposed text would not have enabled tangible progress to be made and so we were unable to support the draft conclusions.

Nevertheless, the Government remains committed to making progress towards a Middle East WMD Free Zone, in line with its commitments made at the NPT Review Conferences in 1995 and 2010.

85. The Committees recommend that the Government states once again, and subsequent to its last Response (Cm8935), what is now the latest position on the holding of a Conference on a Middle East Weapons of Mass Destruction Free Zone, and on the willingness of Iran and Israel to attend. (See paragraphs 284 to 287 of Volume II of this Report)

As the Government has noted in previous responses to the Committees, Iran indicated in 2012 that it would be willing to attend the Conference under certain circumstances. At this year's Review Conference, it restated its support for the convening of a Conference. The Government would support Iran's participation in the Conference, although, as before, our current priority remains reaching a comprehensive agreement with Iran on its nuclear programme that addresses international concerns.

Israel has indicated that it would be willing for a date to be set for a Conference once states of the region are able to agree arrangements for such a Conference. The Government welcomes Israel's continued engagement on this issue and its willingness to return to future negotiations. Israel also attended this year's NPT Review Conference as an observer.

THE NATIONAL COUNTER-PROLIFERATION STRATEGY

86. The Committees conclude that as the Government's National Counter-Proliferation Strategy for 2012-15 published in 2012 was a stand-alone document and quite separate from the Government's "United Kingdom Strategic Export Controls Annual Report", the Government's Response in Cm8935 to the Committees' Conclusions and Recommendation

with regard to the National Counter-Proliferation Strategy is irrelevant. (See paragraphs 288 to 291 of Volume II of this Report)

87. The Committees further conclude that as the present Strategy is now 3 years out of date and as the key Government policy area of Counter-Proliferation is in constant change, the Committees once again recommend that the Government updates its National Counter-Proliferation Strategy annually as a stand-alone document. (See paragraphs 288 to 291 of Volume II of this Report)

Parliament has been informed about progress with the 2012-15 National Counter-Proliferation Strategy as part of the regular reports about implementation of the 2010 Strategic Defence and Security Review (SDSR). The most recent update can be found in paragraphs 91-94 of the December 2014 report. The Government will consider its strategy to counter-proliferation as part of the 2015 SDSR.

ARMS EXPORT CONTROL POLICIES

ARMS EXPORTS AND HUMAN RIGHTS

88. The Committees continue to conclude that, whilst the promotion of arms exports and the upholding of human rights are both legitimate Government policies, the Government would do well to acknowledge that there is an inherent conflict between strongly promoting arms exports to authoritarian regimes whilst strongly criticising their lack of human rights at the same time rather than claiming, as the Government continued to do in its last Response (Cm8935), that these two policies "are mutually reinforcing". The Committees further conclude that it is a statement of the obvious that vigorous, sustained and public criticism by the British Government of an authoritarian regime's abuses of basic human rights is likely to be prejudicial to British arms exports success with that regime in the highly competitive international arms exports market, and that the Government should acknowledge this inherent conflict. (See paragraphs 292 to 296 of Volume II of this Report)

The Government notes the Committees' conclusion and refers to its previous responses. These responses can be found on pages Ev144-145 in Volume II in the Committees' previous Annual Report (HC 186).

A commercial relationship does not prevent us from speaking frankly to governments about issues of concern, including human rights. The Government will not pursue trade to the exclusion of human rights concerns. They can and should be complementary.

89. The Committees conclude that in its previous Response (Cm8935) the Government has produced no valid or relevant justification for not accepting the Committees' Recommendation that it "will report to the Committees all breaches of its human rights policies and its international human rights commitments with the use of British Government approved exports of controlled goods, software, technology and components as and when any such breaches occur", and the Committees recommend that the Government now

accepts this same Recommendation. (See paragraphs 292 to 296 of Volume II of this Report)

The Government does not accept the Committee's recommendation. The Government is active in informing the Committees directly of significant relevant policy developments and is committed to continuing to do so. However, the FCO already publishes an Annual Human Rights and Democracy Report and this Report sets out the Government's position on human rights around the world. The latest Report is available here:
<http://www.hrdreport.fco.gov.uk/>

90. The Committees further recommend that the Government states in its Response whether it is aware of any breaches of its human rights policies and its international human rights commitments that have taken place with the use of British Government approved exports of controlled goods, software, technology and components during the lifetime of the present Parliament. (See paragraphs 292 to 296 of Volume II of this Report)

The Government is already active in informing the Committees directly of significant relevant policy developments and is committed to continuing to do so. The FCO also publishes an Annual Human Rights and Democracy Report and this Report sets out the Government's position on human rights around the world. The latest Report is available here: <http://www.hrdreport.fco.gov.uk/>

OVERSEAS SECURITY AND JUSTICE ASSISTANCE (OSJA) HUMAN RIGHTS GUIDANCE

91. The Committees recommend that the Government states in its Response whether it is aware of any use of goods exported from the UK in an Overseas Security and Justice Assistance (OSJA) programme which have been in breach of UK or international human rights policies during the lifetime of the present Parliament. (See paragraphs 297 to 299 of Volume II of this Report)

The Overseas Security and Justice Assistance (OSJA) Human Rights Guidance assesses risks associated with the provision of equipment to OSJA programme partners, and seeks to mitigate these risks if possible. All equipment provided within the scope of OSJA projects is now routinely assessed against the Consolidated Criteria. The Government is not aware of the misuse of equipment provided to partners as part of the OSJA programme during the previous Parliament (2010-2015).

SURVEILLANCE TECHNOLOGY AND EQUIPMENT

92. The Committees recommend that the Government states in its Response:
a) whether having looked at the German model of taking national action to tighten up its export controls over surveillance technology and equipment, the UK Government will now do likewise;

The Government continues to believe that changes to controls in this area will be most effective when they are agreed on a multilateral basis through the WA and implemented by amendment to the EU Dual-Use Regulation. The Government has no plans to make any changes to national controls.

b) whether the Government is satisfied that the EU's recent amendment of its Dual-Use Regulation provides sufficiently comprehensive legislative controls over the export from the UK of surveillance technology and equipment which might be used contrary to the Government's human rights and freedom of expression policies. (See paragraphs 300 to 308 of Volume II of this Report)

The Government is satisfied with the recent amendments to the Dual-Use Regulation. However, it continues to keep this area under review, along with partners in the WA and the EU, and does not rule out further changes where there is sufficient evidence of a need to act and where export controls can be applied effectively and without placing disproportionate burdens on legitimate trade.

CRYPTOGRAPHIC EQUIPMENT, SOFTWARE, TECHNOLOGY AND COMPONENTS

93. The Committees conclude that as the Government has now acknowledged that the export of some items of cryptographic equipment, software, technology and components to the Government's principal Countries of Human Rights Concern and to the Committees on Arms Export Controls' additional countries of concern may raise human rights issues, and that in virtually all of these countries there is no clear divide between the commercial and Government sectors, the Committees recommend that the Government adopts a more cautious policy towards approving export licences for these items to these particular countries. (See paragraphs 309 to 315 of Volume II of this Report)

Each application for controlled items of cryptographic equipment (or a variant thereof) is assessed on a case-by-case basis. The majority of applications are for commercial equipment for commercial end-use. Applications are assessed against the Consolidated Criteria. A licence is not granted if there is a clear risk that the items might be used for internal repression or diverted to other uses contrary to the Consolidated Criteria.

When making export licensing decisions for goods destined for a country of concern, the Government examines the political and security conditions in the destination country, the nature of the equipment to be exported, the organisation or unit which will ultimately be the user of the equipment, and all available information about how similar equipment has been used in the past and how it is likely to be used in the future. Government experts in the UK and posts overseas are consulted and reports from NGOs and the media are taken into account. Many applications, including all sensitive or finely-balanced cases, are submitted to Ministers for decision.

94. The Committees further recommend that the Government in developing "guidance to address the risks posed by exports of information and communications technology that is not

subject to export controls but which might have impacts on human rights including freedom of expression online" should work not only with industry but with human rights organisations also. (See paragraphs 309 to 315 of Volume II of this Report)

Such guidance was produced for industry by an industry trade association, TechUK, which worked closely with the Institute for Human Rights and Business (IHRB) on those aspects of the guidance dealing specifically with human rights issues. In turn, the IHRB consulted with several other human rights organisations, as well as human rights advisers working for the FCO. The Guidance was published by TechUK on 26 November 2014.

