

The Future of the ECO's Website

The BIS website will be updated in the early part of 2010; as a result some of the content will be hosted on the Businesslink website www.businesslink.gov.uk, which will be a central source for all business related guidance issued across Government. A presentation on the implications of this initiative is due to be given at the forthcoming EGAD Main Meeting, on 22nd October. **Meanwhile, the ECO is seeking volunteers to trial the Businesslink website – if any Members want to volunteer for this, please can they make themselves known ASAP to the EGAD Secretary.**

The new Dual-Use Controls

On The Recast Dual Use regulation, Council Regulation (EC) No 428/2009 came into force 27th August 2009. The regulation contains the annual list changes to the dual use lists, and also contains new controls on Brokering Services, for entities resident or established in a European Member State, involved in the movement of controlled dual use goods between two Non-EU 3rd countries. It also contains new controls on Transit of non-community controlled dual-use items, where they are or may be intended for Weapon of Mass Destruction (WMD) end-use. Guidance on the Brokering of dual use items can be found on the ECO's website.

Reduced Delegate Rates to Attend IBC's 22nd Annual Global Trade Controls Conference, Tuesday 17th & Wednesday 18th November 2009

EGAD Members should be made aware of the fact that they can obtain a 20% discount from the conference organizers, due to the fact that the EGAD Secretary is due to be one of the speakers at this event. **Interested companies should contact Ms Yang Zhang at zyang@icbi.co.uk, quoting VIP code KT0118EGAD to claim this special discount.**

Details of this conference, which is entitled "Understanding the challenges and developing strategies for enhanced compliance", and which has an enviable reputation in the field of export control compliance, due to the quality of the international speakers that it attracts, are at: www.ibcglobalconferences.com/globaltradecontrol

The event also has a one-day pre-conference seminar, on Monday 16th November, entitled "An Introduction to Export Licensing and Trade Controls".

Volunteers Sought

The ECO has put out a call for volunteers from Industry for a SPIRE Customer Industry User Group, which they want to create. If any Members want to volunteer for this, please can they make themselves known ASAP to the EGAD Secretary.

Useful Websites:

www.bis.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.adsgroup.org.uk www.siaed.org

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NEWS

LETTER



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Forthcoming Elections to the EGAD Executive Committee

The EGAD Executive Committee has been totally amazed at the degree of interest from Members to stand for the four vacancies on the EC, with some 11 excellent candidates having put themselves forward for the four available places. These candidates are:

- Natasha Allen, Meggitt plc
- Andy Baker, Raytheon Systems Ltd
- David Barber, Goodrich Corporation
- Laurence Carey, Deloitte LLP
- Charles Cook, Airbus Operations
- Neil Eltringham, JCB Sales
- Barry Fletcher, Fletcher International Export Consultancy
- Neil Stennett, Tyco Electronics Ltd
- Sue Tooze, BAE Systems
- Andrew Wood, Rolls-Royce plc
- Trevor Wood, Premier Farnell (UK) Ltd

All Members are to be encouraged to make use of their democratic power to vote for their preferred candidates from the above list by **Wednesday 21st October** (if they are voting by post/fax/e-mail), or **Thursday 22nd October** (if they are planning on attending the EGAD Main Meeting in London). All Members will be notified of the results of the election after 22nd October.

Important – Proposed Possible Change to VAT treatment of Aircraft parts

All Members should have received a copy of an HMRC-issued consultation paper on the above topic. Since then a further, amended version has been received from HMRC. The main provisions seem to be:

- UK HMRC have already conceded to the Commission that it will amend its VAT legislation on supplies of aircraft to conform with Community law.
- The only UK affected provisions are in VATA, Schedule 8, Group 8, Items 2 and 2A and Legal Note A1(b).
- The purpose of the Consultation is to determine how the UK might comply with Community law, whilst minimising the impact on industry.
- The Consultation Paper recognises trade concerns already raised at the August meeting, which I attended on behalf of EGAD.
- This is an informal Consultation process which will run from today, 01 October to 30 November 2009.
- The Paper raises 6 specific questions, but also invites additional views, e.g., on the timing of any necessary changes.

It is **crucial** that Members do not miss this opportunity to register issues and concerns. Anyone with any comments should contact: GCharles2007@aol.com or Brinley.Salzmann@adsgroup.org.uk.



Export Licensing "Agony Aunt"

Q1 - We have some raw material which we use on a licenced product. We want to send the raw material (wire, gold/brass rings), overseas for assembly and then they will return to us for use in our product.

As this is raw material do we need a licence to send it overseas for assembly work?

If the "raw material" (ie a material which has been specifically designed or formulated to make an export licensable product) is export licensable, then it is export licensable, no matter where you send it, if it is anywhere outside of the UK.

I know of one instance when a UK company needed to send some export licensable "raw material" to a potential prospective sub-contractor in Germany, for them to manufacture a (non-export licensable!) component and send back to them, to check out the quality control of the prospective sub-contractor. The company's Export Controls Manager really had a VERY difficult time trying to persuade his firm that they needed an export licence to ship out a lump of metal, but that the German firm would NOT need one to send the final, finished product back to them!

Q2 - Do you know whether there is anywhere that I can find information on which countries within the EU require transit permits to allow the movement of defence equipment through them? As far as I am aware, the French require permits but I can't seem to find any information anywhere on how or where to apply.

