

# **United Kingdom Strategic Export Controls Annual Report 2011**

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Export Control Act 2002  
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# Ministerial Foreword

This is the fifteenth Annual Report on Strategic Export Controls to be published by the United Kingdom. It describes Britain's export control policy and practice during the period January to December 2011.

The British Government is committed to **safeguarding Britain's national security** by countering terrorism and weapons proliferation, and working to reduce conflict; **building Britain's prosperity** by working with British Business, increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth; and **promoting British values abroad**, including on democracy, sustainable development, human rights and poverty reduction by reducing the proliferation of weapons and the diversion of resources. These are mutually reinforcing agendas, which robust and effective national and international arms export control regimes help to promote and protect.

In 2011, the unforeseen events of the Arab Spring proved a stern challenge of Britain's strategic export controls, in particular to ensure that British equipment was not used for internal repression. It remains the case that there is no corroborated information that any UK-supplied equipment was used by governments against their own people in the Middle East and North African region during the Arab Spring. Our export control system stood up to the challenge well with 158 export licences being revoked as compared to around 15,000 applications received. However, there were lessons to be learned and our procedures were thoroughly reviewed in order to see how they could be enhanced. Implementing the recommendations announced to Parliament on 13 October has been, and continues to be, a key priority for the Government's export licensing community.

As a direct result, Ministers now have increased oversight of export licence applications. A new export licensing suspension mechanism has been put in place to allow immediate licensing suspension to countries experiencing a sharp deterioration in security or stability (applications in the pipeline would be stopped and no further licences issued, pending Ministerial or departmental review). We also now have a revised internal country risk categorisation system based on objective indicators and which will be reviewed regularly.

The Government continues to improve and harmonise its sources of information, enhancing reporting from our overseas Posts on political and human rights issues, and bringing greater consistency and structure to export-related advice to Ministers.

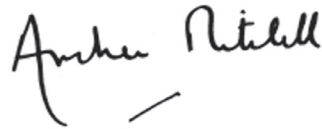
Work also continues to improve the presentation of public information on arms exports. The Government is now providing more unclassified information to the Committees on Arms Export Controls in response to their quarterly questions. The Committees continue to make much of this information publicly available. Ministers continue to seek opportunities to speak publicly on strategic exports control issues and on the Arms Trade Treaty. The Business Secretary gave a commitment to greater transparency in a Written Ministerial Statement on 7 February 2012 and both the Foreign Secretary and the Business Secretary publicly gave oral evidence to the Committees on Arms Export Controls later that day.

The Government remains committed to maintaining and strengthening the effectiveness of its strategic export controls, and to improving the international system by taking a leading role in the United Nations negotiations for an Arms Trade Treaty which the international community is working to conclude in New York in July.

This Annual Report demonstrates the Government's commitment to transparency in the area of strategic export controls. 2011 saw a significant increase in the already strong public, media, parliamentary and non-governmental organisations interest in strategic arms control issues. We trust, therefore, that the information contained in this Annual Report will be of interest to a wide range of British and international stakeholders. We commend it to both Parliament and the public.



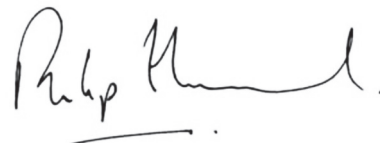
William Hague (FCO)



Andrew Mitchell (DFID)



Vince Cable (BIS)



Philip Hammond (MOD)

# Section 1

## Domestic Policy

### 1.1 Overview

The UK system for the licensing of Strategic Export Controls is operated by a single Export Licensing and Enforcement Community. This Community comprises nine Government Departments or Agencies: Business, Innovation and Skills (BIS); the Foreign and Commonwealth Office (FCO); the Ministry of Defence (MOD); the Department for International Development (DFID); the Department of Energy and Climate Change (DECC), the Communications-Electronics Security Group (CESG), Her Majesty's Revenue and Customs (HMRC), Border Force (BF) and the Crown Prosecution Service (CPS).

#### EXPORT LICENSING COMMUNITY JOINT MISSION STATEMENT

*"Promoting global security through strategic export controls, facilitating responsible exports"*

#### Guiding Principles

We shall implement effectively the UK's framework of strategic export controls so as to ensure that sensitive goods and technology are kept out of the wrong hands, by assessing all export licence applications against the Consolidated EU and National Arms Export Licensing Criteria. In so doing we shall facilitate responsible defence exports, as these depend on a sound regime of controls.