SNIPER RIFLES

95. The Committees conclude that the Government's Response (Cm8935) to the Committees' previous Recommendation on the export of sniper rifles, namely that "given the utility of sniper rifles for internal repression, particularly in situations of conflict or potential conflict, the Government should give closer scrutiny to export licence applications for sniper rifles to countries where human rights abuses are prevalent or are likely to increase" is welcome. (See paragraphs 316 to 318 of Volume II of this Report)

The Government notes the Committees' conclusion.

TASERS

96. The Committees recommend that the Government states in its Response whether, since its previous Response (Cm8935), there have been any breaches of export controls in relation to Tasers and, if so, provides the Committees with details relating to prosecutions, confiscation proceedings, seizures, disruptions and compound penalties. (See paragraphs 319 to 321 of Volume II of this Report)

There have been no breaches of export controls in relation to Tasers since our previous Response (Cm8935). The Government reasserts its commitment to continue to report all such breaches of export controls and enforcement action taken, including in relation to Tasers, in the UK Strategic Export Controls Annual Report. These reports include details relating to prosecutions, confiscation proceedings, seizures, disruptions and compound penalties.

UNMANNED AERIAL VEHICLES (UAVS) "DRONES"

97. The Committees recommend that the Government states in its Response whether it is willing in principle to give export licence approval, subject to its export control Criteria, to weaponised Unmanned Aerial Vehicles (UAVs), their software, technology and components, as well as to surveillance UAVs, their software, technology and components. (See paragraphs 322 to 325 of Volume II of this Report)

Any licence application for the export of a reconnaissance or weaponised Unmanned Aerial Vehicle (UAV) system and software, technology and components, would be considered against the Consolidated Criteria on a case-

by-case basis, taking into account all the relevant facts and circumstances prevailing at the time of application.

ARMS EXPORTS TO COUNTER PIRACY

98. The Committees conclude that the Government's acknowledgement that it "is not a satisfactory situation" that exporters of arms for counter-piracy operations "have routinely been applying for licences to cover volumes of exports vastly in excess of what is actually exported" is welcome. (See paragraphs 326 to 336 of Volume II of this Report)

The Government notes the Committees' conclusion.

99. The Committees recommend that the Government states in its Response:
a) whether the Government's new licensing arrangements for supplies of automatic weapons and small arms for counter-piracy purposes to Private Maritime Security Companies (PMSCs) designed to align closely the volumes licensed and the volumes actually exported, following the Committees on Arms Export Controls' concerns that the numbers being approved for export were vastly in excess of the numbers actually needed, are now fully in place, and, if not, when they will be;

The new arrangements for the licensing of exports to the maritime anti-piracy sector are being put in place. It is hoped that the transition to the revised licensing arrangements for supplies of automatic weapons and small arms for counter-piracy purposes to Private Maritime Security Companies (PMSCs) will be completed by 30 September 2015.

b) whether these new arrangements limit the number of weapons that can be exported under the licence;

The new arrangements will limit the number of weapons that can be exported under the licences.

c) the operating area or approximate location of each of the 31 vessels being used as floating armouries for weapons for counter-piracy purposes with Government approval from the UK as listed at paragraph 118 of the Government's last Response (Cm8935);

The current vessel-based armouries can be located by their International Maritime Organisation (IMO) number (for vessels that weigh over 100 gross tons) and are as follows:

Name	Flag
MV Southern Star (IMO 8627000)	Bahamas
MV Aladdin (IMO 6524230)	Djibouti
MV SUUNTA – (IMO 7392854)	Djibouti
MV Menkar – (IMO 7605689)	Djibouti
MV Star Global – (IMO 7319242)	Djibouti/Palau
MV SIS Service - (IMO 7406215)	Liberia

MV Samaritan (IMO 8206105)	Mongolia
MV Theresa (IMO 8333506)	Mongolia
MV SULTAN (IMO 7636339)	Mongolia
MV Sinbad (IMO 7932006)	Mongolia
MV SAMRIYAH (IMO 7911777)	Mongolia
MV Antartic Dream - [IMO 5278432]	Mongolia
MV Seapol One – (IMO 8912572)	Mongolia
Ocean 7 No IMO No as less than 100 gross tons	N/A
MV DYNAMIC KARIM (IMO 4718716)	Panama
MV Navis Star (IMO 7353432) (<i>Accommodation Vessel</i>)	Panama
MV HADI XII (IMO 8107713)-MV Arina Dilber (IMO 8107713)	Panama
MV Defiant (IMO 5427784)	Panama
MV Sea Lion (IMO 7115567)	Sierra Leone
MV Mahanuwara (IMO 7412018)	Sri Lanka
MV Avant Garde - (IMO 8107036)	Sri Lanka
MV Alphonsa (IMO 8413174) - Resolution	St.Kitts & Nevis
MV Sea Patrol (43290-PEXT (MMSI 373376000)	St.Kitts & Nevis
MV Sea Patrol - IMO 4908729 (MMSI 341378000)	St.Kitts & Nevis
MV MNG RESOLUTION (IMO 8413174)	St.Kitts & Nevis
MV MNG ENDEAVOUR – IMO 7390430	St.Kitts & Nevis
MV Milad (IMO 7624635)	Togo
MV Northern Queen - IMO 7709253	Tuvalu
MV Soha Folk (IMO 8003175)	UAE
MV Deena (IMO 7313432)	UAE
Al Nader (IMO 7027502)	UAE
MV Abdullah – (IMO 8112823) (Abdallah)	UAE
AM230 - No IMO as vessel not above 100 gross tons	N/A
OW267 - No IMO as vessel not above 100 gross tons	N/A
LG251 - No IMO as vessel not above 100 gross tons	N/A

d) whether the revised version of the Open General Trade Control (Marine Anti-Piracy) licence will be put in place as scheduled by the end of the first quarter of 2015 with the Committees receiving the Government's promised letter confirming this;

The Government expects the revision to the Open General Trade Control Licence (Maritime Anti-Piracy) to be published by 30 September 2015. Should a successor to the Committees be in place by that time the Government will of course write to advise about the publication of the revised licence.

e) whether it is still the case that the Government has "no evidence of diversion" of the weapons it has approved for export for counter-piracy purposes being diverted for use for other purposes;

There remains no evidence of the weapons that have been approved for export for counter-piracy purposes having been diverted for use for other purposes.

- f) what steps the Government is taking to stop Private Maritime Security Companies (PMSCs) sharing weapons in breach of their licence conditions. (See paragraphs 326 to 336 of Volume II of this Report)

The revised Open General Trade Control Licence (Maritime Anti-Piracy) will clarify that PMSCs are not able to share weapons, and that doing so would be a breach of their licence conditions.

THE LICENSING OF SECURITY SERVICES

100. The Committee recommend that the Government states in its Response whether it will consider making the export of security services, as opposed to goods, that raise human rights issues subject to export controls. (See paragraphs 337 to 339 of Volume II of this Report)

The Government has no plans to make the export of security services, as opposed to goods, subject to export controls. The Government remains committed to working with its partners in industry, other governments and civil society to raise standards among private security providers operating in complex environments, using accredited certification and oversight by the International Code of Conduct Association.

ARMS EXPORTS AND INTERNAL REPRESSION

101. The Committees adhere to their previous Conclusion that the previously applied broad policy test for arms exports that: "An export licence will not be issued if arguments for doing so are outweighed [...] by concern that the goods might be used for internal repression", which had been Government policy since October 2000 until deleted by the present Government in March 2014, provides an important safeguard against military and dual-use goods, components, software and technology being exported from the UK from being used for internal repression. The Committees, therefore, repeat their previous Conclusion and Recommendation (as also stated in paragraphs 27 and 28 above) that the broad test is re-instated into the Government's revised Consolidated Criteria alongside the existing narrow "clear risk" test in Criteria 2 as had been the case from October 2000. (See paragraphs 340 to 342 of Volume II of this Report)

As the Government has made clear in previous correspondence with the Committees, there was no such broad test and there has been no change in policy. The Government has always applied Criterion 2 as it is set out in the Criterion itself, namely that it will not grant a licence where there is a clear risk that the goods might be used for internal repression. There has been no change to the way the policy is applied and no change to the outcome of specific licence applications as a result of the adoption of the revised Consolidated Criteria.

