

# Types of licences, F680s, F1686s and PV Grading

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# Licences

- Standard Individual Export Licences
- Open Individual Export Licences
- Open General Export Licences
- European Union General Export Authorisations
- Transshipment Licences
- Global Project Licences

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# SIELs

- Apply on SPIRE
- Quantity specific
- Destination Specific
- End User Undertaking
  - Submit in advance
    - Form EUU 01
  - Specific to licence

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# OIELs

- Generally not quantity specific
- Not value specific
- Multiple Destinations on the licence
- Multiple Goods on the licence
- Consignee Undertaking

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# Consignee Undertakings

- Within thirty days of export
- Can be for 12 months
- Headed notepaper, signed and dated by person in authority
- Specify goods, destination, application and No re export clause or WMD connection

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# OGELs

- Registration requirement on SPIRE
- UK licence
- Meet ALL the conditions
- No undertaking requirement ( in most cases)
- Reference use on export paperwork
- FULL TITLE or OGEL code

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# EUGEAs

- Registration requirement on SPIRE
- EU licence
- No undertaking requirement
- Reference use on paperwork

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# MOD F680



- Until April 2014, the UK MoD allowed UK firms to mis-use the F680 system to seek an indication on whether an export licence might be issued for a particular deal;
- Since then, the rules have been tightened up as the F680 system has been brought back to its original purpose and raison d'être of controlling access to Classified Information.

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# MOD F680

- Used to obtain permission for the release of information or equipment with a classification of OFFICIAL-SENSITIVE or above
- Approval is also required for some material classified OFFICIAL, but only where the information or equipment connected with the release holds a higher classification. If both the equipment and information is classified OFFICIAL a MoD Form 680 is not required.
- Certain Open General Export Licenses (OGELs) require a F680 permission

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# MOD F1686

- Running in parallel to the F680 system, the F1686 process covers instances where a UK company seeks permission to sub-contract a UK Government contract or collaborate with an overseas entity where they would need to be able to share “OFFICIAL – SENSITIVE”, or above, Classified Information.
- [file:///C:/Users/bernadette/Downloads/1\\_7%20FORM%201686-Subcontracts.pdf](file:///C:/Users/bernadette/Downloads/1_7%20FORM%201686-Subcontracts.pdf)

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# MOD PV Grading

- The PV Security Grading
- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/621437/20170518-PV-Ex\\_Guidance\\_Document-V3-O.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/621437/20170518-PV-Ex_Guidance_Document-V3-O.pdf)
- The PV Exhibition Clearance

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# UK Trade Controls

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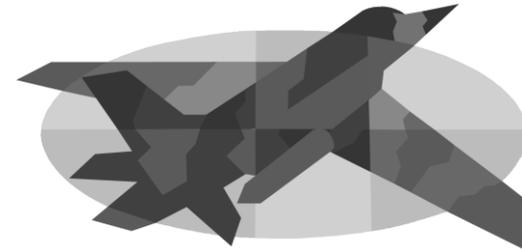
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# Overview

## UK involvement in transfers of military goods...



...between countries outside the UK

**Part 4 of the Export  
Control Order 2008**

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# What items are controlled?

- Military **goods** – not software/technology, not dual-use
- 3 Categories with different levels of control

## CATEGORY A (Sch 1, Pt 1)

- Cluster munitions, explosive submunitions, explosive bomblets
- Certain paramilitary / human rights-related items

## CATEGORY B (Sch 1, Pt 2)

- Subset of UK Military List, items of heightened concern – for example:
- Small arms/light weapons
  - Combat aircraft
  - Warships

## CATEGORY C

- Remainder of UK Military List (Sch 2)
- Certain riot control & self-protection devices
- Pelargonic acid vanillylamide
- Oleoresin capsicum

# What actions are controlled?



## What the regulations say

- Supply or delivery
- Agree to supply or deliver
- “Any act calculated to promote the supply or delivery”

## Practical examples

Depends on level of control, but can include:

- Submitting bids / negotiating contracts
- Drop shipping
- Transfers between affiliates
- Marketing
- Passing on sales leads
- Auxiliary services – financing, insurance, transport

# How do the controls work?

	Applies to UK Persons outside the UK?	Exceptions available?
<b>CATEGORY A</b> <b>EMBARGOED COUNTRIES</b>	YES	NO
<b>CATEGORY B</b>	YES	<ul style="list-style-type: none"> <li>• Limited transportation services</li> <li>• Financing / financial services</li> <li>• Insurance / reinsurance services</li> <li>• General advertising or promotion</li> <li>• “Contract promotion activity” not for payment</li> </ul>
<b>CATEGORY C</b>	NO	<ul style="list-style-type: none"> <li>• Transportation services</li> <li>• Financing / financial services</li> <li>• Insurance / reinsurance services</li> <li>• General advertising or promotion</li> <li>• “Contract promotion activity” not for payment</li> </ul>

# Embargoed Countries

- Armenia
- Azerbaijan
- Belarus
- Burma (Myanmar)
- Central African Republic
- Democratic People's Republic of Korea
- Democratic Republic of the Congo
- Eritrea
- Iran
- Lebanon
- Libya
- Russia
- South Sudan
- Sudan
- Syria
- Venezuela
- Zimbabwe

**Countries that are not “embargoed” include: China, Iraq, Ukraine**

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# General advertising

## General advertising or promotion

- Not directed at one individual/company, and
- Not intended to close a deal - objective is to gain people's interest

### Examples:

- stand at a trade fair with promotional materials such as posters or brochures
- advert in a periodical magazine

## Active / targeted advertising

- Specifically aimed at an individual or company with the intention of closing a deal

### Examples:

- specific visit to a customer's premises to establish the terms of a potential future supply
- an application as part of a tendering exercise

# Contract promotion activity

## Contract promotion activity...

“...any act calculated to promote the arrangement or negotiation of a contract for the acquisition, disposal or movement of goods or any agreement to do such an act”

- **Not** actual trading of goods
- “...acts which could arguably lead to the trading being agreed”
- Example: passing a sales lead to another company

## ...where “payment” not received

- Payment in money or money's worth or in kind
- Referable to a particular act or made from time to time (e.g. retainer)
- **Not** wages or salary

# Licensing

## OPEN GENERAL TRADE CONTROL LICENCE (OGTCL)

- Supply of specified goods from specified source countries to specified destination countries
- Pre-registration on Spire, recordkeeping, requirement to file open licensing returns, compliance audits
- Currently four kinds, including one for Category C goods

## STANDARD INDIVIDUAL TRADE CONTROL LICENCE (SITCL)

- Specific to named trader
- Set quantity of specific goods
- Specific source and destination country with a specified consignor, consignee and end-user
- Normally valid for two years

## OPEN INDIVIDUAL TRADE CONTROL LICENCE (OITCL)

- Specific to named trader
- Trading of specific goods between specific source and destination countries and/or specified consignors, consignees and end-users
- Normally valid for two years
- Not normally quantity specific

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# Dual-Use Brokering

- Movements of Annex I items between countries outside EU (including software / technology)
- Broker informed by competent authorities that items may be for WMD end uses, or broker is aware that they are intended for such uses (as implemented in UK)
- Broker = any person resident/established in EU that carries out “brokering services” from EU to a country outsider EU:
  - Negotiation or arrangement of transactions
  - Selling/buying items for transfer between countries
- No application to sole provision of “ancillary services”: transportation, financial services, insurance or re-insurance, or general advertising or promotion

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