We shall administer the licensing system efficiently so that we keep the compliance burden on UK exporters to the minimum. In particular we shall therefore:-

- within the framework of our case-by-case approach, ensure maximum predictability for exporters by taking decisions which are consistent with the Consolidated EU and National Arms Export Licensing Criteria and our policy statements;

- aim to meet our published performance indicators, which set us challenging targets for processing applications in a timely manner;
- be transparent about our performance and operations, including by publishing an Annual Report;
- establish a dialogue with exporters, our customers, to enable us to understand their concerns and them to understand our requirements. We shall support them in complying with the process through services such as the BIS website, and awareness activities and ratings. We shall keep our licence products under review to ensure they remain appropriate as circumstances change; and measure our performance against others, capture best practice via our outreach visits with other licensing authorities, through attendance at international export control seminars, and through feedback from UK industry.

Strategic export controls relate to:

- Items on the UK's Military List;
- Dual-Use items listed under EC Regulation 428/2009 or items caught by the Military and Weapons of Mass Destruction end-use controls;
- Items on the UK Dual-Use List;
- Transfers of software and technology related to the above, including transfers by electronic means e.g. by email;
- Goods controlled under the EU Torture Regulation (EC) No 1236/2005;
- Goods which are controlled to destinations subject to UN, EU, OSCE and UK sanctions and embargoes.

The Export Control Organisation at BIS is the licensing authority for strategic exports in the United Kingdom. It sets out the regulatory framework under which licence applications are considered, and the Secretary of State for BIS takes the formal decision to issue or refuse export licence applications, and where necessary to suspend or revoke extant licences in accordance with the applicable legislation and announced policy.

The FCO, MOD and DFID act in a policy advisory capacity, providing the Export Control Organisation with advice and analysis on the foreign, defence and international development policy aspects relevant to consideration of export licence applications against the Consolidated EU and National Arms Export Licensing Criteria.

The Communications-Electronics Security Group within GCHQ is the UK government’s national technical authority for information security. They assess goods involving sensitive communications or computer technology.

DECC plays a key role in the UK’s biological, chemical and nuclear non-proliferation policy, for example by making sure the UK continues to meet its obligations under the Chemical Weapons Convention (CWC). They assess goods involving non-proliferation issues.

HMRC has responsibility for the enforcement of export and trade controls as well as sanctions and embargoes. HMRC works with the Border Force to detect breaches and to pursue prosecutions through the Central Fraud Group within the Crown Prosecution Service.

## 1.2 Strategic Export Licence Application Process

Applications for Export, Trade (“brokering”) or Transshipment Licences for strategically controlled goods are submitted electronically to the Export Control Organisation at BIS. Partners across Government are then consulted as appropriate before a decision is reached on whether to issue or refuse a licence.

The Arms Export Policy Department in the FCO conducts a case-by-case risk assessment of each application, taking account of the possible uses of the equipment to be exported, the destination country and the end user. Detailed political and human rights reporting and advice is sought as necessary from other FCO Departments and overseas Posts. Finely balanced and sensitive applications are referred to FCO Ministers for a final recommendation.

MOD advice on export licence applications similarly reflects the results of an internal process that brings together advice from a number of areas. This routinely involves seeking the views of those responsible for protecting the capability of the UK’s Armed Forces, and specialists from the security and intelligence fields. Separately, MOD coordinates a procedure for the Government (the Form 680 process) to ensure that companies seek clearance to use classified information they hold for the purposes of marketing their products overseas. Companies must also seek such clearance for the supply of classified goods. The F680 process benefits the licensing process, because it gives exporters an indication of whether a licence might be approved if the relevant circumstances remained the same. Generally, the same advisers that consider export licence applications assess MOD Form 680 applications.

DFID considers export licence applications destined to all International Development Association eligible countries against Criterion 8 (i.e. whether the proposed export would seriously undermine the recipient country’s economy, and whether the export would seriously hamper the sustainable development of the recipient country). DFID may also ask to see applications in respect of other countries of concern, as the Department has a significant interest in exports that might contribute to conflict or human rights abuses.

**Table 1.1** Estimated Government Resources 2011

For BIS, FCO, MOD and DFID the table below shows the cost of staff directly involved in implementing export licensing policy and processing export licence applications in 2011. The resource figure for HMRC/RCD CFG CPS/Border Force is calculated on staff hours’ effort, given the multifunctional nature of the roles in these organisations. This is, therefore, not a complete picture of resources devoted by these departments to Strategic Export Controls by the UK Government in 2011.

