

Presence at the Farnborough International Airshow 2022

Members are informed that, once again, it is planned for EGADD to share an information “pod” at the biennial Farnborough International Airshow, which is due to take place in Hampshire on Monday 18th to Friday 22nd July. The pod (**1120d**) in the UK National Pavilion in Hall 1 is planned to be manned throughout the exhibition by export control experts; if any EGADD Members are planning on attending FIA 2022, they are warmly encouraged to pop by the stand and pose any queries that they may have with the experts who will be on duty at the event. The “Export Control Information and Advice” stand, which is being shared with the Export Control Profession, at the Institute of Export (<https://www.exportcontrolprofession.co.uk/>), will also be close to the stand for the Export Control Join Unit (**1120h**). Meanwhile, also in attendance at FIA 2022 will be the redoubtable George Grammas (george.grammas@squirepb.com), Partner at leading US legal firm Squire Patton Boggs, who would like to be contacted on any US export control-related issues, and is happy to arrange for any meetings that might be sought whilst he is at the Airshow.

EGADD Main Meeting

This year’s annual Main Meeting will be taking place in a physical form on **Tuesday 1st November**. Delegates will have the opportunity to discuss the latest topical news on export and trade control issues with subject matter experts, covering key subjects such as:

- The normal “state of the union” address by ECJU, to include an update on the “Transformation Programme”;
- The Single Trade Window and the introduction of the new Customs Declaration System, by HMRC;
- A demonstration of LITE by ECJU;
- UK/US defence cooperation;
- US Export Control developments;
- EU/US export control developments;
- Sanctions developments by OFSI;
- International events, including especially involving PRC and Russia;
- Due diligence;
- Sustainability, focused on the finance and investment worlds’ assessments on the sectors covered by ADS’ Membership;
- Enforcement and penalties, as well as the policy on voluntary disclosures by HMRC.

Further details of this event should be able to be found at: <https://www.adsgroup.org.uk/events-list/>.

Employment Opportunities in the Strategic Export Controls Arena

Members are reminded that EGADD offers a service whereby anyone with any vacancies within the discipline of export and trade controls can advertise any potential employment opportunities on the EGADD website, at: <https://www.egad.org.uk/news/job-opportunities/>.

Useful Websites:

www.pmdtc.state.gov/
www.davidhayes-exportcontrols.com
www.importexportsolutions.co.uk
www.adsgroup.org.uk
www.strongandherd.co.uk
www.gov.uk/government/organisations/export-control-organisation
www.gov.uk/browse/business/imports-exports/import-and-export-controls

www.strategicexportcontrols.org/
www.export-consultancy.co.uk
www.techuk.org/
www.siaed.org
www.export-controls.co.uk

EGADD Executive Committee

Chairman

Spencer Chilvers
Rolls-Royce plc

Vice – Chairs

Leigh Zone
GE Aviation Systems

Susan Griffiths
MBDA UK Ltd

Secretary

Brinley Salzmann, ADS
Brinley.Salzmann@adsgroup.org.uk

Members

Ed Peartree
BAE Systems

Sue Tooze
BAE Systems

Sunny Mann, Baker & McKenzie LLP (Legal Adviser and Observer)

Sandra Roberts
Boeing UK

Brett Carter
Collins Aerospace

Warren Bayliss
Deloitte

David Macready
Fujitsu

Mathew Fowler
General Dynamics UK

Terry Irvine
GKN Aerospace

Lindy Davies-Myatt
Inmarsat

Robert King
Leonardo

Anthony Pritchard
Marshall ADG

Harry Patel
Meggitt plc

Michael Bell
Michael Bell Export Controls

Leonie James
MSI-Defence Systems

Louise Howls
Northrop Grumman

Marita Ryman
Raytheon

David Abbott
Reaction Engines

Liz Sumner
Scott Safety

NEWS LETTER

July 2022 Edition



Correspondence to:
The Editor
EGADD
Brinley.Salzmann@adsgroup.org.uk

www.egad.org.uk

NEWS: AIA/ADS US Export Controls Briefing at this year’s Farnborough International Airshow

We understand that there are potentially important ITAR relaxations which are likely to be announced at the ADS/AIA joint event on the morning of Thursday 21st July, at the Farnborough International Airshow.

