

EGADD “Information Pod” at FIA 2024

Members are informed that, once again, it is planned for EGADD to have an information “pod” (stand number 1120D in Hall 1 in the UK National Pavilion) at the biennial Farnborough International Airshow 2024 exhibition, which is due to take place in Farnborough, Hampshire on Monday 22nd to Friday 26th July 2024. The EGADD stand should be staffed throughout the exhibition by export control experts; if any EGADD Members are planning on attending FIA 2024, 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.

Also at the Airshow, in Hall 3, will be the ECJU’s own stand, as part of the “Government Zone”, and, again, Members are warmly encouraged to pop in to visit that stand, which will be staffed by UK Government officials from a range of departments related to the UK’s export control system.

EGADD Main Meeting

It is proposed that this year’s annual Main Meeting will be taking place in a hybrid form on **Monday 18th November** (subject to confirmation by the Executive Committee). The draft agenda for this meeting is still being compiled, but it is currently envisaged that delegates should have the opportunity to discuss the latest topical news on export and trade control issues with subject matter experts, covering key subjects such as:

- Overview of EGADD’s activities over the last 12 months, and plans for 2025;
- An Overview of UK Export Controls;
- Implementation of LITE;
- Academia and Export Controls;
- Wassenaar Arrangement update;
- Sanctions;
- Export Controls and Due Diligence;
- What the new UK Government might do on export controls; and
- AUKUS.

Further details of this event will be published as soon as they become available at: <https://www.adsgroup.org.uk/events/>.

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/>.

Latest on AUKUS

It is believed that there should be a number of announcements about the plans to implement export control changes related to the successful delivery of AUKUS announced by the three governments on or around **Friday 16th August 2024**. These are expected to include the publication of the interim final rule by DDTC related to its proposed new ITAR Exemption, as well as a number of related announcements by the UK Government.

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

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NEWS LETTER

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News: Plans for the Implementation of AUKUS are becoming clearer

This is related to issues associated with the successful delivery of the trilateral AUKUS initiative, which is the trilateral defence partnership between Australia, the UK and the US, announced in September 2021. AUKUS comprises of 2 “Pillars” and has been designed to facilitate close cooperation between the three nations on a broad range of defence capabilities. Pillar 1 is focused on conventionally-armed nuclear-powered submarines, whilst Pillar 2 is focused on a number of different high-technology capability areas such as: cyber capabilities, artificial intelligence, quantum technologies, additional undersea capabilities, hypersonic and counter-hypersonic capabilities, electronic warfare, innovation, and information sharing; however, this will not preclude the potential adding at a later date of further capability areas, if deemed necessary. Naturally, it has been clearly identified that the successful delivery of such an ambitious multinational development and production initiative will require the need to address a number of perceived practical barriers, especially including the three nation’s export control systems, to enable the frictionless flow of defence technologies between the three nations.

Subsequently, on Wednesday 1st May 2024, the Directorate of Defence Trade Controls (DDTC) at the US Department of State published a draft proposed rule outlining its proposals for the Exemption under the ITAR related to the delivery of AUKUS (<https://public-inspection.federalregister.gov/2024-08829.pdf>). This publication is linked to similar proposed changes related to the parallel EAR system which were released on Thursday 18th April 2024 (<https://www.bis.gov/press-release/commerce-significantly-streamlines-export-controls-australia-and-united-kingdom>), which, in turn, was followed by the UK’s own Notice to Exporters 2024/09, which was also released on Wednesday 1st May 2024 (<https://www.gov.uk/government/publications/notice-to-exporters-202409-update-on-aukus>), and the launch of the UK Government’s own 60-day consultation period for an AUKUS-related Open General Export Licence.

We would like to thank those Members who contributed their time to helping us to put together formal responses on these proposals. Copies of the formal responses, which were submitted under the auspices of the UK Members of the AUKUS Advanced Capabilities Industries Forum (or ACIF), are available from Brinley.Salzmänn@adsgroup.org.uk.

We understand that the next stage in this process for the export control changes needed to successfully deliver AUKUS should be announced on or around **Friday 16th August 2024** (see box on back page).