BIS	£3,647,000
FCO	£762,000
MOD	£754,000
DFID	£60,000
HMRC/RCD CFG CPS/Border Force*	£3,116,000
*2011-12 Financial Year	

## 1.3 Legislation

The primary legislation covering the export of strategic goods from the UK is the Export Control Act 2002. The Act is implemented by secondary legislation (“Orders”) under the Act.



The main Order is the Export Control Order 2008 which came into force on 6 April 2009 and consolidated and amended the three previous export and trade Orders (for details see the 2009 Annual Report). The 2008 Order contains the UK's controls on the export of military and para-military items, the national dual-use controls, and the controls on trade (i.e. controls on UK involvement in the movement, or in arranging or facilitating the movement, of military and certain other goods between two overseas countries – usually known as “trafficking and brokering”).

The following Orders were made under the Export Control Act during 2011, as follows:

- The Export Control (Amendment) Order 2011 (S.I. 2011/543) which came into force on 27 February 2011. The Order amended the 2008 Order to impose controls on the export of unissued Libyan bank notes. It was revoked by the Export Control (Amendment) (No. 2) Order 2011 (S.I. 2011/580).
- The Export Control (Amendment) (No 2) Order 2011 (S.I. 2011/580) which came into force on 2 March 2011. The Order amended the 2008 Order to impose export controls on unissued Libyan bank notes and unissued Libyan coins. It revoked the Export Control (Amendment) Order 2011.

The background to these two Orders is as follows. On 25 February 2011 the Government became aware that a commercial printer in the UK had a contract with the Central Bank of Libya to print Libyan bank notes. The Libyans had asked for urgent delivery of the entire stock of outstanding notes, valued at nearly £900 million.

Given the worsening situation in Libya at that time, and the imminent imposition of United Nations sanctions against that country and its regime, the Government judged there was a very real risk that the regime would attempt to move State assets with the intention of keeping them for their own benefit. There was also a risk that the assets may have been obtained by corruption. In both cases, we assessed that movement of these funds would constitute money laundering. Therefore, there was an urgent need to prevent the supply of the bank notes. The Government considered a number of options for preventing their supply but decided that the powers under the Export Control Act 2002 to control the export of any “goods” (such as paper notes) offered the quickest and most robust means of doing so. An urgent Order was therefore made under section 6 of the 2002 Act. Although it is unusual for export controls to apply to non-strategic or defence-related goods in this way there is nothing in the primary legislation that prevents it.

Soon after this, the Government became aware that a further contract existed with another supplier, in this case for the supply of unissued Libyan coins. Although the value of the coins was much lower, we judged that the same risks of money laundering and of the misappropriation of state assets existed. We therefore made the Export Control (Amendment) (No. 2) Order which imposed export controls on unissued Libyan coins as well as bank notes. At the same time, the original order was revoked by the new order. Orders made under Section 6 last for a maximum of 12 months.

The Government's stated intention was to return these assets to Libya for the benefit of the Libyan people as soon as we considered it safe to do so. As a result, following the fall of the Qadhafi regime and the lifting of UN sanctions against the Central Bank of Libya the Government issued two Standard Individual Export Licences (SIELs) for bank notes and one SIEL for coins.

- The Export Control (Amendment) (No 3) Order 2011 (S.I. 2011/1127) which came into force on 16 April 2011. The Order amended the 2008 Order to impose controls on the export to the USA of sodium thiopental, pancuronium bromide, potassium chloride and sodium pentobarbital when in a form suitable for injection, and revoked the Export Control (Amendment) (No. 3) Order 2010 which had imposed a control on the export to the USA of sodium thiopental (see the 2010 Annual Report for details). These new controls were introduced because pancuronium bromide and potassium chloride are the other drugs used with sodium thiopental in the standard 3-drug protocol for execution by lethal injection in the United States and the UK had evidence that at least one US state had substituted sodium pentobarbital for sodium thiopental. The Order was made under section 6 of the Export Control Act 2002 meaning it remains in force for a maximum of 12 months. At the same time we requested that the European Commission amend Regulation 1236/2005 (the so-called “torture Regulation”) to add thiopental to the list of items in Annex III for which export authorisation is required. The torture Regulation was amended on December 2011 (see below).
- A number of Orders implementing UN and EU sanctions, in particular providing for enforcement of, and penalties for, breaches of the sanctions:
  - The Export Control (Belarus) and (Syria Amendment) Order 2011 (SI 2011/2010)
  - Export Control (Syria and Miscellaneous Amendments) Order 2011 (SI 2011/1304)
  - Export Control (Iran) Order 2011 (SI 2011/1297)
  - Export Control (Eritrea and Miscellaneous Amendments) Order 2011 (SI 2011/1296)