THE GOVERNMENT'S ARAB SPRING ARMS EXPORT POLICY REVIEW

102. The Committees recommend that the Government states in its Response whether its Arab Spring arms export policy review is now completed, and, if not, the areas in which it is continuing. (See paragraphs 343 to 345 of Volume II of this Report)

The Arab Spring arms export policy review is complete and the Government continues to apply the lessons learned. The suspension mechanism has demonstrated its value by enabling the Government to respond to events in Egypt in 2013 and in Russia and Ukraine in 2014. It allows the Government to act quickly, proportionately and flexibly to suspend extant export licences or halt the processing of new export licence applications while countries are in crisis or experiencing a sharp deterioration in security or stability, and in circumstances where it is not possible to make proper assessments against the Consolidated Criteria. Every case and each response is handled on its own merits, and all decisions are kept under regular review, enabling the Government to adjust its policy for a specific country according to the prevailing circumstances.

ARMS EXPORT LICENCE REVOCATIONS

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

a) whether it is satisfied that the powers it has under the Export Control Order 2008 (as amended) to vary or revoke export licences and the procedure it is currently following enable the Government to vary or revoke UK arms export licences with sufficient speed to take account of fast-moving military events or human rights violations in UK arms export destination countries;

The Government is satisfied with its powers under the Export Control Order 2008 to vary, suspend or revoke licences and with the procedures in place to do so.

b) whether the Government's project to classify export licensing data as "Official Statistics" under The Statistics and Registration Service Act 2007 will result in any diminution in the extent and timeliness of arms export licensing data becoming publically available. (See paragraphs 346 to 353 of Volume II of this Report)

The Government's project to classify export licensing data as Official Statistics under The Statistics and Registration Service Act 2007 will see the quarterly statistics being released to a pre-announced timetable. This timetable will be publically available from the Statistics Release Calendar (<https://www.gov.uk/government/statistics/announcements>) and will provide a timetable for releases at least 12 months ahead. These releases will continue to be published around three and a half months after the end of each quarter, or sooner if efficiencies in processing can be made (the Government aims to release statistical reports as soon as they are judged to be ready).

Additional quarterly outputs, including spreadsheets and a statistical commentary, will aim to provide more information about export licensing by

presenting data in formats which better facilitate its analysis. The Government will also provide more information about the quality of the data extracted from the licensing system.

ARMS EXPORT LICENCE SUSPENSIONS

104. The Committees recommend that the Government states in its Response to this Report whether it is satisfied that the powers it has under the Export Control Order 2008 (as amended) to vary or revoke export licences and the procedure it is currently following enable the Government to suspend UK arms export licences with sufficient speed to take account of fast-moving military events or human rights violations in UK arms export destination countries. (See paragraphs 354 to 360 of Volume II of this Report)

The Government is satisfied with its powers under the Export Control Order 2008 to vary, suspend or revoke licences and with the procedures in place to do so.

EXPORTS OF GIFTED EQUIPMENT

105. The Committees recommend that the Government states in its Response the outcome of its review of the Committees' previous Recommendation that "the Departmental Minutes relating to gifts that require Parliamentary approval state in respect of each item to be gifted which are on the Government's export controls Military List or Dual-Use List". (See paragraphs 361 to 365 of Volume II of this Report)

The Committees' recommendation has been accepted. However, arrangements are still to be made to put a policy in place to include this requirement in future Departmental Minutes.

TRANSFERS FROM STANDARD INDIVIDUAL EXPORT LICENCES TO OPEN INDIVIDUAL EXPORT LICENCES

106. The Committees conclude that there is a risk of an increase in breaches of the Government's arms export control policies as a result of its strategy to encourage exporters to transfer from Standard Individual Export Licences (SIELs) to Open Individual Export Licences (OIELs) where possible. Notwithstanding the fact that the Government has stated that this policy will only be applied to arms exports which do not raise significant concerns against the Consolidated Criteria, the Committees further conclude that their own concerns about this policy are reinforced by the fact that since the start of the so-called Arab Spring in December 2010 the Government has had to revoke or suspend a total of 52 Open Licences including to Bahrain, Central African Republic, Egypt, France, Libya, India, Italy, Russia, Thailand and Ukraine, and with regard to a further 47 multiple-destination OIELs the Government has had to remove Russia as a destination. (Details of each of these 52 Open Licences and 47 multiple-destination OIELs can be found in Volume II, paragraph 368). (See paragraphs 366 to 372 of Volume II of this Report)

107. The Committees recommend that the Government states in its Response what specific safeguards it will put in place to ensure that its policy of encouraging exporters to transfer

from SIELs to OIELs where possible, does not result in breaches of the Government's arms export control policies. (See paragraphs 366 to 372 of Volume II of this Report)

The Government's risk appetite will not change as a result of this new policy because the exports concerned do not raise significant concerns against the Consolidated Criteria. In addition, a company's use of open licences is also audited by ECO's Compliance Inspectors, who have the ability to recommend the suspension or revocation of an open licence in the event of a company not complying with its terms and conditions.

108. The Committees conclude that as the Business Secretary has now acknowledged in his letter of 4 February 2015 to the Chairman of the Committees that his Department's information that the length of the validity of OIELs was generally two years was incorrect and that "generally open licences are valid for five years", the Government's policy of encouraging exporters to transfer from SIELs to OIELs, where possible, is likely to increase the risk of breaches of the Government's arms export control policies. The Committees further conclude that the Government's policy of transferring SIELs to OIELs must inescapably reduce the transparency of the scale of the Government's approved arms exports given that the Government discloses the financial value of SIELs but not of OIELs. The Committees recommend that the Government states in its Response whether it will disclose the value of controlled goods actually shipped under each open licence in its Quarterly reports. (See paragraphs 366 to 372 of Volume II of this Report)

Arms exports to Countries of concern

The Government does not accept the Committees' conclusion. It is well-established that the standard validity period for OIELs is five years. For example, the Committees' predecessor noted in its 2007 report that 87% of OIELs granted in 2006 had a 5-year validity (Strategic Export Controls – 2007 Review, HC 117, Para 302). The Government accepts that it was unfortunate that, due to an oversight, the published reports gave inaccurate information regarding validity periods. However, as noted in response to paragraph 107, the Government does not consider that the increased use of OIELs would increase the risk of breaches of the Government's export control policies.

The Government does not collect information on the value of goods shipped under OIELs and so is unable to disclose this information.

ARMS EXPORTS TO COUNTRIES OF CONCERN

EXTANT ARMS EXPORT LICENCES TO FCO COUNTRIES OF HUMAN RIGHTS CONCERN WORLDWIDE, AND TO THE ADDITIONAL COUNTRIES AND TERRITORIES OF CONCERN TO THE COMMITTEES

109. The Committees recommend that the Government states in its Response whether it is satisfied that each of the 3,298 extant arms export licences to the Foreign and Commonwealth Office's 28 Countries of Human Rights concern, valued at £5.2 billion (SIELs only), and each of the 833 extant arms export licences to the Committees' Additional 7

Countries of concern, valued at £356.1 million (SIELs only), are currently compliant with all of the Government's Arms Export Licensing Criteria namely:

- a) 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);
- b) 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);
- c) Criterion Three (The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts);
- d) Criterion Four (Preservation of regional peace, security and stability);
- e) 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);
- f) 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);
- g) Criterion Seven (The existence of a risk that the items will be diverted within the buyer country or re-exported under undesirable conditions); and
- h) 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). (See paragraphs 373 to 377 of Volume II of this Report)

The Government rigorously examines every application on a case-by-case basis against the Consolidated Criteria.

When making export licensing decisions for goods destined for a country of concern, the Government examines the political and security conditions in the destination country, the nature of the equipment to be exported, the organisation or unit which will ultimately be the user of the equipment, and all available information about how similar equipment has been used in the past and how it is likely to be used in the future. The Government consults Government experts in the UK and posts overseas, and takes into account reports from NGOs and the media. Many applications, including all sensitive or finely-balanced cases, are submitted to Ministers for decision.