Electronic Licensing and Customs – Major Changes Being Introduced

Over the course of 2024 some hugely significant changes will be taking place here in the UK related to the introduction of new electronic systems.

First off, and after many years of development, as announced in the ECJU's Notice to Exporters 2024/12 (<https://www.gov.uk/government/publications/notice-to-exporters-202412-export-declarations-move-from-chief-to-cds-from-4-june-2024>), the HMRC's new Customs Declaration System (or CDS) has been fully implemented to replace the previous CHIEF system, as of Tuesday 4th June 2024. A number of Member Companies have been wrestling with the practical aspects of trying to operate the new system, and EGADD is trying to facilitate the sharing of information and practical experiences between its Members on this.

Secondly, and after nearly 10 years' of developmental effort, at last the new LITE electronic licensing system is being introduced into service to replace the existing SPIRE system. LITE is just completing its private Beta testing, and it is intended that the public Beta testing phase should be beginning in the early-Autumn of 2024, with the new system then being gradually rolled out across all of the companies that currently use SPIRE so that by the start of 2025 all Standard Individual Export Licence (or SIEL) applications should have been migrated onto LITE. Eventually, it is intended for the LITE system to take over responsibility for the delivery of all of the current SPIRE functionality, including OIELs, OGELs, F680s, PV Gradings, etc.

EGADD has been trying to assist the ECJU to ensure that the new system is as thoroughly tested as possible, and ensure that all of the soon to be published guidance and training materials are as clear and concise as possible, and not open to misunderstandings or confusion, as it is in everyone's interests to try to ensure that the LITE implementation process is as seamless and problem-free as possible.

Export Controls "Agony Aunt"

Q: My company is thinking of seeking to send some technical specifications to a US-based manufacturer, for them to use to make some components that they would then ship back to us to help us to meet a production short-fall that we are currently experiencing. What are the potential export control implications, if any?

A: Yes, there are a number of potential implications of which you need to be aware. Firstly, if the technical specifications are export controlled, under the UK's own national regulations, you will need to ensure that you have a relevant UK export licence – almost certainly this should be able to be achieved through registering for a relevant Open General Export Licence from amongst the q=suite of these that is currently available (<https://www.gov.uk/government/collections/open-general-export-licences-ogels>). Secondly, the US party should really seek clarification from the US authorities, via the Commodity Jurisdiction system (<https://www.bis.doc.gov/index.php/licensing/commerce-control-list-classification/commodity-jurisdiction>) to ascertain what its stance would be on the technology to be transferred. If it came back with an answer that indicated that the US Government would regard the manufactured item(s) as being covered by the EAR, then that is one thing, but if it came with a ruling that they would be ITAR-controlled. Then that would have a very significant bearing on what you would have to do to introduce a "technology control plan" to ensure that you have the necessary measures in place governing what you would be allowed to do with the US-sourced components, and who you would be allowed to pass them on to. Also, if this is a simple "build-to-print" operation, with absolutely no technical discussions between you and the US entity, that is one thing, but if there is any remote chance of there being a potential need for you to have any technical discussions with the US party involved, then the US entity would need to have to apply for the Technical Assistance Agreement (or TAA) to facilitate those discussions. Really, it is all down to the official classification of the items involved and whether any of them might be regarded as being export controlled, either under the UK's and/or the US' national regulations.

Latest US Export Control Workshops declared yet another great success

This year's US Export Control Workshops took place in Stratford-upon-Avon on Tuesday 16th to Thursday 18th July 2024, and, on the basis of an initial assessment of the feedback provided, were yet another great success, to add to the great plaudits of praise that this event has consistently received over its 17 years during which it has been taking place. The first event in the series was held in April 2007, and was a simple one and a half days, focused exclusively on matters related to compliance with the ITAR. Over the years, based on delegates' feedback, this has evolved into the new 3-day format (with the first day also serving as a one-day "Executive Briefing"), which covers almost the complete gamut of the whole issue of compliance with US export controls. Over the years it has featured an increasingly strong level of support and active participation from a wide range of US Government departments, now including: the Bureau of Industry and Security at the Department of Commerce, the Directorate of Defense Trade Controls at the Department of State, the Defense Technology Security Administration at the Department of Defense, and the Department of Homeland Security. Such is its success, that it is consistently full, with a waiting list. It has previously been nominated for a prestigious "Conference of the Year" award.