- Export Control (Libya) Order 2011 (SI 2011/825)
- Export Control (Somalia) Order 2011 (SI 2011/146)
- Export Control (Liberia) Order 2011 (SI 2011/145)

In addition two Regulations implementing sanctions were made under the European Communities Act 1972:

- The Export Control (Sudan and South Sudan Sanctions) and (Miscellaneous Amendments) Regulations 2011 (SI 2011/2925)
- The Export Control (Al-Qaida and Taliban Sanctions) Regulations 2011 (SI 2011/2649)

See Section 2 of this report for further information on the country-specific export restrictions observed by the UK.

The principal export control legislation applying to dual-use items is Council Regulation (EC) 428/2009 of 5th May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (the so-called "Dual-Use Regulation") which entered into force on 27th August 2009. One amendment to the Dual-Use Regulation was adopted and published in the Official Journal of the EU in 2011, although it did not come into force until 7 January 2012:

- REGULATION (EU) No 1232/2011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 November 2011 amending Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items. The new Regulation introduced five new EU-wide General Export Authorisations (EUGEAs) complementing the existing Community General Export Authorisation (CGEA, now renamed EUGEA EU001) and available for use by any exporter established within the EU:
  - EU002 – export of certain dual-use items to certain destinations
  - EU003 – export after repair/replacement
  - EU004 – temporary export for exhibition or fair
  - EU005 – telecommunications
  - EU006 – chemicals

Each General Authorisation permits the export from the EU of specified dual-use items to a list of specified destinations, subject to certain conditions as set out in each Authorisation. The Regulation also made amendments to the way denial notifications are shared between Member States, to the reports on dual-use export controls that the European Commission must provide to the European Parliament, and a number of changes to Regulation 428/2009 as a result of the Lisbon Treaty.

Council Regulation (EC) 1236/2005 of 27 June 2005 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhumane or degrading treatment or punishment, which came into force on 30 July 2006, was amended once in 2011. As noted above, in November 2010 the UK imposed controls on export to the USA of sodium thiopental and in April 2011 extended the controls to include pancuronium bromide, potassium chloride and sodium pentobarbital. On 12 April 2011 Mark Prisk MP, Minister of State for Business and Enterprise, wrote to Baroness Ashton, EU High Representative for Foreign Affairs and Security Policy, informing her of the UK's actions and calling on the European Commission to bring forward proposals to amend Regulation 1236/2005 to control the export from the EU of drugs that could be used for execution by lethal injection. Baroness Ashton replied on 14 September 2011 confirming that work to amend the Regulation had commenced. Subsequently, Commission Implementing Regulation (EU) 1352/2011 of 20 December 2011 amending Council Regulation (EC) 1236/2005 was adopted, coming into force on 21 December 2011. The new Regulation:

- Added electric shock sleeves and cuffs, and spiked batons, to Annex II (list of items whose import and export is prohibited);
- Added "short and intermediate acting barbiturate anaesthetic agents" (including sodium thiopental and sodium pentobarbital) to Annex III (list of items for which an export licence is required).

These controls, which apply in all 27 Member States and apply to exports to all destinations outside the EU, effectively supersede the UK controls on spiked batons, sodium thiopental and sodium pentobarbital and consequently we intend to amend the 2008 Order to remove the national controls.

The European Commission have included a broader review of the scope of Regulation 1236/2005 in their Work Programme for 2012.

## 1.4 Policy Developments

### Charging for Export Licences

The question of whether the Government should charge for export licences has been raised a number of times over the last few years. As Mark Prisk MP, Minister for Business, told the Committees on Arms Export Controls on 24 January 2011<sup>1</sup>:

- "With regards to charging, as the numbers of licensing applications have grown substantially and, inevitably, as Government have pressures on their resources, the question is whether the taxpayer

<sup>1</sup> HC686, Ev18, Q77, <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmquad/686/11012402.htm>

should pick up the full balance of that process — as citizens, we require Government to impose effective export controls on military equipment and so on — or whether businesses should contribute to that process, if only to make sure that they then get an even higher quality of service. “

As noted, the Government accepts that charging would have to be accompanied by an improvement in the service exporters received.