At that event the details of two new, proposed Open General Licences (OGLs), which were intended to be a form of authorisation under ITAR, covering re-transfers within the UK and re-exports involving Australia and Canada involving unclassified items, are due to be announced. These are merely intended to be the first of a series of such OGLs (there are at least three more already in the pipeline), covering a wide range of uncontroversial activities where the US Government has no concerns.

The US Government would warmly welcome any ideas for other, similar areas which could also be similarly covered and enabled through OGLs.

The OGLs would be able to be used by the Members of an “approved community”, and discussions have been taking place about how companies can apply for this status, the processes needed to acquire it, and also the issue of transparency of who is in each nation’s “approved community”. The OGLs will represent the introduction of a new, risk mitigation-based system for the US, and the first two should be regarded as being part of a pilot programme. Hopefully, there will be pockets of utility arising which will encourage better use of ITAR.

If you may be interested in attending this FREE event, please see: <https://www.cvent.com/c/express/49f2cdf-8aad-436e-8073-d1728e0a6753>.

Meanwhile, the US Government has stated that it is its strong desire for its most recent engagements that it has had with EGADD (with DDTC on 27th May and DTSA on 1st July) to be the start of a series of engagements with UK Industry, through EGADD, rather than being one-off meetings, and suggestions have been sought as to what formula might be best for this exercise. EGADD has suggested, for consideration, that there could be merit in having two face-to-face meetings per year, with a number of virtual meetings taking place between those physical meetings to maintain a regular drumbeat of activity. Any other ideas or suggestions would be welcome.

The US Government have also confirmed that they would also intend on actively supporting EGADD’s annual US Export Control Workshops in future years. The next such event is currently tentatively scheduled to take place in Stratford-upon-Avon on **Monday 26th to Wednesday 28th June 2023**.

The ECJU's "Transformation Programme"

The main focus of EGADD's domestic activities has been on trying to identify what the proposed "Transformation Programme" as announced in the March 2021 Defence & Security Industrial Strategy, might comprise. This has been launched and the team at the ECJU created to undertake the survey work needed for it to make informed decisions about how the UK's export licensing system can be improved.

There are a number of different interpretations about what is going to be involved as part of the "Transformation Programme" and what the intended outcome is going to be. In essence, this is intended to create a much more user-friendly and transparent system; however, from Industry's viewpoint, if its main, predominant focus is almost exclusively on the ECJU and how it manages its role in the processing of licences, then its benefit would be extremely limited, as, to have any real and tangible benefit, it really needs to look at the whole of the licensing process, in totality, including the involvement of all of the other UK Government departments who also are an integral part of the process.

We are aware of a number of licensing "horror stories" which will not be able to be addressed without the "Transformation Programme" looking at the totality of the process, as the delays are clearly elsewhere, and not within the ECJU, which seems to have very little power to try to force its advisory departments to make a decision.

The most extreme current case of which we are aware relates to a licence which was applied for in February 2019 for the export of some controlled components to a US company for incorporation into a system for fitting to some aircraft for sale to a customer in the Middle East. Whilst some delays are perfectly understandable and justifiable, in cases such as this it is impossible to get away from the perception that UK Government officials have little justification to say "no" to this licence, but also do not want to approve it, so they are merely sitting on it in the knowledge that if they wait long enough, the problem will go away when the intended customer cancels the contract and awards the work to someone else instead, and the exporter withdraws the licence application. As currently conceived, the "Transformation Programme" would not address this type of scenario.

Yet, the Scott Report, of 1996, recommended (at K3.1) that any new legislation should include "*provision for government to prescribe procedures whereunder applications for export licences will be dealt with expeditiously and with fairness to exporters*". Here we are, a quarter of a Century later, and we still do not have that in place, as the above case clearly shows!

Training

EGADD is continuing to work with Content Enablers (<https://www.contentenablers.com/site/>), the global leader in trade compliance training, to help Member Companies meet compliance challenges. Content Enablers' unique, web-based training can be used for all employees, but is also available in function-specific modules for HR, Engineering, and Sales and Marketing professionals – all presented in an intuitive process that helps learners understand the regulations regarding:

- Who is involved in their transactions,
- What goods or services are the subject of their transactions, and
- How their transactions are being conducted.

