

A special message to all Individual Exporters and Small to Medium size enterprises with limited staffing resource.

From Export Group for Aerospace & Defence (EGAD)

Understanding the UK Export Control Law for Nuclear, Military and other restricted goods as well as the European Union's own Control Regulations for Dual Use Goods can appear a daunting prospect to those individuals and small to medium sized enterprises who are intending to export military, nuclear or dual use equipment, parts, components and materials for the first time.

There is a veritable welter of information on export control law available from the official UK Government Department for Business Enterprise Regulation and Reform (DBERR) and other web-sites produced by export consultants and other advisors. If you have found your way onto the EGAD web-site, you are well placed to secure the best advice for:

- *Understanding the UK Export Control Law & EU Regulations*
- *Being kept up-to-date on the latest changes to the Export Control regulations*
- *Receiving advice on introducing and setting up your own Compliance Procedure*
- *Keeping export compliance costs at a level which your business can afford*

WARNING! *The UK Export Control Law and EU Export Regulations are a **LEGAL REQUIREMENT** and **CANNOT BE AVOIDED** – failure to comply will result in your exported goods being impounded by HM Customs & Revenue and incur **CRIMINAL CHARGES** possibly leading to heavy fines and/or imprisonment.*

'AVOIDANCE' should not be considered as an option; it can have serious adverse effects on You, your Staff and your Business - and even your family. It is simply not worth the worry, the risk and the potential penalties.

COMPLIANCE *is your best and only real option; get to know and understand the Export Control Law and EU Regulations at a level suitable to your own particular Business needs – the export control regulations extends to cover the most simplest of export transaction (for example sending a technical document or a nut & bolt by post to France) to the most complex of transactions (for example exporting a fighter airplane part to a large number of Foreign Governments overseas). EGAD can help you to understand the complexity level at which your own compliance process should be aimed so as to provide you with the assurance that your in-house process:*

- *Does only what it needs to do in compliance with the Law*
- *Does not become overly burdensome or reduces your efficiency*
- *Does not incur a significant ongoing transaction cost to your business*