Any proposal to charge for licences would have to be compliant with EU law and satisfy the principles set out in HM Treasury’s guidance on Managing Public Money<sup>2</sup>. In effect, this means that any charge for a product or service must: (i) be proportionate to the cost of providing that particular product or service; (ii) seek to recover the full costs of providing the product/service; and (iii) must not involve cross-subsidisation. It is therefore not permitted to base the charge on any factor other than cost of provision (for example, on the value of the export transaction) and it is not permitted to charge large companies more in order to charge small companies less (cross-subsidy). This places certain constraints on how any charging scheme could be designed. Managing Public Money also sets out (in Annex 6.2) the costs that must be recovered. This includes a significant number of items which are not included in the Estimated Government Resources applied to export control given in Table 1.1, for example indirect costs such as costs for accommodation, utilities and IT. On the other hand enforcement costs (HMRC, Border Force & CPS costs) cannot be recovered. Therefore the costs given in Table 1.1 should not be taken as being representative of the costs the Government would seek to recover through a charging scheme for export licensing.

On 30 September the Government stated, in response to a question from the Committees on Arms Export Controls<sup>3</sup>:

- We have been discussing with exporters the possibility of charging for export licences. These informal discussions will continue. We will open a full public consultation as and when this becomes a firm Government proposal with a timetable for implementation.

In November the Government announced to exporters that, in relation to charging:

- “The final discussions have taken place and we will not be taking forward the charging idea for the time being.”

The Government will, however, be taking forward a number of service improvements that were identified during the informal discussions.

## European Commission Green Paper on Dual-Use Export Controls

Under Article 25 of the Dual-Use Regulation the European Commission must present to the Council of the EU and the European Parliament, by September 2012, a report on the implementation of the Regulation. As a first step in that process the Commission published, in June 2011, a Green Paper entitled “The dual-use export control system of the European Union: ensuring security and competitiveness in a changing world.”<sup>4</sup> The Green Paper launched a public consultation and was divided into three main sections: the first looked at dual-use export controls in the broader context of international trade; the second section described the existing arrangements and sought the views of stakeholders on specific aspects of the controls; and the final section proceeded from the premise that the EU needs to move towards a more risk-based approach and adopt a greater degree of harmonisation among Member States of administrative and operational procedures, and made a number of suggestions as to how this could be achieved.

The public consultation closed on 31 October 2011. The Government’s response is available on the BIS website<sup>5</sup>. We expect the Commission to publish an analysis of the responses to the consultation during the first half of 2012. The formal report to the Council and Parliament as required under Article 25 of Council Regulation (EC) 428/2009 is expected in September 2012, with any subsequent legislative proposals expected to follow in 2013.

### 1.5 Other Policy Developments

On 16 March 2011, the Foreign Secretary told the Foreign Affairs Committee that the Government would review policy and practice with regard to the export of equipment that might be used for internal repression in the light of events in the Middle East and North Africa. Government colleagues with responsibilities in this area, in particular the Secretary of State for Business, Innovation and Skills who has responsibility for our export licensing systems and operations, were consulted in the course of this review.

<sup>2</sup> Managing Public Money, TSO, October 2007, ISBN 978-0-11-560-126-2, available online at [http://www.hm-treasury.gov.uk/d/mpm\\_whole.pdf](http://www.hm-treasury.gov.uk/d/mpm_whole.pdf)

<sup>3</sup> [http://www.parliament.uk/documents/commons-committees/Arms\\_export\\_controls/05.%20110930%20-%20From%20Foreign%20Sec%20-%20Annex%20A.pdf](http://www.parliament.uk/documents/commons-committees/Arms_export_controls/05.%20110930%20-%20From%20Foreign%20Sec%20-%20Annex%20A.pdf)

<sup>4</sup> [http://trade.ec.europa.eu/doclib/docs/2011/june/tradoc\\_148020.pdf](http://trade.ec.europa.eu/doclib/docs/2011/june/tradoc_148020.pdf)

<sup>5</sup> <http://www.bis.gov.uk/assets/biscore/eco/docs/12-509-eco-response-eu-green-paper-dual-use.pdf>

The review concluded that there were no fundamental flaws with the UK export licensing system, but did identify areas where the export licensing system could be further strengthened to enable Ministers to respond rapidly and decisively to the outbreak of conflict, instability or unpredictable events in other countries. The review proposals, all of which were agreed by the Foreign Secretary and Business Secretary, would increase our confidence that the risks involved in supplying UK origin goods are managed as much as possible which minimises the risk that such goods are misused (e.g. for internal repression), and that our controls were being applied in an orderly and systematic way, informed and influenced by our values and interests. This would also complement the Government's efforts to build Britain's prosperity by increasing exports and helping UK companies succeed in international markets.