You really need to speak to either Mr Peter O'Rorke (peter@strategic-shipping.com) or Ms Bernadette Peers (bernadette@strategic-shipping.com) both of the Strategic Shipping Company Ltd, based in Slough. They should know the answer to this, and be able to assist you.

Q3 - Sorry to trouble you but I have searched the BIS website and cannot find any practical guidance for companies when acquiring a third party company which already has SIEL's in place. Have you any idea where I can get information on the process?

In terms of practical information, there is guidance on changes allowed to licences. Guidance on this issue is at:

www.berr.gov.uk/whatwedo/europeandtrade/strategic-export-control/applications/page8461.html

The ECO has no specific guidance on other procedures that the company should follow regarding SIELs in case of change of ownership, but, allied to this, the company should have a full awareness of compliance procedures and best practice. The old manual system would be to supply a copy of the change of ownership documents (Companies House Registration / Name change, etc) and request they re-issue the licences. With the SPIRE system, you go through this new company's SPIRE account and change the name and details (manual copies of the name change, etc should accompany any shipments to clarify the situation to HMRC). If you can't gain access to their SPIRE account, you can add them to your existing SPIRE account but that would mean reapplying for licences.

Q4 - A licensed product has been legitimately exported under licence from the UK to the US Air Force in the USA. The US Airforce has deployed the product for use in support of NATO activities in Iraq.

The USAF personnel in Iraq need some technical support from the UK manufacturer in connection with the product. The information required is covered under ML22. Would it be an export covered by the Government or NATO End Use OGEL?

The Government or NATO End Use OGEL wouldn't cover it, because Iraq is not a permitted destination under this OGEL.

You need to consider the following:

- 1) Can the technical assistance be given in a conversation? However, as a conversation can, in of itself, also be export licensable, if it is akin to reading out the details of a document which is subject to control under the UK's transfer of technology controls, such as to achieve the same end result, considerable care needs to be taken with this. Clarification on this is available from the ECO's Guidance Note on the Export of Technology, which is available from its website.
- 2) Is it possible to send it to UK Forces rather than USAF? If so, you might be able to use the OGEL to support UK's Forces in Embargoed Destinations?
- 3) Can the info be sent to the US Consignee who received the product in the first place?

The EGAD Stand at DSEI'09

Once again, EGAD took an information stand at the biennial DSEI exhibition, in London; this year, for the first time, the stand featured the first-ever outing for a specially manufactured revolving pyramid, which had been designed with the assistance of EGAD's Awareness Outreach Activities Sub-Committee, to look like a hazard warning triangle, aimed at getting across a few key messages.



Whilst visitor traffic was quite light at the exhibition, there have been certain contacts made since the show with those who were not as aware of export controls as they should have been – therefore, the presence of the stand at DSEI'09 was probably sufficiently beneficial to have made it worthwhile, at the end of the day.

The ATT Briefing at DSEI'09

On the morning of Wednesday 9 September, EGAD also assisted Clarion Events, the British Government's Foreign & Commonwealth Office (FCO), and the Swedish Ministry of Trade in organising a **FREE** briefing on the international Arms Trade Treaty (ATT), called "Moving the International Arms Trade Treaty Forward", which was held on site at the ExCeL Exhibition and Conference centre, during DSEI'09.

This proved to be an extremely informative and highly worthwhile briefing on the proposed ATT. There was a general perception that, whilst numbers of attendees at the briefing was very highly disappointing (with some 80% of the 170 pre-registered attendees – representing a promised complete full house – not showing up!), the quality of the content and the speakers, as well as the following debate, was exceptionally high.

FORTHCOMING EVENTS

Beginners and Intermediate Workshops
Newcastle-upon-Tyne, 21st and 22nd October
denise.carter@bis.gsi.gov.uk

EGAD Annual Main Meeting
London, 22nd October
n.redfeam@the-dma.org.uk

Annual Fall Advanced US Export Control
Compliance Conference
Washington DC, 2nd and 3rd November
www.siaed.org

Control List Classification and Using the
Checker Tools: Dual-Use Goods
London, 5th November
denise.carter@bis.gsi.gov.uk

Global Trade Controls
London, 16th to 18th November
Vanessa.Darnborough@informa.com

Beginners and Intermediate Workshops
Oxford, 17th and 18th November
denise.carter@bis.gsi.gov.uk

Making Better Licence Applications
London, 26th November
denise.carter@bis.gsi.gov.uk

Control List Classification and Using the
Checker Tools: Military Goods
London, 3rd December
denise.carter@bis.gsi.gov.uk

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Making Better Licence Applications
London, 20th January
denise.carter@bis.gsi.gov.uk

Control List Classification and Using the
Checker Tools: Dual-Use Goods
London, 21st January
denise.carter@bis.gsi.gov.uk

Beginners and Intermediate Workshops
London, 27th and 28th January
denise.carter@bis.gsi.gov.uk

Control List Classification and Using the
Checker Tools: Military Goods
London, 11th February
denise.carter@bis.gsi.gov.uk

Making Better Licence Applications
London, 17th February
denise.carter@bis.gsi.gov.uk

Beginners and Intermediate Workshops
London, 24th and 25th February
denise.carter@bis.gsi.gov.uk

Making Better Licence Applications
London, 10th March
denise.carter@bis.gsi.gov.uk

Control List Classification and Using the
Checker Tools: Dual-Use Goods
London, 11th March
denise.carter@bis.gsi.gov.uk

Details of all known export control-related
forthcoming events are to be found on the
EGAD website at: www.eaad.org.uk/events.