Where assessed as appropriate under the Consolidated Criteria, the Government does approve applications for equipment to countries which feature as countries of concern in the FCO's Annual Human Rights and Democracy Report, not least because many licensable goods have perfectly legitimate civilian uses. The Government does not export equipment in circumstances including where we assess there is a clear risk that it might be used for internal repression, or would provoke or prolong conflict within a country, or would be used aggressively against another country.

Countries are not static in terms of the Consolidated Criteria. The Government monitors developments closely, and if the situation deteriorates and the risks increase, it is prepared to suspend or revoke licences.

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

EXTANT ARMS EXPORT LICENCES TO CERTAIN INDIVIDUAL COUNTRIES WITHIN THE FCO'S LIST OF 28 COUNTRIES OF HUMAN RIGHTS CONCERN

AFGHANISTAN

110. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Afghanistan for all-wheel drive vehicles with ballistic protection, assault rifles, body armour, components for body armour, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for electronic warfare equipment, components for machine guns, components for military combat vehicles, components for pistols, cryptographic software, electronic warfare equipment, equipment employing cryptography, equipment for the use of electronic warfare equipment, machine guns, military helmets, military support vehicles, pistols, small arms ammunition, software for electronic warfare equipment, software for equipment employing cryptography, technology for electronic warfare equipment, technology for equipment employing cryptography and technology for military communications equipment are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, Four and Six. (See paragraphs 379 to 382 of Volume II of this Report)

The Government is satisfied that the extant licences for Afghanistan are compliant with the Consolidated Criteria and the UN Arms Embargo sanctions. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

CHINA

111. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to China for components for body armour, components for equipment employing cryptography, components for equipment for the use of military communications equipment, components for military communications equipment, components for military electronic equipment, cryptographic software, equipment employing cryptography, equipment for the development of equipment employing cryptography, equipment for the production of body armour, equipment for the production of equipment employing cryptography, equipment for the use of military communications equipment, military communications equipment, military electronic equipment, small arms ammunition, software for cryptographic software, software for equipment employing cryptography, software for military communications equipment, software for the development of equipment employing cryptography, software for the use of equipment employing

cryptography, technology for body armour, technology for cryptographic software, technology for equipment employing cryptography, technology for equipment for the production of military electronic equipment, technology for military communications equipment, technology for military electronic equipment, technology for software for equipment employing cryptography, technology for software for the use of equipment employing cryptography, technology for the development of equipment employing cryptography, technology for the production of military communications equipment, technology for the use of equipment employing cryptography, technology for the use of cryptographic software, technology for the use of software for the use of equipment employing cryptography and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three and Four. (See paragraphs 383 to 387 of Volume II of this Report)

The Government is satisfied that the extant licences for China are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

112. The Committees again recommend that the Government states in its Response whether it remains the Government's policy to continue to support the maintenance of the EU embargo on China but not to widen the UK Government's interpretation of the military and dual-use goods to which the EU embargo applies. (See paragraphs 383 to 387 of Volume II of this Report)

The Government's interpretation of the embargo is kept under regular review. There is no intention to widen the interpretation at this time.

IRAN

113. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Iran for components for military electronic equipment are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, Four and Seven. (See paragraphs 388 to 390 of Volume II of this Report)

The Government is satisfied that the extant licences for Iran are compliant with the Consolidated Criteria.

Sanctions against Iran currently include extensive restrictions on trade including the export of dual-use goods and goods that could boost Iran's nuclear programme or undermine the arms embargo. There are also restrictions targeting investment in Iran's energy sector, including the supply of key equipment and the purchase of oil and gas and associated insurance and transportations services. Furthermore, there are far-reaching restrictions on the financial sectors. These include the freezing of the economic resources

of designated individuals and entities, and restrictions on transactions with Iranian banks. All extant licences for Iran were approved in accordance with the sanctions in place. Goods which are not covered by restrictive measures, such as some military and dual-use items, are carefully assessed, with particular attention paid to equipment which could be used for internal repression, could provoke or prolong existing regional tensions, could be used for aggressive use against another country, or diverted to undesirable or unspecific end-users.

Although outside the period covered by the Committees' Report, it is worth noting that the agreement reached on 14 July 2015 between the E3/EU+3 (UK, France, Germany, US, Russia, China) and Iran will impose strict limits and inspections on Iran's nuclear programme. Under the agreement, Iran will grant the IAEA access to verify adherence to the restrictions placed on its nuclear programme, giving the international community confidence that the programme is, and will remain, entirely peaceful. In return, once Iran has taken key steps to introduce these restrictions the international community will lift some of its sanctions on Iran, delivering significant economic and financial benefits. Ballistic missile restrictions will only be lifted after eight years and the arms embargo after five years. These goods will still be subject to national export controls even when these restrictions are lifted.

The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

IRAQ

114. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Iraq (these include those to Kurdistan) for all-wheel drive vehicles with ballistic protection, anti-riot/ballistic shields, assault rifles, body armour, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for body armour, components for pistols, components for weapon mountings, cryptographic software, equipment employing cryptography, equipment for the production of military helmets, equipment for the use of weapon sights, military helmets, pistols, software for equipment employing cryptography, technology for anti-riot/ballistic shields, technology for body armour, technology for equipment employing cryptography, technology for equipment for the use of weapon sights, technology for military communications equipment, technology for military helmets, technology for the use of cryptographic software, technology for the use of equipment employing cryptography and weapon night sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, Four, Six and Seven. (See paragraphs 391 to 396 of Volume II of this Report)

The Government is satisfied that the extant licences for Iraq are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same Criteria. In such cases, the Government would revoke the

licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

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

ISRAEL AND THE OCCUPIED PALESTINIAN TERRITORIES

115. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Israel and the Occupied Palestinian Territories for anti-riot/ballistic shields, body armour, components for body armour, components for equipment employing cryptography, components for military combat vehicles, components for military communications equipment, components for military support vehicles, components for small arms ammunition, components for unmanned air vehicles, components for all-wheel drive vehicles with ballistic protection, components for military electronic equipment, cryptographic software, equipment employing cryptography, equipment for the development of equipment employing cryptography, equipment for the use of military combat vehicles, equipment for the use of military electronic equipment, equipment for the use of weapon sights, general military vehicle components, military communications equipment, military electronic equipment, military helmets, small arms ammunition, software for the use of equipment employing cryptography, software for equipment employing cryptography, software for the development of equipment employing cryptography, technology for cryptographic software, technology for equipment employing cryptography, technology for military communications equipment, technology for small arms ammunition, technology for the development of equipment employing cryptography, technology for the use of cryptographic software, technology for the use of equipment employing cryptography, technology for the use of software for the use of equipment employing cryptography, technology for the use of weapon sights and technology for unmanned air vehicles are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three and Four. (See paragraphs 397 to 414 of Volume II of this Report)

The Government is satisfied that the extant licences for Israel are compliant with the Consolidated Criteria. However, as the violence in Gaza in 2014 demonstrated, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same Criteria. On 12 August 2014, the Government announced the findings of a review of licensed exports to Israel which identified 12 licences for components which could be part of equipment used by the Israel Defence Forces in Gaza. The Government made clear that, in the event of a resumption of significant hostilities, it would suspend these licences as a precautionary measure. The Government has since monitored the situation closely and has assessed, to date, that breaches of the ceasefire reached on 27 August 2014 have not been significant enough to warrant a suspension of licences. The Government's answers to the Committees' Quarterly Questions, which can be

found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

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

a) the reasons why it decided to provide the Committees in the Business Secretary's reply of 15 December 2014 with the information for which the Committees had asked about the 12 arms export licences the Government had approved for Israel where, in the Government's own words, "in the event of a resumption of significant hostilities, and on the basis of information currently available to us, there could be a risk that the items might be used in the commission of a serious violation of international humanitarian law", when the Business Secretary and the Foreign Secretary had previously refused to provide the Committees with this same information 4 months earlier in August 2014. The information concerned is set out immediately below:

Application Type	Country Outcome (Direct Export)	Goods Summary	Total Goods Value (£)
SIEL (Permanent)	Israel	components for military aero-engines	3187.50
SIEL (Permanent)	Israel	components for targeting equipment	16000.00
SIEL (Permanent)	Israel	components for targeting equipment	30000.00
SIEL (Permanent)	Israel	components for targeting equipment	18000.00

Application Type	Destination country for incorporation before export to Israel	Goods Summary	Total Goods Value (£)
SIEL (Permanent)	Germany	components for military radars	6210.00
SIEL (Permanent)	United States	technology for military aero-engines, technology for naval engines	100.00
SIEL (Permanent)	United States	components for combat aircraft	49797.60
SIEL (Permanent)	Germany	components for military radars	6831.00
SIEL (Permanent)	Germany	components for tanks	330000.00
SIEL (Permanent)	United States	components for military radars	2388.44
SIEL (Permanent)	United States	components for combat aircraft	45000.0

SIEL (Permanent)	United States	launching/handling/control equipment for munitions	104000.00
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Information can be time-sensitive. In August 2014, the Government was faced with a complex, rapidly-evolving, and politically-sensitive situation. In those circumstances, the Government released generic information about the 12 licences identified for suspension in the event of a resumption of significant hostilities. By December 2014, a ceasefire had been in place for four months and the situation on the ground was much more stable. In light of the changed circumstances, the then Business Secretary, in response to a request from the Chair of the CAEC during evidence, decided to release further information about the 12 licences.

b) whether the Government considers there could be a risk that the UK components, technology and equipment in the 12 weapons systems in the table above might already have been used "in the commission of a serious violation of international humanitarian law" in Gaza. (See paragraphs 397 to 414 of Volume II of this Report)

The Government refers the Committees to its answer to paragraph 115.

117. With regard to the Government's approval in the first quarter of 2013 of a licence for the export to Israel and the Occupied Palestinian Territories of equipment employing cryptography and software for equipment employing cryptography to the value of £7.7 billion, the Committees conclude that it is regrettable that the Government has not been more forthcoming as to why the exporter took the unprecedented step of surrendering in August 2014 an export licence of this magnitude granted to one of the Foreign and Commonwealth Office's top 28 Countries of Human Rights Concern within 18 months of it receiving Government approval. The Committees recommend that the Government states in its Response:

a) whether the export licence application to export to Israel and the Occupied Palestinian Territories equipment employing cryptography and software for equipment employing cryptography to the value of £7.7 billion was put to Ministers for approval and, if not, whether such licence applications will be put to Ministers in future;

The application was not put to Ministers because, in light of the nature of the goods and the end-use, the application was not considered to be of concern against the Consolidated Criteria.

b) whether it is its policy to encourage exporters to surrender approved licences, both SIELs and OIELs, that they no longer intend to use rather than wait until they become time-expired;

It is not Government policy to encourage exporters to surrender approved licences. However, exporters do have an option to surrender licences they no longer require. This might include reasons such as loss of the business relevant to the licences granted, or company name changes. Around 2% of all licences granted in 2014 were surrendered.

c) whether, in order to see that any appropriate lessons are learnt, the Government has now established from the exporter in question the reason for its surrender of its unused £7.7 billion export licence 18 months after it received Government approval;

The Government understands that the company which was granted the licence was subject to a buyout and that the new owner is reviewing its business planning. The licence was surrendered because there were no planned UK exports.

d) what changes it will be making to its export control procedures in the light of the surrender of this unused £7.7 billion export licence 18 months after it received Government approval. (See paragraphs 397 to 414 of Volume II of this Report)

Further information was sought from the exporter on licensing volumes during the application process so the Government is satisfied that the correct procedures were followed for granting this licence and therefore no changes have been proposed.

LIBYA

118. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Libya for anti-riot/ballistic shields, assault rifles, body armour, combat shotguns, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for body armour, components for pistols, cryptographic software, equipment employing cryptography, hand grenades, military helmets, military support vehicles, pistols, small arms ammunition, smoke/pyrotechnic ammunition, smooth-bore weapons, software enabling equipment to function as military communications equipment, software for equipment employing cryptography, software for the use of equipment employing cryptography, technology for equipment employing cryptography, technology for software enabling equipment to function as military communications equipment and technology for the use of equipment employing cryptography are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, Four and Seven. (See paragraphs 415 to 419 of Volume II of this Report)

The Government is satisfied that the extant licences for Libya are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences, as it did in relation to six Open Individual Technical Assistance Licences for Libya in April 2015.

119. The Committees further recommend that the Government states in its Response what action the Government and the Crown Prosecution Service have taken in relation to the licence applicant who submitted the application for the export to Libya of body armour and military helmets that the Export Control Organisation determined in April-June 2014 was not a legitimate order and that the end-user undertaking was a forgery, and, if no action has been taken, the reason why not. (See paragraphs 415 to 419 of Volume II of this Report)

An exporter commits a criminal offence if the business knowingly or recklessly makes a statement or submits a false document or false information in a licence application. In this case, the Government identified that the end-user undertaking was a forgery during our rigorous assessment of the licence application. We found no evidence that the exporter knew the document was false or that they acted in anything other than good faith – they appeared to be the innocent victims of fraud. The Government therefore decided that it was not appropriate to take further action against the exporter beyond the refusal of the licence application in question. However, we are committed to working with exporters to help them to identify suspicious or fraudulent activity and there is guidance available on the subject. We will examine whether any additional guidance or awareness-raising is necessary.

BIS also publishes guidance for exporters on how to spot suspicious enquiries:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/341998/10-668-codepractice-compliance.pdf or the guidance on WMD end-use: <https://www.gov.uk/weapons-of-mass-destruction-wmd-end-use-control#making-a-suspicious-enquiry-on-your-exports>.

RUSSIA

120. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Russia for components for military helicopters, cryptographic software, equipment employing cryptography, equipment for the use of military helicopters, small arms ammunition and software for equipment employing cryptography are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three and Four and with EU sanctions on arms exports to Russia. (See paragraphs 420 to 437 of Volume II of this Report)

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

- a) what is now the Government's policy on the revocation or suspension of the 248 extant Government approved Military and Dual-use goods export licences to Russia valued at £168,536,910 (SIELs only) and on determining new licence applications for Military and Dual-use goods to Russia; and
- b) what use has been made by Russian forces, and by those in Ukraine whom Russia is supporting, of UK Government export licence approved weapons, components, technology and software for weapon systems, in military operations in Crimea and in other areas of Ukraine. (See paragraphs 420 to 437 of Volume II of this Report)

The Government is satisfied that the extant licences for Russia are compliant with the Consolidated Criteria and the EU sanctions against Russia which were introduced on 1 August 2014. Licences which were not consistent with the EU sanctions were revoked.

It is acknowledged that circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The

Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

All new licences for Russia are rigorously assessed under the EU sanctions and the Consolidated Criteria and any which are inconsistent will be refused.

The Government is not aware of UK Government export licence-approved goods being used against Ukraine.

SAUDI ARABIA

122. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Saudi Arabia for anti-riot/ballistic shields, assault rifles, ballistic shields, body armour, command and control vehicles, command communications control and intelligence equipment, command communications control and intelligence software, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for body armour, components for general purpose machine guns, components for ground vehicle military communications equipment, components for machine guns, components for machine pistols, components for military auxiliary/support vehicles, components for military combat vehicles, components for military communications equipment, components for military electronic equipment, components for military support vehicles, components for pistols, components for rifles, components for semi-automatic pistols, components for sniper rifles, components for submachine guns, components for weapon night sights, components for weapon sight mounts, crowd control ammunition, CS hand grenades, equipment employing cryptography, equipment for the production for machine guns, equipment for the use of military communications equipment, equipment for the use of sniper rifles, equipment for the use of weapon night sights, equipment for the use of weapon sights, general military vehicle components, general purpose machine guns, gun mountings, gun silencers, hand grenades, machine guns, machine pistols, military communications equipment, military electronic equipment, military helmets, military support vehicles, night vision goggles, pistols, radio jamming equipment, rifles, semi-automatic pistols, simulators for military communications equipment, small arms ammunition, smoke/pyrotechnic ammunition, sniper rifles, software enabling equipment to function as military communications equipment, software for equipment employing cryptography, software for ground vehicle military communications equipment, software for radio jamming equipment, software for the use of command and control vehicles, software for the use of equipment employing cryptography, software for the use of equipment for the use of military communications equipment, software for the use of military communications equipment, submachine guns, tear gas/irritant ammunition, technology for command communications control and intelligence software, technology for equipment employing cryptography, technology for ground vehicle military communications equipment, technology for military communications equipment, technology for military electronic equipment, technology for military support vehicles, technology for software enabling equipment to function as military communications equipment, technology for the use of command and control vehicles, technology for the use of command communications control and intelligence equipment, technology for the use of equipment employing cryptography, technology for the use of equipment for the use of military communications

equipment, technology for the use of equipment for the use of weapon sights, technology for the use of military communications equipment, technology for the use of weapon sight mounts, technology for the use of weapon sights, technology for unmanned air vehicles, technology for weapon night sights, wall/door breaching projectiles/ammunition, weapon night sights, weapon sight mounts and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two, Three and Four. (See paragraphs 438 to 440 of Volume II of this Report)