The review proposed the introduction of a mechanism to allow immediate licensing suspension to countries experiencing a sharp deterioration in security or stability. Applications in the pipeline would be stopped and no further licences issued, pending Ministerial or departmental review. The suspension mechanism was subsequently introduced in January 2012.

The review also proposed the introduction of a revised country risk categorisation, based on objective indicators and reviewed regularly, that keeps pace with changing circumstances; enhances our assessment against all export control Criteria, including human rights violations; and allows specifically for Ministerial scrutiny of open licences to ensure that the benefits of open licensing can be maintained while keeping the associated risks to acceptable levels. This would increase oversight by Ministers, including of individual licence applications.

As a result of these changes the Government will ensure that export licensing decision making is more responsive to rapidly changing circumstances, particularly political instability; bring more structure and consistency to the gathering of export related information, provide more information on the human rights situation in country, including through following new security and justice assistance guidance and undertaking end-use monitoring of controlled military goods, bearing in mind both the practical and resource limitations.

The Government will continue to work to improve public information on defence & security exports, including enhanced transparency of routine export licensing decisions and how it responds during a crisis.

The Government also considered how it could strengthen its decision making when providing security and justice assistance overseas. The Government provides assistance to international partners to tackle threats such as terrorism, serious organised crime and conflict

prevention. In doing so, the Government will ensure that this assistance supports our values, is consistent with our domestic and international human rights obligations, and seeks to promote human rights and democracy. Guidance was issued in December 2011 to assist Government officials in assessing the human rights implications of our overseas security and justice assistance.

The Government, determined to learn the wider lessons of events in the Middle East and North Africa, believes that this package of improvements is the proper response to the lessons of this year. This does not preclude additional measures or further strengthening of the system.

The Government remains committed to robust and effective national and global controls to help prevent exports that could undermine our own security or core values of human rights and democracy; to protect our security through strategic defence relationships; and to promote our prosperity by allowing British defence and security industries to operate effectively in the global defence market.

## **1.6 Transparency and Accountability**

The Parliamentary Committees on Arms Export Controls continued to scrutinise export licensing decisions and policy throughout 2011. The Government welcomes the scrutiny of the Committees and will continue to assist in their important work by continuing to provide as much information as possible in response to their requests. The Government has discussed with the Committees the provision of unclassified answers to the Committees questions on the Quarterly Reports which the Committees could make public. The first set of such answers was provided at the end of the year and published on the Committees' website on 12 January 2012. The Government will continue to work with the Committees to make as much information as possible available to the public while protecting sensitive information.

In addition, the Government continued to make Ministers available to give oral evidence to the Committees. Mark Prisk MP, the Minister of State for Business and Enterprise, and Alastair Burt, Parliamentary Under Secretary of State at the Foreign and Commonwealth Office, gave oral evidence to the Committees on 24 January 2011. The transcript of this session is available on the Committees on Arms Export Controls pages of the Parliamentary website (<http://www.parliament.uk/business/committees/committees-a-z/other-committees/committee-on-arms-export-controls/>).

The Government continued to publish export licensing data on a quarterly basis on the Strategic Export Controls: Reports and Statistics website. This provides a user-friendly searchable database of data published



from 1 January 2008 onwards and also provides access to historic and current Quarterly and Annual Reports in pdf format. The Strategic Export Controls: Reports and Statistics website can be accessed at <https://www.exportcontroldb.bis.gov.uk/eng/fox/sdb/SDBHOME>. Users must register in order to make use of the full functionality of the site but this only takes a few minutes. Comprehensive help and guidance on using the site is also available from the home page.

