

UK firm fined for WMD breach

Colin Stott and Simon Knowles, directors of Organic Intermediates Limited, based near Liverpool (which went into liquidation in August 2004), have become the first people to be prosecuted under the Chemical Weapons Act, and been fined for breaching rules designed to halt the spread of weapons of mass destruction (WMD).

Liverpool Magistrates Court heard that they failed on several occasions to notify the authorities in 2002, 2003 and 2004 that their company produced more than one tonne of a chemical (N-dimethylaminoethyl-2-chloride hydrochloride (DMC)) controlled under the Chemical Weapons Convention.

There is no suggestion the directors or the company were producing the chemical for use in connection with WMDs. However, the Act states that the Government must be notified if large amounts of certain chemicals have been produced.

Knowles was convicted on August 15 after a trial and on Wednesday was fined a total of £4,000. He was also ordered to pay £6,000 towards the prosecution's costs. Stott had earlier pleaded guilty and was fined £2,750 and ordered to pay £2,000 towards costs.

Business Minister Malcolm Wicks said after the hearing: "The UK has a very good record and around 400 firms routinely comply with the requirements, but this sentence should convey to other companies, and to liquidators of companies that are wound up, the importance of meeting the requirements of the Act and the Convention.

"Legal requirements relating to controlled chemicals must be fully met - and where organisations fail to do so, prosecution is likely."

British Citizens Accused of Trying to Arm Iran

Mr Farshi Gillardian, from Hendon, has been arrested after being named in a plot to supply Iran with electronic parts for roadside bombs in Iraq and Afghanistan and the technology for weapons of mass destruction. Meanwhile, Mr Christopher Tappin and Mr Brian Woodford, from Brooklands International Freight Services, are at the centre of an international manhunt are accused of smuggling batteries for surface-to-air missiles and military aircraft parts to Tehran.

Useful Websites:

www.berr.gov.uk/exportcontrol www.davidhayes-exportcontrols.com
www.egad.org.uk www.export-consultancy.co.uk
www.hmrc.gov.uk/ www.justexportcontrols.co.uk
www.fco.gov.uk www.importexportsolutions.co.uk
www.the-dma.org.uk www.sbac.co.uk
www.siaed.org

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NEWS LETTER



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Export and Security Controls in the Globalised Environment of the 21st Century conference

This conference, which took place in Paris on 21-23 September 2008, was organised by EGAD, and was hosted by the Invest in France Agency, and by the British Embassy, at the British Ambassador's Residence, both in Paris, with considerable sponsorship funding support from Blenheim Capital Partners Ltd, and EADS-Airbus.

The organisers were delighted by the level of interaction and networking that occurred, which was very positive and beneficial for all parties involved, and by the depth of the questions which were posed to the speakers, which were clearly well-informed and asked by knowledgeable experts. The quality of the delegates and speakers could not be faulted, and it was clear that EGAD had put together a highly impressive array of speakers for the conference.



Despite the lower than expected numbers who attended, the vast proportion of whom came from the UK, with just a small smattering from France, Germany, Austria and the USA, this was a successful conference. Clearly EGAD's efforts to promote the conference outside of the UK had been less successful than hoped, and the almost complete and total absence of the anticipated French Industry audience was particularly unfortunate - this was perhaps explicable due to the plans that GIFAS (the French Aerospace Trade Association), had for its own export control conference, which was taking place (also in Paris) two weeks' later, on 8 October 2008!

The overwhelming view of the attendees was that this conference should be repeated, and that it had been hugely beneficial and worthwhile. There was also discussion at the conference about whether EGAD could or should seek to offer to revive and revitalise the Wassenaar Arrangement's own "Outreach to Industry" conference, which last took place on 3 October 2005. The lessons that have been learnt by EGAD for the future include the need for more effective promotion of its conferences through the promulgation of information to Trade Associations around the World, and more effective engagement at an earlier stage with local bodies.



Export Licensing “Agony Aunt”

EGAD has now established on the SBAC’s website, which can be accessed via the EGAD website, an interactive forum for the facilitation of Members to pose questions and exchange views on any export control related issues. Posted on this site are details of some recent exchanges, which have taken place, with queries raised by Members, and answers from some Executive Committee Members. We would like to encourage Members to make use of this new facility to share their knowledge of export control matters. Accessing this interactive forum will require a once-only registration on the SBAC’s website. Members can contact EGAD’s secretariat (on Tel: 01428 602615) for more information on how to do this.

We are new to the defense industry and produce a range of public address systems. The is nothing inherently military about them. They are just PA systems designed for sound amplification - commonly speech or sound effects. They can be made with connections for military radios and are sometimes used by PSYOPS. We are sometimes asked to change things to suit a military customer eg change the size to fit a crew-cab ruck-sack, change the batteries to better suit air transport etc

Would you know if there is any chance we may need a military export license and/or how we can find out?

Just because you sell an item to the Military, that does not mean that you invariably need an export licence, as the Military is a customer for a whole host of commercial-off-the-shelf basic items and equipments. On the face of it, except where you design, develop or modify your PA systems specifically to meet the needs of a military customer (affecting its form, fit or function, in the process), then you should not need a UK export licence, under most circumstances. For those PA systems where you have affected the form, fit or function to meet the specific needs of a military customer, then there may well be export licensing implications for you.