The Government is satisfied that the extant licences for Saudi Arabia are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

SRI LANKA

123. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Sri Lanka for acoustic devices for riot control, all-wheel drive vehicles with ballistic protection, assault rifles, body armour, combat shotguns, components for assault rifles, components for body armour, components for combat shotguns, components for pistols, components for rifles, components for sniper rifles, cryptographic software, equipment employing cryptography, military helmets, pistols, rifles, small arms ammunition, sniper rifles, software for equipment employing cryptography, technology for equipment employing cryptography and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One and Two. (See paragraphs 441 to 444 of Volume II of this Report)

The Government is satisfied that the extant licences for Sri Lanka are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

SYRIA - CONVENTIONAL ARMS EXPORTS AND GIFTED EQUIPMENT

124. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Syria for body armour, components for body armour, cryptographic software, equipment employing cryptography and military helmets are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three and Four. (See paragraphs 445 to 450 of Volume II of this Report)

The Government is satisfied that the extant licences for Syria are compliant with the Consolidated Criteria, being primarily for humanitarian supplies for

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

125. The Committees recommend that the Government states in its Response what further items which would be categorized as controlled goods if exported commercially, the Government has gifted to end-users in Syria since those listed in its previous Response (Cm8935) stating in each case:

- a) the quantity;
 - b) the recipient to whom it was gifted; and
 - c) whether the Government has any information as to whether the item has been on-sold or transferred to a third party
- together with the answer to c), not previously answered by the Government in Cm8935, in relation to the controlled goods listed in paragraph 124 above. (See paragraphs 445 to 450 of Volume II of this Report)

All of the gifted items provided in 2014 were non-controlled items and therefore not subject to export controls.

SYRIA - DUAL-USE CHEMICAL EXPORTS

126. The Committees continue to conclude that the Government's decision to give 2 export licence approvals for dual-use chemicals, sodium fluoride and potassium fluoride, to Syria in January 2012 when:

- a) Syria was a known holder of chemical weapons;
 - b) Syria was, at the time, a known non-signatory of the Chemical Weapons Convention;
 - c) given the nature of the Assad regime;
 - d) a civil war was raging in Syria;
 - e) sodium fluoride and potassium fluoride were both listed by the Australia Group and by the EU in its Dual-Use Regulation as precursor chemicals in the manufacture of chemical weapons; and
 - f) the company granted the licences appeared to be a "Brass Plate" one
- was irresponsible. (See paragraphs 451 to 454 of Volume II of this Report)

127. The Committees continue to recommend that the Government should adopt a policy of a very strong presumption against approving applications for dual-use chemical exports to countries that:

- a) are known holders of chemical weapons;
- b) have not signed and ratified the Chemical Weapons Convention; and
- c) are not participating in an Organisation for the Prohibition of Chemical Weapons-verified destruction programme

and that any proposals to approve such licence applications should be put to Ministers for decision. (See paragraphs 451 to 454 of Volume II of this Report)

The Government has a robust legal framework and a transparent process for making decisions that takes account of a wide range of potential risks, including the risk of diversion of dual-use chemicals to a chemical weapons programme. All export licence applications are carefully assessed on a case-by-case basis, taking account of all available information from open and classified sources. In addition, stringent checks are made at the border in order to prevent unlicensed exports of controlled goods, and to prevent exports of goods that do not normally require a licence but which may be destined for a chemical weapons programme. Sodium fluoride and potassium fluoride are not listed in the Schedules of the CWC. However, they are included on the AG chemical weapons precursors list and are listed in Annex I of Council Regulation 428/2009, so they are subject to export controls.

Sodium fluoride and potassium fluoride can have legitimate commercial uses. Two licences were issued in January 2012 to export sodium fluoride and potassium fluoride for making shower and window frames. Each licence was assessed rigorously against the Consolidated Criteria, including the risk of diversion to another end-use. The stated end-use was credible and the licensed quantities were consistent with that end-use. There was no evidence of a link to a chemical weapons programme. Following the imposition of new EU sanctions on Syria in June 2012, the licences were revoked before any chemicals were exported.

SYRIA - CONTINUING USE OF CHEMICAL WEAPONS

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

- a) whether there have been any further chlorine, or other, chemical weapon attacks in Syria since the Foreign Secretary's reply to the Committees of 10 December 2014, and, if so, by whom and with what number of deaths and serious injuries as a result;
- b) in what specific ways the Government considers that Syria is failing to comply with its obligations under the Chemical Weapons Convention; and
- c) in what specific ways the Government continues to work to bring the perpetrators of these and other atrocities in Syria to account. (See paragraphs 455 to 457 of Volume II of this Report)

Since the Foreign Secretary's reply to the Committees in 2014, there have been over 60 reports of chemicals being used as a weapon in Syria in the period covering 10 December 2014 to 31 May 2015. The Government cannot confirm the exact number of casualties but based on witness reports we believe it could be around 100.

The CWC prohibits the use of chemical weapons by States Parties. UN Security Council Resolutions 2118 (2013) and 2209 (2015) make clear that Chapter VII mandatory measures shall be imposed if the use of chemicals as a weapon is confirmed. Although investigations by both the UN and the OPCW have confirmed that chemicals have continued to be used as a weapon in Syria, neither organisation has been mandated to attribute specific responsibility for the attacks. However, in chlorine attacks last year, the

consistent presence of helicopters – a capability only the regime possesses – and a pattern of attacks in opposition-held areas makes it difficult to conclude that anyone other than the Syrian regime was responsible.

The Government is therefore working with the UN and OPCW to ensure that those responsible are held to account. But targeted measures imposed by the Security Council will require a resolution that gains acceptance of all permanent members of the UN Security Council, including Russia.

The Government also believes that Syria cannot be considered to be complying with its obligations under the CWC until all outstanding questions and discrepancies about their declarations of their programme to the OPCW have been resolved. The OPCW's Technical Secretariat continues to address these issues with the Syrian regime.

UZBEKISTAN

129. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Uzbekistan for cryptographic software, equipment employing cryptography, small arms ammunition, software for equipment employing cryptography, software for the use of equipment employing cryptography, technology for equipment employing cryptography and technology for the use of equipment employing cryptography are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two. (See paragraphs 458 to 460 of Volume II of this Report)

The Government is satisfied that the extant licences for Uzbekistan are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

YEMEN

130. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Yemen for assault rifles, body armour, components for assault rifles, components for body armour, components for military support vehicles, cryptographic software, equipment employing cryptography, military support vehicles, software for the use of equipment employing cryptography, technology for military electronic equipment, technology for military support vehicles, technology for the use of cryptographic software, technology for the use of equipment employing cryptography and technology for the use of software for the use of equipment employing cryptography are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two. (See paragraphs 461 to 464 of Volume II of this Report)

131. The Committees recommend that the Government states in its Response whether in the light of the insurgency by Shi'a Houthi rebel group, the Government has reviewed its

arms and dual-use exports policy to Yemen, together with the extant licences for both, and, if so, with what results. (See paragraphs 461 to 464 of Volume II of this Report)

The Government is satisfied that the extant licences for Yemen are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria.