## 1.7 Awareness

As part of the Government's extensive awareness campaign on export controls for industry around the UK, 46 seminars and training courses were delivered on a nationwide basis during 2011, attended by over 1,000 people (820 in 2010) representing around 500 (350 in 2010) organisations. Training sessions provided throughout the year focused on the provision of specific legislative and operational information about export control obligations to industry. The course objectives are to further this knowledge and to provide information about industry responsibilities in terms of export control; assistance with understanding the strategic control lists, which goods and activities are controlled and how to apply for export licences. The courses include:

- Beginners' Workshops for those new to export controls;
- Intermediate-level seminars, covering a number of issues including: exporting technology, the different sorts of licences available, company compliance with export control legislation and the UK control lists;
- A series of workshops to help companies classify their items on the Military and Dual Use Strategic Export Control Lists.
- Other courses were available to help companies improve the quality of their licence applications; reduce the need for the Export Control Organisation to request further information in support of the applications, enabling a quicker licence decision to be made.

On-site training was delivered to 33 companies located across the UK. These companies had requested bespoke training to address their specific market issues. The minimum number of people trained on site was 10 and maximum numbers were dependent on company requirements.

There were 128 new company registrations for attendance across the whole range of training courses. The majority of companies registered for the Beginners and Intermediates events, rather than the more specialist courses, indicating that many of these companies are new to export controls.

In terms of general wider awareness-raising with

companies unfamiliar with their export control responsibilities, staff from the Export Control Organisation worked closely with other Government Departments such as HMRC, MOD, FCO and Border Force. The Export Control Organisation also recognised the importance of spreading export control messages to wider audiences and further developed working relations with UKTI, Trade Associations, Chambers of Commerce and other intermediaries (in the form of joint seminars and trade journal articles) about export controls particularly amongst the dual use sector.

In addition to these general awareness-raising activities, the Government sought to provide updates on specific countries of concern. The Government continued to publish, on the Export Control Organisation website, a list of Iranian entities of potential WMD concern. The list is intended to help exporters judge which exports could be of concern on WMD end-use grounds, based on previous licensing decisions, including when they should contact the Export Control Organisation for advice. Inclusion of an entity on the list does not necessarily indicate that an export licence would be refused, nor does non-inclusion mean that there are no end-use concerns. Exporters are encouraged to contact the Export Control Organisation whenever they have any suspicions regarding possible WMD end-use. As a result of restrictive measures on trading with Iran following EU Council Resolution 961/2010, the Export Control Organisation experienced a high level of interest for advice about the market from UK businesses. Working closely with HM Treasury, FCO and HMRC, the Export Control Organisation responded to the request for additional information about Iran and held two Industry Briefings on "Trading with Iran" covering: the Government position; goods affected by the restrictions and the resulting impacts; contractual exemptions; financial issues; actions for companies. These events were well attended, with a total of 150 delegates including 33 companies new to Export Control Organisation training events of which 13 were in the service sector (e.g. insurance, freight and legal).

Recognising the importance of the freight industry and working with the British International Freight Association, the Export Control Organisation delivered an awareness event specifically directed at this sector. It was attended by air and shipping companies and Export Control Organisation subsequently posted articles in the British International Freight Association's trade journal. The Export Control Organisation also worked with the Association to provide wider circulation of the reviewed policy on strategic export licence applications made by freight forwarders and other transport providers – published in September 2011.

The Export Control Organisation continued to encourage industry to sign up to receive Notices to Exporters and in 2011 subscribers increased to 4,470 (from 3,600 in 2010). The Export Control Organisation issued a total of

31 Notices to Exporters – with over one third of these related to updates on Sanctions and Legislation. Twitter feed to Notices was introduced in 2011 and subscribers totalled around 100 – this number is expected to increase. In addition to the Notices to Exporters service, the Export Control Organisation issued two editions of the Awareness / Compliance Bulletin.

### Website update

Following convergence of the Export Control pages on the BIS website with Business Link in 2010, customer hits on the Business Link Export Control Organisation pages increased from 6,000 per month in 2010 to an average of 8,500 per month in 2011. This raised the Export Control Organisation pages to 3<sup>rd</sup> in popularity on the International Trade theme pages in 2011, up from 6<sup>th</sup> in 2010.

Exporters continued to make good use of the Export Control Organisation’s two web-based search tools which help to identify which products need a licence (“Goods Checker”) and, if licensable, whether an Open General Export Licence (OGEL) potentially covers the proposed exports (“OGEL<sup>6</sup> Checker”). “Goods Checker” provides a web-based search function across the Consolidated UK Strategic Export Control List. “OGEL Checker” assists users who know the rating (control list classification) of their goods and the destination country for the proposed export to find out which OGEL(s) may cover the export, provided all the conditions can be complied with.