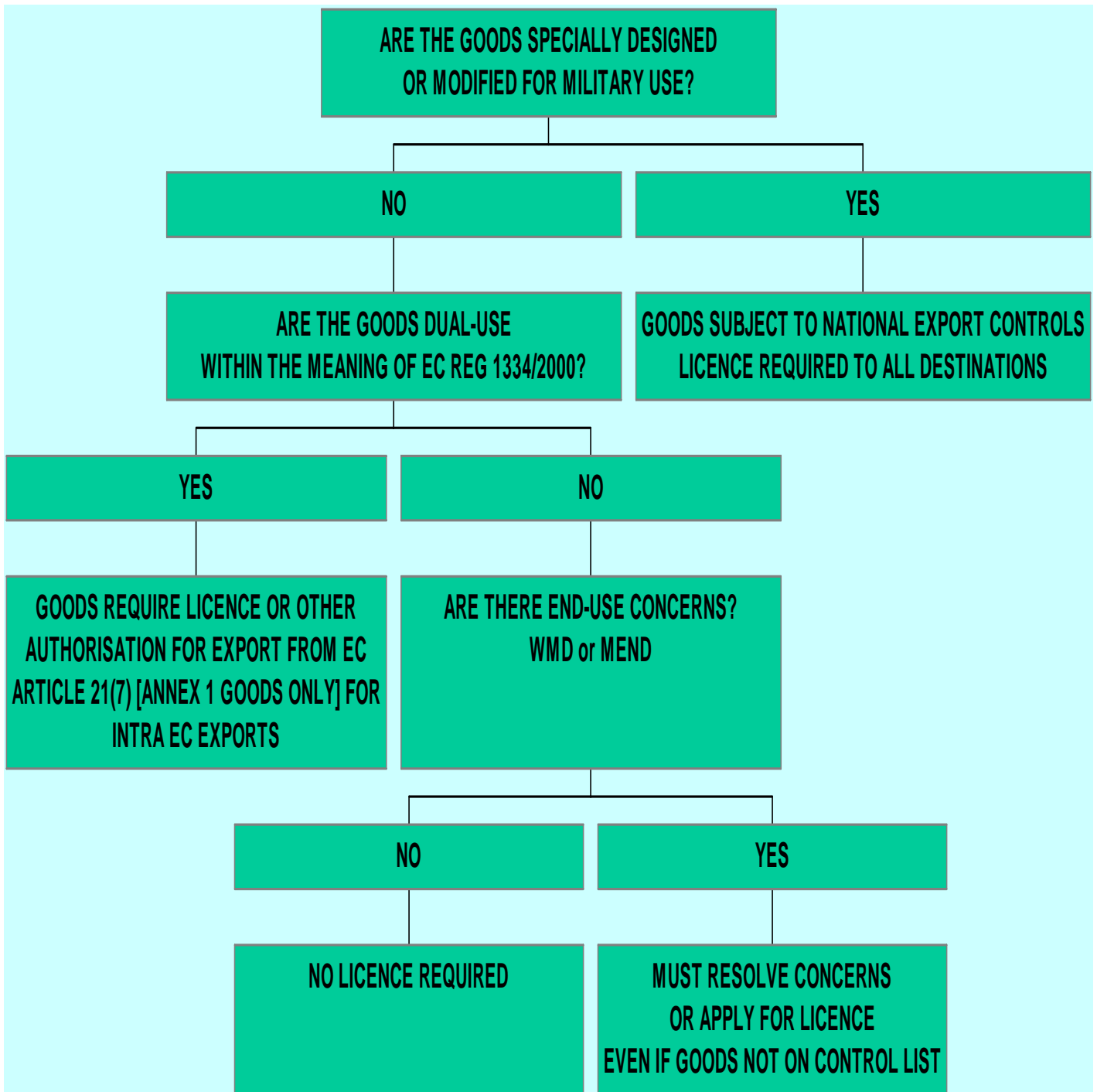
TO DEMONSTRATE *your commitment to comply with the UK & EU export control laws, you should write down your own procedure showing how you will fully address export control compliance. Basically this procedure will show who in your company decides whether a licence is necessary and when in the export process this decision is made. It should detail good basic procedures and show how you work on a day-to-day basis, illustrating for example, what happens when you or one of your staff go on holiday, etc. and detail the actions that you will take to (i) identify all items requiring a licence, (ii) acquire and validate end user details; e.g. Do you make enquiries about new customers (or even existing ones)? Are you confident that your goods are arriving at the intended destination and that your customer is using them in the way you thought? What do you do if you are suspicious? (iii) applying for a license (iv) keeping export records. You should ensure that every person employed by you, including any sub-contractors or agents acting for you are aware of and comply with, the regulations to ensure that no controlled, dual use or restricted goods, services or technology are exported without due consideration, compliance and authorisation.*

WHAT DO YOU NEED TO DO?

Before you decide to set up your own in-house procedure, it is a good idea to check this EGAD website for advice – it has been created as the first port of call for companies as the source of user-friendly basic, initial guidance on all aspects of export and trade controls, to help you and your staff to identify potential sources of help, and ideas for problem solving, and presents easy steps to “bite-sized compliance”.