In light of the deteriorating political and security situation in Yemen, the Government reviewed extant licences for Yemen and revoked three SIELs in April 2015 for components for military support aircraft; body armour, components for body armour; assault rifles, components for assault rifles and weapon cleaning equipment. In the same month, the Government also removed Yemen from an OIEL as a permitted destination for components for military field engineer equipment, components for military support vehicles, components for munitions/ordnance detection/disposal equipment, military electronic equipment, military field engineer equipment, military support vehicles, munitions/ordnance detection/disposal equipment, technology for military electronic equipment, technology for military support vehicles, technology for munitions/ordnance detection/disposal equipment and technology for the use of military field engineer equipment.

EXTANT ARMS EXPORTS LICENCES TO THE 7 ADDITIONAL COUNTRIES AND TERRITORIES OF CONCERN TO THE COMMITTEES

ARGENTINA

132. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Argentina for anti-riot/ballistic shields, artillery ammunition, components for artillery, components for combat naval vessels, components for launching/handling/control of equipment for missiles, components for military electronic equipment, components for military helmets, components for naval guns, components for sniper rifles, components for weapon control systems, cryptographic software, equipment employing cryptography, equipment for the development of equipment employing cryptography, gun mountings, launching/handling/control equipment for missiles, military communications equipment, small arms ammunition, sniper rifles, software for equipment employing cryptography, software for the development of equipment employing cryptography, technology for artillery, technology for equipment employing cryptography, technology for launching/handling/control equipment for munitions, technology for military communications equipment, technology for naval combat vessels, technology for naval guns, technology for the development of equipment employing cryptography, technology for weapon control equipment, weapon control equipment and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: Four and Five, and with the Written Ministerial Statement of the Business Secretary on 26 April 2012. (See paragraphs 467 to 471 of Volume II of this Report)

The Government is satisfied that the extant licences for Argentina are compliant with the Consolidated Criteria (including Criterion 7, which deals

with the risk of diversion) and the Written Ministerial Statement of the Business Secretary on 26 April 2012. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

133. The Committees continue to conclude that it is reprehensible that the Government, given the relatively recent history of British ships being sunk in the Falklands War by missiles supplied by a fellow NATO member and the statement by the Argentinian Foreign Minister, as reported on 5 February 2013, regarding Argentinian control of the Falkland Islands, when he said "I don't think it will take another 20 years", is unwilling to lobby other Governments to make the same change in arms exports policy to Argentina as that announced by the British Government on 26 April 2012. The Committees continue to recommend that the Government should do so. (See paragraphs 467 to 471 of Volume II of this Report)

The Government remains absolutely committed to the protection of the Falkland Islands and supports the population's right to self-determination. The Government does not believe that an international embargo would be appropriate at this time, as this is currently primarily a bilateral issue. However, the Government expects all countries to take the actions of the Argentine Government into account when considering, and making their own assessments on, export licence applications. The Government continues to respond robustly to actions by the Argentine Government aimed at harming the economic interests of the Falkland Islanders.

BAHRAIN

134. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Bahrain for anti-riot/ballistic shields, assault rifles, command communications control and intelligence software, components for assault rifles, components for body armour, components for gun mountings, components for machine guns, components for military communications equipment, components for military support vehicles, components for small arms ammunition, components for sniper rifles, cryptographic software, equipment employing cryptographic software for the use of equipment employing cryptography, equipment employing cryptography, equipment for the use of assault rifles, equipment for the use of machine guns, equipment for the use of military communications equipment, equipment for the use of weapon night sights, general military vehicle components, gun mountings, gun silencers, hand grenades, machine guns, military communications equipment, military electronic equipment, military helmets, military support vehicles, military utility vehicles, small arms ammunition, sniper rifles, software for telecommunications jamming equipment, software for the use of equipment employing cryptography, tear gas/riot control agents, technology for command communications control and intelligence software, technology for equipment employing cryptography, technology for military communications equipment, technology for military electronic equipment, technology for military support vehicles, technology for the use of equipment employing cryptography, telecommunications jamming equipment, weapon night sights and weapon sights are

currently compliant with the following of the Government's Arms Export Licensing Criteria: Two, Four and Seven. (See paragraphs 472 to 478 of Volume II of this Report)

The Government is satisfied that the extant licences for Bahrain are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

EGYPT

135. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Egypt for acoustic devices for riot control, assault rifles, body armour, combat shotguns, components for assault rifles, components for body armour, components for military auxiliary/support vehicles, components for military communications equipment, components for military electronic equipment, components for pistols, components for sniper rifles, cryptographic software, equipment employing cryptography, equipment for the use of military communications equipment, general military vehicle components, military combat vehicles, military communications equipment, military helmets, military support vehicles, pistols, small arms ammunition, sniper rifles, software for equipment employing cryptography, software for military communications equipment, software for the use of equipment employing cryptography, technology for equipment employing cryptography, technology for the use of cryptographic software, technology for the use of equipment employing cryptography, technology for the use of software for the use of equipment employing cryptography, telecommunications jamming equipment and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two and Three, and with the EU's arms exports suspension Criterion applying to Egypt requiring suspension of exports "which might be used for internal repression". (See paragraphs 479 to 483 of Volume II of this Report)

The Government is satisfied that the extant licences for Egypt are compliant with the Consolidated Criteria and the EU Foreign Affairs Council suspension. The Government assesses all export licence applications for Egypt against both control thresholds and will suspend any licence if it assesses that the equipment 'might be used for internal repression.' Circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same Criteria. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

HONG KONG

136. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Hong Kong for anti-riot/ballistic shields, ballistic shields, body armour, components for anti-riot/ballistic shields, components

for ballistic shields, components for body armour, components for military communications equipment, components for military electronic equipment, components for military helmets, components for small arms ammunition, components for the use of military communications equipment, components for weapon night sights, cryptographic software, CS hand grenades, equipment employing cryptography, equipment for the development of equipment employing cryptography, equipment for the use of military communications equipment, gun mountings, gun silencers, hand grenades, handcuffs, military communications equipment, military helmets, military utility vehicles, small arms ammunition, smoke ammunition, smoke canisters, smoke hand grenades, software enabling equipment to function as equipment employing cryptography, software for cryptographic equipment, software for equipment employing cryptography, software for the development of equipment employing cryptography, software for the use of equipment employing cryptography, stun grenades, tear gas/irritant ammunition, tear gas/riot control agents, technology for equipment employing cryptography, technology for ground vehicle communications equipment, technology for military communications equipment, technology for military electronic equipment, technology for the development of equipment employing cryptography, technology for the use of cryptographic software, technology for the use of equipment employing cryptography, technology for the use of software for the use of equipment employing cryptography, technology for weapon night sights, thunderflashes, weapon night sights and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two and Three. (See paragraphs 484 to 491 of Volume II of this Report)

The Government is satisfied that the extant licences for Hong Kong are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

137. The Committees recommend that the Government in its Response states whether, given that there has been repeated use by the Hong Kong police of pepper sprays, and at least one use of tear gas, against those demonstrating peacefully, it remains its policy to be willing to grant licence approval for these items to be exported to the Hong Kong Police Force. (See paragraphs 484 to 491 of Volume II of this Report)

The Government has not identified any licence applications or approved licences for pepper spray for Hong Kong.

The Government granted an export licence for the export of tear gas to Hong Kong on August 2010. It appears from public images that some of the tear gas canisters used during the protests in Hong Kong on 28 September 2014 were manufactured by a UK company, but Hong Kong police have not verified this and we have no independent confirmation.

It is not the case that any use of CS gas would automatically lead to circumstances in which it would be appropriate to suspend or revoke a licence.

It is the Government's assessment that the use of CS gas by the Hong Kong police on 28 September 2014 was an isolated incident, and that the Hong Kong police's use of tear gas was an unwelcome but uncharacteristic response at an early stage of the protests, and was not indicative of a wider pattern of behaviour. Following the incident, the Hong Kong police generally approached the protests carefully and proportionately.

No licences for Hong Kong were suspended or revoked, neither did any multiple destination open licences have Hong Kong removed as a permitted destination.

In the Committees' Oral Evidence session on 1 December 2014, the Foreign Secretary explained why he thought the provision of tear gas for policing was legitimate. He said: *"that CS gas is supplied as a public order policing tool. When we grant a licence for the supply of CS gas to a police force, we should expect that it may be deployed, in appropriate circumstances, in a public order policing situation. It is not the case that any use of CS gas would automatically lead to circumstances in which it would be appropriate to revoke or suspend a licence. It would be disingenuous of us to supply a product, the sole use of which is as a public order policing control tool, and then say that any use of it would be inappropriate. We would have to look at the circumstances of use to ensure that it was proportionate and appropriate"*.