I would advise you to contact the Technical Assessment Unit at the Export Control Organisation, to provide them with the full specifications for the items and apply for a “Rating” to get an authoritative ruling from them on whether you will need an export licence or not.

Do you by any chance have a paper on ITAR and the types of things UK companies, in particular SMEs, need to be aware of?

The best advice is to check out our website (www.egad.org.uk), and the information on it (under “Licensing Advice”), as well as the website for the Society of International Affairs (www.siaed.org) to see the basic information that it available there. We can suggest a range of UK or US-based consultants, of whom we are aware, who can assist you if there is anything still unclear, and there are always our ITAR Workshops, in a few days’ time, where specific questions can be raised and answered.

Pictures of some of the speakers from Paris Conference



From the left: Ambassador Sune Danielsson (Waasenaar Secretariat); Anne-Charlotte Wetterwik (University of Georgia); Dr Zhou Baogen (CAITIC); Ambassador John Duncan (FCO); and Sergey Petlyakov (Russian Ministry of Foreign Affairs).

US Export Control News

By 18 September 2008, it was clear that the Senate Foreign Relations Committee was going to be unable to find the time to consider adequately the proposed UK/US Defense Trade Co-operation Treaty and vote upon the possible ratification of it, as had been hoped. The ratification of this would now be delayed to sometime in 2009, at the earliest.

There is some reason to believe that US Industry were also totally surprised by the letter sent from the Senate Foreign Relations Committee to the State Department ending consideration of the Treaty for this year. There had been no forewarning to anyone in US Industry at the Senate’s decision and State had been reasonably optimistic of a favourable outcome only a day or two before this. Assuming the Treaty was held over to 2009, many in US Industry feel that the chances of it coming back on the Senate agenda unchanged are good, but it was unlikely to happen before mid 2009, and the change of personalities in the Administration and the Congress make progress thereafter unpredictable.

EGAD regards the Treaty as a fair one, and one which could benefit UK Industry, although further detailed work on the Implementing Arrangements and the Technology Exclusion List remains to be taken forward, but this will happen over time.

We are highly dependent on the outcome of the US Presidential elections, on 4 November 2008, and the next step, and when/how/whether this takes place is hugely reliant on events over in Washington DC.

US Export Control Compliance Workshops

Meanwhile, the workshops, which took place in Leeds and London in mid-September, were jointly organised by EGAD and the US-based Society of International Affairs (SIA) (www.siaed.org), and were regarded by the attendees as being hugely successful and valuable. The feedback was immensely positive, from delegates and speakers. The presentations were very clear and concise, and were highly informative, according to the feedback.

This was the latest in the series of events on US Export Control Compliance to be jointly organised by EGAD and the SIA, and their undoubted success has led to discussions between the two organisations about other areas in which they can co-operate, as well as starting planning for the next workshops, due to take place in Autumn 2009.

Planning continues for the next in the series of ITAR Workshops, which is due to take place on Wednesday 19th and Thursday 20th November 2008, in Stratford-upon-Avon, and are being jointly organised by EGAD, Squire Sanders Dempsey and Strategic Shipping Company. Those who cannot attend for both days, can, instead, attend an evening reception and dinner on Wednesday 19th November, for networking. Details from k.wyatt@the-dma.org.uk.

FORTHCOMING EVENTS

Control List Classification and Using the Checker Tools: Military Goods
London, 5th November
denise.carter@berr.gsi.gov.uk

Defence Export Controls and Compliance Event
Milan, 11th – 13th November
www.faircount.com/DECMilan2008

SIA’s Advanced Fall Conference
Washington DC, 13th – 14th November
www.siaed.org

Globalisation of Trade Controls
London, 17th – 19th November
vanessa.darnborough@informa.com

ITAR Workshops
Stratford-upon-Avon, 19th – 20th November
k.wyatt@the-dma.org.uk

Making Better Licence Applications
London, 20th November
denise.carter@berr.gsi.gov.uk

Beginners and Intermediate Workshops
Oxford, 25th and 26th November
denise.carter@berr.gsi.gov.uk

Control List Classification and Using the Checker Tools: Dual-Use Goods
London, 3rd December
denise.carter@berr.gsi.gov.uk

Control List Classification and Using the Checker Tools: Military Goods
London, 15th January 2009
denise.carter@berr.gsi.gov.uk

Beginners and Intermediate Workshops
Nottingham, 20th and 21st January 2009
denise.carter@berr.gsi.gov.uk

Making Better Licence Applications
London, 28th January 2009
denise.carter@berr.gsi.gov.uk

The Role of Other Government Departments
London, 5th February 2009
denise.carter@berr.gsi.gov.uk

Control List Classification and Using the Checker Tools: Dual-Use Goods
London, 12th February 2009
denise.carter@berr.gsi.gov.uk

Beginners and Intermediate Workshops
Bristol, 17th and 18th February 2009
denise.carter@berr.gsi.gov.uk

Making Better Licence Applications
London, 11th March 2009
denise.carter@berr.gsi.gov.uk