

Export Control (Belarus) and (Syria Amendment) Order 2011

Department for International Trade

RPC rating: fit for purpose

Description of proposal

The policy under review relates to the domestic implementation of an EU sanctions regime (the Belarus Regulation). The regime restricts the export of controlled goods, such as arms, from the EU to Belarus. Under the Belarus Regulation, each member state is obligated to impose penalty measures on any exporters that are in breach of the sanctions regime.

The Belarus Regulation will remain in force until February 2018, when it is due to be reviewed. The Department has, therefore, recommended that the domestic penalty regime remains in force for the time being.

Impacts of proposal

The PIR states that the policy has no impact on businesses, as costs will only fall on businesses that are not compliant with the existing EU sanctions regime.

Quality of submission

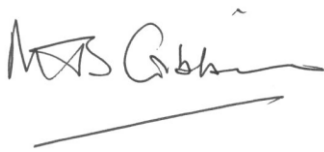
Though domestic implementation only affects businesses that are not compliant with EU regulations, the PIR would benefit from including a discussion of any impacts caused by the EU sanctions regime itself (including wider societal impacts).

The PIR explains that the EU sanctions regime contains no minimum penalty for domestic implementation of the penalty regime. The only guidance on an appropriate penalty is that it must be effective, proportionate, and dissuasive. The Department argues that the penalty has been effective, as very few have been issued. However, the Department does not appear to have explored the potential to reduce penalties without compromising their effectiveness. As the cost bearers are non-compliant businesses, the Department may not have found it proportionate or appropriate to do so. The Department also does not discuss the probability of detection for non-compliant businesses and the extent to which this affects its conclusion.

Departmental recommendation	Renew
Estimated equivalent annual net cost to business (EANCB)	Zero

RPC assessment

Is the evidence in the PIR sufficiently robust to support the departmental recommendation?	Yes
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Michael Gibbons CBE, Chairman