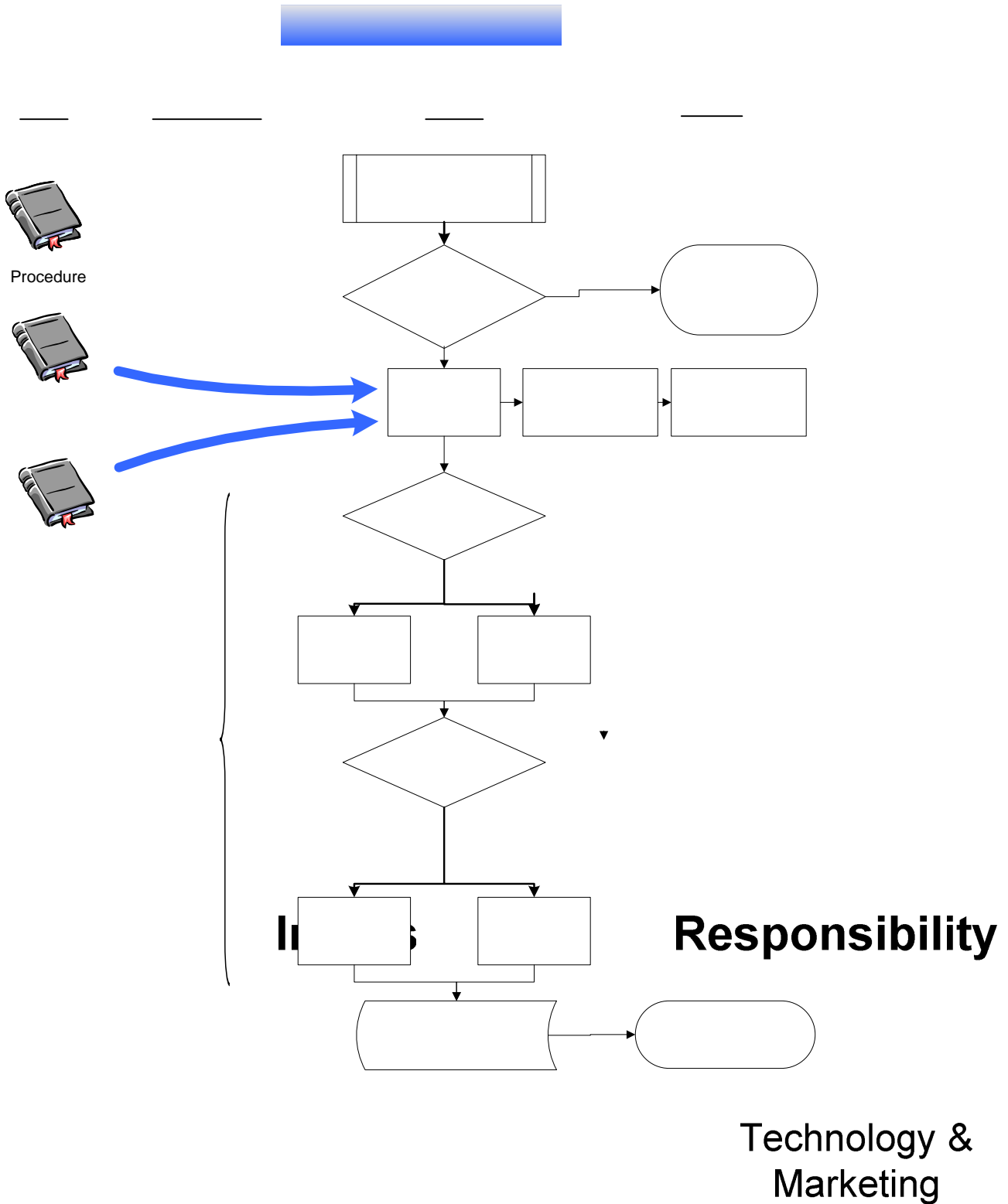
It seeks to present a practical and simple step-by-step guide on understanding export and trade controls, and addressing the fundamental questions:

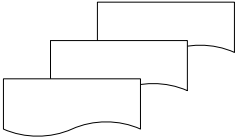
When do I need an export licence?



How do I go about trying to obtain and use an Export License?

Your Procedure should show what licences you use and how often, and how these are the most appropriate licences for your needs. For example whether a SIEL, OIEL or OGEL would be appropriate, this too can be simply illustrated in a flow chart format, viz:





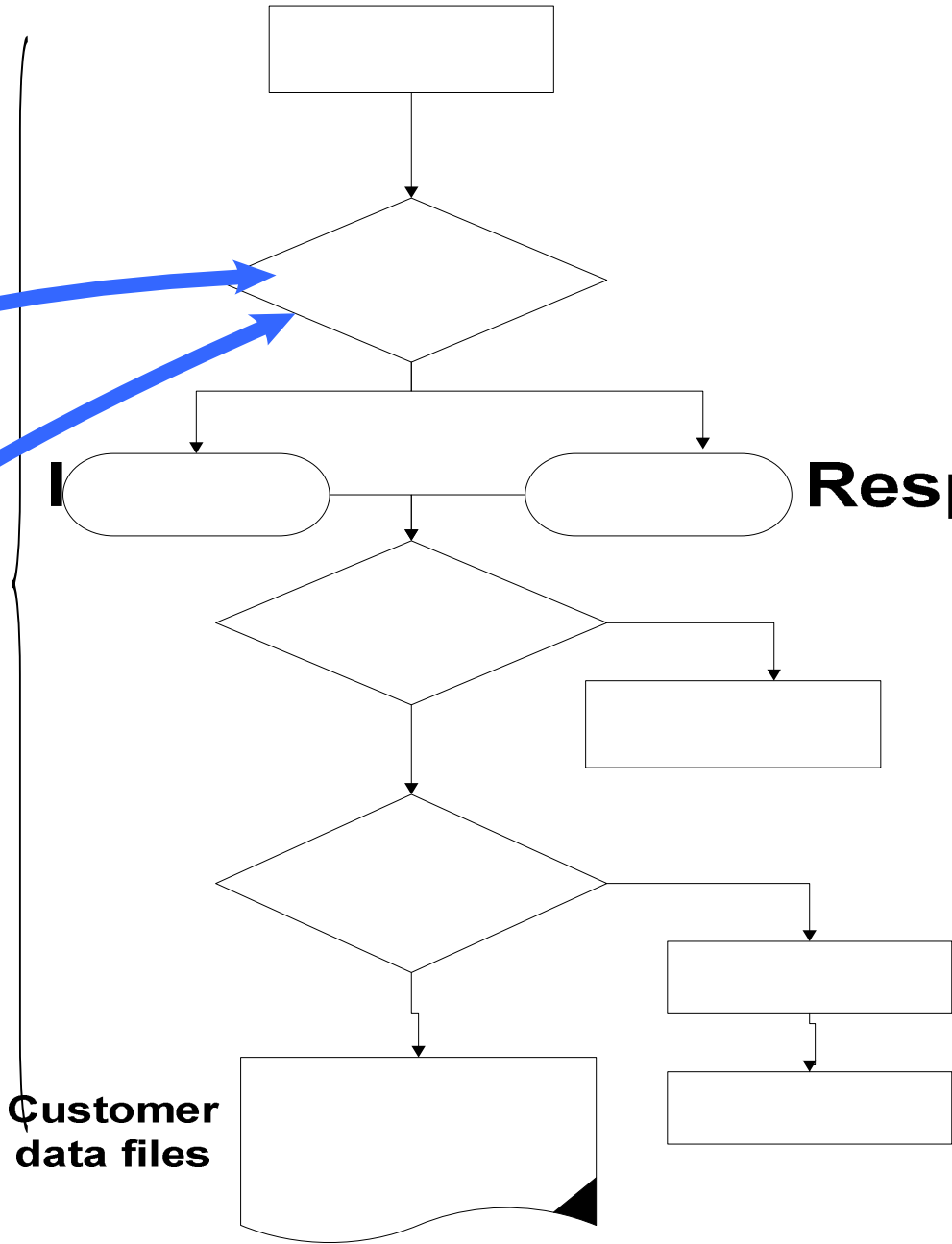
Procedure



Customer data files

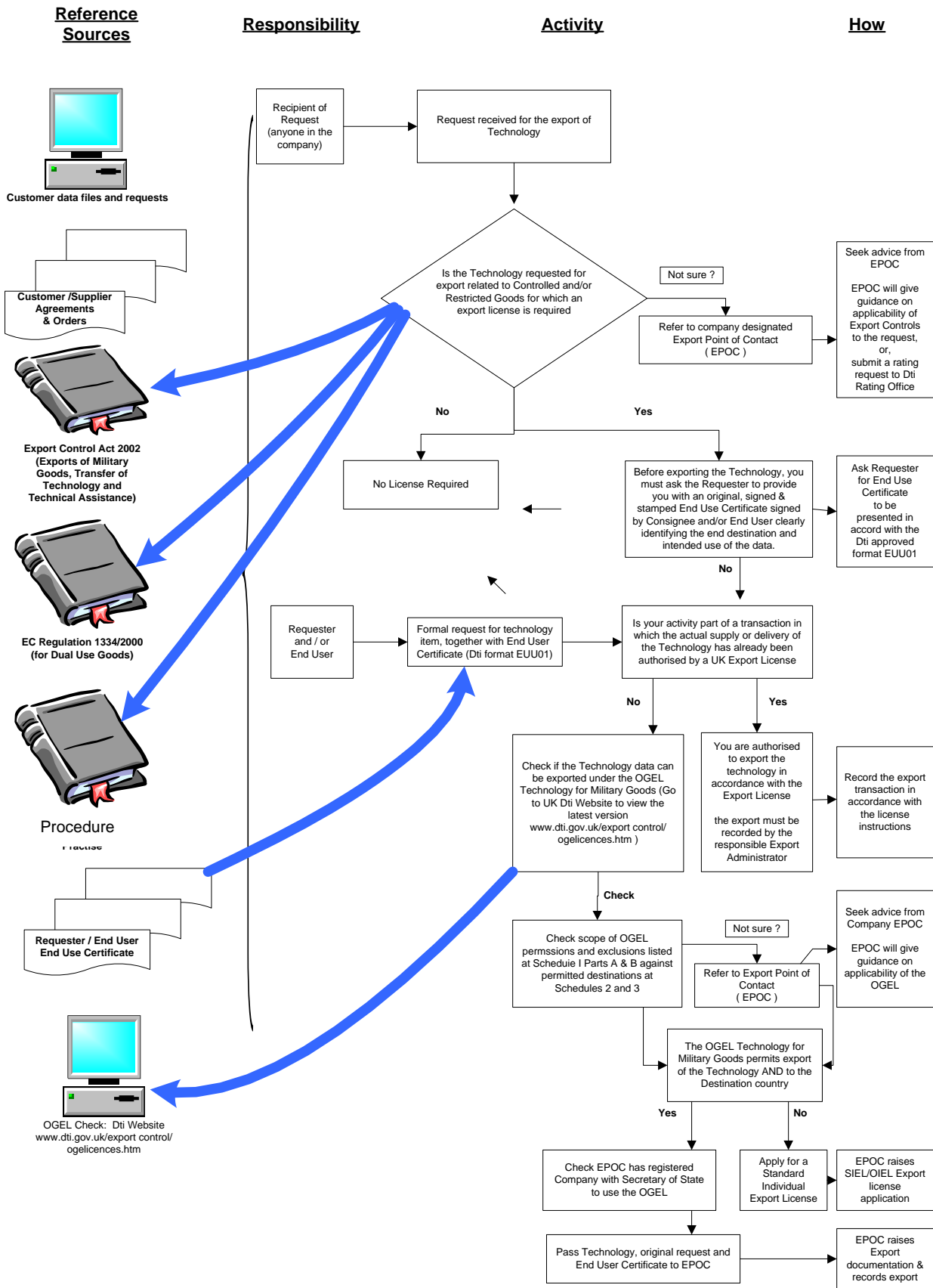
Customer Agreements & Orders

Responsi



Export Control Compliance Process Flow

OPEN GENERAL EXPORT LICENSE (OGEL) - TECHNOLOGY FOR MILITARY GOODS



Getting it Right – Typical failings in Export Control

Missing or incorrect End User undertakings or other export paperwork

Failure to reference the licence Number on export paperwork

Failure to put Article 21(7) declaration on paperwork for exports of Dual Use items within the EU

Not meeting all the conditions of the licence

Making shipments without a licence that could have been covered by an extant licence at the time of shipment

No records of exports or trade activities kept, particularly in relation to electronic transfer of technology information, against open licences

Systematic failure in procedures or persistent carelessness/lack of attention to detail

Blatant disregard for export controls/deliberate attempt to circumvent or evade controls

Want more advice?

You have come to the right place – EGAD has a wealth of practical experience in export control matters. And whats more – if we don't have an answer for you, we know someone who will!

Our advice is just that – a no charge service without obligation.

If you would like assistance in setting up your in-house procedure – or if you would just like your existing process to be checked over by an unbiased member of EGAD – then contact us and we will put you in touch with an EGAD member close to you.

Remember, advice costs nothing – failure to comply can wreck your business and your life!