QATAR

138. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Qatar for anti-riot/ballistic shields, assault rifles, ballistic shields, body armour, combination rifle-shotguns, command communications control and intelligence software, components for assault rifles, components for body armour, components for combination rifle-shotguns, components for general purpose machine guns, components for machine guns, components for machine pistols, components for military combat vehicles, components for military communications equipment, components for military electronic equipment, components for pistols, components for rifles, components for semi-automatic pistols, components for shotguns, components for small arms ammunition, components for submachine guns, components for weapon night sights, cryptographic software, CS hand grenades, equipment employing cryptography, equipment for small arms ammunition, equipment for the use of assault rifles, equipment for the use of grenade launchers, equipment for the use of machine guns, equipment for the use of sniper rifles, equipment for the use of weapon night sights, general purpose machine guns, grenade launchers, gun mountings, gun silencers, machine guns, machine pistols, military communications equipment, military helmets, pistols, rifles, semiautomatic pistols, shotguns, small arms ammunition, smoke ammunition, smoke canisters, smoke hand grenades, sniper rifles, software enabling equipment to function as military communications equipment, software for radio jamming equipment, software for the use of equipment employing cryptography, stun grenades, submachine guns, tear gas/irritant ammunition, tear gas/riot control agents, technology for assault rifles, technology for command communications control and intelligence software, technology for equipment employing cryptography, technology for machine guns, technology for software enabling

equipment to function as military communications equipment, technology for the use of equipment employing cryptography, technology for the use of weapon sights, telecommunications jamming equipment, unmanned air vehicles, weapon night sights, weapon sight mounts and weapon sights, are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two, Four, Six and Seven. (See paragraphs 492 to 496 of Volume II of this Report)

139. The Committees recommend that the Government states in its Response whether it is aware of any military or dual-use goods exported to Qatar under UK Government approved licences subsequently being transferred to Islamist militants in Libya, Iraq, Syria or other countries. (See paragraphs 492 to 496 of Volume II of this Report)

The Government is satisfied that the extant licences for Qatar are compliant with the Consolidated Criteria, including Criterion 7, which deals with the risk of diversion. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

The Government is not aware of any military or dual-use goods exported to Qatar under UK Government-approved licences subsequently being transferred to Islamist militants in Libya, Iraq, Syria or other countries.

TUNISIA

140. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Tunisia for body armour, command communications control and intelligence software, components for body armour, components for military communications equipment, cryptographic software, equipment employing cryptography, military communications equipment, military electronic equipment, military support vehicles, small arms ammunition, software enabling equipment to function as military communications equipment, software for equipment employing cryptography, software for radio jamming equipment, technology for command communications control and intelligence software, technology for equipment employing cryptography, technology for military electronic equipment, technology for military support vehicles, technology for software enabling equipment to function as military communications equipment, telecommunications jamming equipment, weapon night sights, weapon sight mounts and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: Two and Seven. (See paragraphs 497 to 499 of Volume II of this Report)

The Government is satisfied that the extant licences for Tunisia are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly

Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

UKRAINE

141. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Ukraine for body armour, command communications control and intelligence software, components for body armour, components for sniper rifles, cryptographic software, equipment employing cryptography, equipment for the use of weapon sights, gun silencers, military electronic equipment, military helmets, military support vehicles, rifles, small arms ammunition, sniper rifles, software for equipment employing cryptography, software for the use of equipment employing cryptography, technology for command communications control and intelligence software, technology for equipment employing cryptography, technology for the use of equipment employing cryptography, weapon night sights and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, and Four. (See paragraphs 500 to 508 of Volume II of this Report)

The Government is satisfied that the extant licences for Ukraine are compliant with the Consolidated Criteria. However, circumstances can and do change rapidly, leading to a reassessment of risk and, in some cases, a different decision using the same criteria. In such cases, the Government would revoke the licences. The Government's answers to the Committees' Quarterly Questions, which can be found at Volume 2, Annex 1 of the Committees' Annual Report, provide more detail about individual licences.

142. The Committees recommend that the Government states in its Response what is now its policy on the export of military and dual-use goods to Ukraine, and on the extant export licences to Ukraine for both categories of goods. (See paragraphs 500 to 508 of Volume II of this Report)

All licence applications for Ukraine are assessed against the Consolidated Criteria in the normal way. With respect to assistance to the Government of Ukraine, Government policy since the start of the Russia/Ukraine crisis has been to supply non-lethal assistance to the Ukrainian armed forces in line with our assessment that there must be a political solution to this crisis. This policy applies to all military and dual-use goods. However, the Foreign Secretary stated in the House of Commons on 10 February 2015 that we reserve the right to keep under review whether to supply lethal aid.

A copy of the Foreign Secretary's statement can be found here:
<https://www.gov.uk/government/speeches/the-foreign-secretarys-statement-to-house-of-commons-on-the-situation-in-ukraine>

143. The Committees further recommend that the Government states in its Response:
a) whether, when it gave export licence approval in December 2014 for the export of 75 Saxon Armoured Personnel Carriers valued at £2,075,000, it was aware that they were likely to be armed after their delivery to Ukraine, and

b) whether it remains the Government's policy to export or gift only non-lethal goods to Ukraine. (See paragraphs 500 to 508 of Volume II of this Report)

When export licence approval was given for the 75 Saxon Armoured Personnel Carriers, the Government was not aware that they were likely to be modified after their delivery to Ukraine.

As noted above in the Government's answer to question 142, all licence applications for Ukraine are assessed against the Consolidated Criteria in the normal way. With respect to assistance to the Government of Ukraine, Government policy since the start of the Russia/Ukraine crisis has been to supply non-lethal assistance to the Ukrainian armed forces in line with our assessment that there must be a political solution to this crisis. This policy applies to all military and dual-use goods. However, the Foreign Secretary stated in the House of Commons on 10 February 2015 that we reserve the right to keep under review whether to supply lethal aid.

A copy of the Foreign Secretary's statement can be found here:
<https://www.gov.uk/government/speeches/the-foreign-secretarys-statement-to-house-of-commons-on-the-situation-in-ukraine>

ARMS EXPORTS TO AUTHORITARIAN REGIMES AND COUNTRIES OF CONCERN WORLDWIDE

144. The Committees conclude that events worldwide relating to internal repression since the Committees' last Report was published in July 2014 provide compelling support for their previous Recommendation that the Government should apply significantly more cautious judgements when considering arms export licence applications for goods to authoritarian regimes which might be used for internal repression. (See paragraphs 509 to 512 of Volume II of this Report)

145. The Committees, therefore, adhere to, and repeat, their previous Recommendation that the Government should apply significantly more cautious judgements when considering arms export licence applications for goods to authoritarian regimes which might be used for internal repression. (See paragraphs 509 to 512 of Volume II of this Report)

The Government rigorously examines every application on a case-by-case basis against the Consolidated Criteria, including assessment of how the goods might be used in the destination country. The Government will not licence where there is a clear risk that the goods might be used for internal repression purposes.

When making export licensing decisions for goods destined for a country of human rights concern, the Government examines the political and security conditions in the destination country, the nature of the equipment to be exported, the organisation or unit which will ultimately be the user of the equipment, and all available information about how similar equipment has

been used in the past and how it is likely to be used in the future. The Government consults Government experts in the UK and posts overseas, and takes into account reports from NGOs and the media. Many applications, including all sensitive or finely-balanced cases, are submitted to Ministers for decision.

The Government does approve applications for equipment to countries which feature as countries of concern in the FCO's Annual Human Rights and Democracy Report, not least because many licensable goods have perfectly legitimate civilian uses. The Government does not export equipment where it assesses there is a clear risk that it might be used for internal repression, or would provoke or prolong conflict within a country, or would be used aggressively against another country.

Countries are not static in terms of the Consolidated Criteria. The Government monitors developments closely, and if the situation deteriorates and the risks increase, the Government is prepared to suspend or revoke licences.

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

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