The next iteration is currently scheduled to take place on **Monday 15th to Wednesday 17th September 2025**, immediately after the conclusion of the DSEI 2025 exhibition in London.

AUKUS Export Controls Conference

ADS Group and AIA (of the USA) are planning to hold a conference in London, to take place on **Thursday 25th July 2024**, which is timed to coincide with the Farnborough International Airshow 2025 and is intended to take advantage of the presence in the UK of a number of senior US and Australian Government officials in the UK. This event will be covering the latest export control developments related to AUKUS and follows on from the major international "roadshow" that took place across the US, UK and Australia back in May 2024 to facilitate engagement between the three governments and their respective industries following the release of their proposals to implement the changes that will be necessary to delivery AUKUS. Physical, in-person places were quickly booked up, but there are still some virtual places available to enable on-line participation. Further details are available at: <https://www.adsgroup.org.uk/events/hybrid-seminar-developments-in-us-export-controls/>.

Virtual "Fire Side Chat"

To take advantage of the presence in the UK of Mr Kevin Wolf (<https://www.akingump.com/en/lawyers-advisors/kevin-j-wolf>), a partner at Akin Gump, who, in a previous incarnation, was the Assistant Secretary of Commerce for Export Administration, Bureau of Industry and Security (BIS), at the US Department of Commerce, EGADD is intending to organize a virtual "fire side chat", to enable Members to hear from him about his views on the global export control World, and to pose questions to him. This will be taking place from 15.00 (BST) on Wednesday 18th September 2024. Further details will be made available at: <https://www.adsgroup.org.uk/events/>.

FORTHCOMING EVENTS

US Export Control Developments
London and Virtual, 25 July
<https://www.adsgroup.org.uk/events/hybrid-seminar-developments-in-us-export-controls/>

7th Annual ITAR/EAR/OFAC Symposium
Annapolis (US), 10-11 September
marie@exportcompliancesolutions.com

Virtual Fire Side Chat with Kevin Wolf
On-Line, 18 September
Brinley.Salzmann@adsgroup.org.uk

Defence Exports
London, 24-25 September
Emily.Hood@saemediagroup.com

University Export Controls
On-Line, 24-26 September
<https://www.learnexportcompliance.com/agency-da-university-export-controls-2024/>

ECJU Annual Symposium
London, 15 October
denise.carter@businessandtrade.gov.uk

Global Sanctions Forum
London, 17 October
info@informaconnect.com

EGADD Annual Main Meeting
Hybrid (physical in London), 18 November
Brinley.Salzmann@adsgroup.org.uk

SIA's Fall Advanced Conference
Arlington (US), 28-29 October
www.siaed.org/events

Fundamentals of US Export Control Regulations
Dallas (US), 12-14 November
jill@contentenablers.com

2025
Global Trade Controls
Washington DC (US), 26-27 February
<https://www.americanconference.com/global-export-controls/workshops/>

US Export Controls in Europe
Düsseldorf (Germany), 19-20 March
<https://nielsonsmith.com/events/us-trade-controls-compliance-in-europe-conference/>

Sanctions, Anti-Corruption and Export Controls Compliance in the Middle East
Dubai (UAE), 28-29 May
<https://nielsonsmith.com/events/sanctions-anti-corruption-export-controls-compliance-in-the-middle-east-sacec/>

9th IEEE Conference on Control Technology and Applications (CCTA)
San Diego (US), 24-27 August
<https://ccta2025.ieeecss.org/>

US Export Control Workshops
Stratford-upon-Avon, 15-17 September
Karen.Hayhoe@adsgroup.org.uk

PLUS, keep an eye out for the new, refreshed training events from the ECJU by keeping an eye on:
<https://www.gov.uk/government/publications/export-control-training-bulletin>