

The Export Control (Al-Qaida and Taliban Sanctions) Regulations 2011

Department for International Trade

RPC rating: fit for purpose

Description of proposal

The policy under review relates to the domestic implementation of two directly-applicable EU sanctions regimes (Al-Qaida Regulation and Taliban Regulation). Under the EU regulations, each member state is obligated to impose penalty measures on any exporters that are in breach of the sanctions regimes. The domestic measure introduced penalties for UK exporters acting in breach of the restrictive measures set out in the two EU regulations, with persons or entities associated with the Al-Qaida or Taliban.

The post-implementation review (PIR) was due by 30 November 2016 (five years after implementation of the regulations). The PIR states that both EU regulations remained in force across all EU member states as of May 2017.

Impacts of proposal

The Department considers that the policy has no impact to be accounted for business impact target purposes, as costs fall only on businesses that are not compliant with the existing EU sanctions regime.

Quality of submission

Although domestic implementation affects only 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).

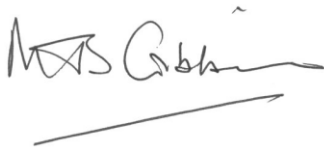
The EU regulations appear to contain no minimum penalty for domestic implementation of the penalty regime. The only guidance on an appropriate penalty is that it must be effective, proportionate, and dissuasive. The Department argues that the penalty regime has been effective, as there have been no significant breaches detected, and, therefore, the measure should be retained in its current form. The Department explains that the level of penalties is in line with that of other similar UK regimes, which minimises familiarisation costs to business. Using the (2006) Macrory report (*Regulatory Justice: Making Sanctions Effective*), the PIR suggests that the number of breaches would increase if penalties are too low.

The PIR would benefit from discussing more directly the extent to which the objectives could be achieved in a way that involves less regulation, as stated in the review clause (9) of the regulations; and from some brief discussion of the measures taken in other member states to implement the EU regulations.

Departmental recommendation	Retain
Equivalent annual net direct cost to business (EANDCB)	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