The content is presented in clear, easy-to-understand microlearning elements that highlight key compliance concepts relevant to each job function, offer engaging scenarios that illustrate how these concepts can impact day-to-day job situations, and provide additional resources to reinforce learning. Further details can be found at: <https://egadd.trade-compliance.courses/>

Meanwhile, sight must not be lost of EGADD's relationship with Cranfield University (<https://www.cranfield.ac.uk/>) in the development of their joint training courses – details available at: <https://www.strategicexportcontrols.org/>.

Baker McKenzie's Annual Compliance Conferences

Baker McKenzie LLP is organising an extensive and ambitious series of free-to-participate on-line Compliance Conferences during the period 6th September to 6th October. These are due to cover a highly diverse range of compliance-related topics, including:

- Anti-Bribery & Corruption and Economic Crime (6-8 September);
- Customs and Key Compliance Developments (13-15 September);
- Export Controls & Sanctions (20-22 September);
- Anti-Trust (27-29 September);
- ESG, Supply Chain and Product Compliance (4-6 October).

Further details of all of the above are to be found at:

https://weblon2.bakermckenzie.com/reaction/emsdocuments/2209051007_Annual%20Compliance%20Conference/Agenda/ACC%202022%20-%20Agenda.pdf.

Activities of EGADD's Training Sub-Committee

EGADD's Training Sub-Committee, which was established in October 2017 to put together a complimentary range of training activities to support and be complementary to those of the ECJU's own Business Awareness Unit, has held a number of physical and virtual events since its inception. As with the ECJU's own events, since March 2020 these have been entirely virtual in nature; these have included webinars on "Red Flags" and "The UK MoD's F680 and F1686 Systems", both of which have been extremely well received and have been well attended. Currently, it is focused on trying to put together further webinars on:

- "Practical Challenges Post-Licence"
- Best practice(s) when preparing and submit a voluntary disclosure to the HMRC
- Sanctions

Please keep an eye out for the details of these webinars, when these are released, and also let us know if there are any other topics which might also be worth considering organizing webinars on. Any ideas can be sent to both Brinley.Salzmänn@adsgroup.org.uk and arthur.browne@baesystems.com.

Exports of Maritime Equipment – request for contact

The EGADD Secretariat has been approached by a Member Company which has asked if it can be put into contact with other relevant Members:

Would it be possible to reach out to our members to see who exports controlled equipment to the Maritime sector? I'd like to reach out to discuss their operating model as ours is not conducive to licensable goods and glean some insights to what issues they experience and what solutions they have come up with. Of course, I'm certain the first thing people will suggest is OIELs or OGELs, but we have global / bulk licenses in place in for all our international hubs. The issue we have is that we are frequently asked to change delivery addresses (including countries) at the last minute and where EUUs are required to conform with the T's & C's, we are often unable to accommodate these changes within the customer required timeframes. If anyone would be willing to have a call with me, I'd be very grateful.

If anyone is able to assist on this, we can try to facilitate the sought-after liaison if they contact Brinley.Salzmänn@adsgroup.org.uk.

FORTHCOMING EVENTS

Intermediate Seminar
Edinburgh, 5 September
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
Edinburgh, 6 September
denise.carter@trade.gov.uk

Offshore and Energy Intermediate Seminar
Aberdeen, 7 September
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
Aberdeen, 8 September
denise.carter@trade.gov.uk

Defence Exports
London, 13-14 September
events@saemediagroup.com

Export Controls & Sanctions Conferences
On-Line, 20-22 September
Kate.Bullard@bakermckenzie.com

Intermediate Seminar
Oxford, 27 September
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
Oxford, 28 September
denise.carter@trade.gov.uk

Intermediate Seminar
Leeds, 18 October
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
Leeds, 19 October
denise.carter@trade.gov.uk

EGADD Annual Main Meeting
London, 1 November
Claire.Parsons@adsgroup.org.uk

SIA's Fall Advanced Conference
Washington DC, 14-16 November
www.siaed.org/events

Intermediate Seminar
Manchester, 15 November
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
Manchester, 16 November
denise.carter@trade.gov.uk

Global Economic Sanctions
London, 15-16 November
marketingenquiry@c5-online.com

Intermediate Seminar
London, 6 December
denise.carter@trade.gov.uk

Licenses and "Are my items controlled?"
Workshops
London, 7 December
denise.carter@trade.gov.uk

For details of other events, see:
<https://www.egad.org.uk/category/events/>