Some 3,858 individuals registered to use both the checker tools in 2011 (up from 3,600 in 2010). In terms of activity on the site, there was an average of 227 daily visitors with 65% using the Checker Tool and 35% accessing the OGEL checker. Both of these tools can be accessed at [www.ecochecker.co.uk](http://www.ecochecker.co.uk)

### 1.8 Compliance

The Export Control Organisation’s Compliance Inspectors continued to audit companies and individuals holding Open Individual and Open General Licences, both for exports and trade activities. These audits establish whether the terms and conditions of the licences are being adhered to. Audits may take the form of a site visit or can be undertaken remotely.

The following table shows the instances of compliance found at scheduled Compliance visits between January 2011 and December 2011. In most cases these errors, and their causes, had been rectified by the time of the audit revisit 3-6 months later.

**Table 1.2**

Of those companies audited, the Compliance Levels of Licence Holders for the period 2011 were:

<b>Total Number of First time visits</b>	216
% of first time visits found to be compliant	70%
% of first time visits found to be not fully compliant	30%
<b>Total Number of routine visits</b>	445
% of routine visits found to be compliant	73%
% of routine visits found to be not fully compliant	27%
<b>Total Number of revisits (where warning letter or areas of concern where raised at a previous visit)</b>	59
% of revisits found to be compliant	73%
% of revisits found to be not fully compliant	27%

Some 45 warning letters were issued to Company Directors during 2011 where breaches of licence conditions were found during visits. These letters also outlined the steps necessary to ensure compliance at revisit. Included within the 27% ‘not fully compliant’ figure, were two companies that had, during a revisit, repeated serious compliance errors identified at earlier audits. As a result, both companies had their licence suspended for a period of three months. In all other cases of ‘not fully compliant’, companies were found to be compliant with the terms of their licences when revisited.

### 1.9 HM Revenue and Customs, Border Force and Crown Prosecution Service Resources on Enforcement and Outreach

HM Revenue and Customs (HMRC), Border Force (BF) and the Crown Prosecution Service (CPS) work together to enforce the UK’s strategic export and trade controls and sanctions and embargoes.

HMRC has a Policy Unit which develops and manages enforcement policy for strategic export and trade controls as well as sanctions and embargoes. HMRC also has two specialist operational teams carrying out criminal investigations and intelligence management functions. Staff at HMRC’s National Clearance Hub undertake checks on customs export and import declarations and supporting documentation – including checking BIS export licences – undertaking appropriate risk assessment. Staff within HMRC’s Large Business Service and Local Compliance, audit UK exporters and carry out pre- and post-export licence checks on intra-EU transfers of controlled goods.

<sup>6</sup> A full explanation of the different UK export licences currently available is included in Section 3 of this report

The majority of Border Force officers are multi-functional, implementing a wide range of fiscal controls as well as other regimes that prohibit or restrict goods that are being moved across the UK border. All officers are equipped to carry out a range of duties and are supported by specialist teams when necessary.

Border Force officers carry out physical examinations of cargo at ports and airports. The Border Force National Counter Proliferation Team has specialised knowledge in the detection of the illicit export of strategic goods and sanctions breaches and works with the rest of Border Force to detain, disrupt and seize unlicensed or sanctions-breaching goods. These seizures and disruptions can result in criminal investigations by HMRC. In addition HMRC investigate breaches of trade controls, where restricted or controlled goods have been moved from one third country to another by UK nationals. The arrangement of the movement of these goods will have either been undertaken in the UK, or by UK nationals anywhere in the world. A specialist team of Crown Prosecution Service prosecutors are responsible for prosecuting cases referred to them by HMRC in respect of export and trade controls or sanctions breaches.

HMRC, Border Force and the Crown Prosecution Service continue to strengthen links with other enforcement agencies in the field of strategic export control to improve our international partner's capabilities. All three departments have participated in bilateral outreach and capacity-building events with key partner countries including the United Arab Emirates, Malaysia, Singapore, Hong Kong and China. HMRC has also worked in partnership with the EU Export Control Outreach Programme and the Stockholm International Peace Research Institute (SIPRI), to develop a bespoke risk management and investigation training course for key partners.

HMRC also supports the UK's International Export Control Commitments (see 2.2) through its contributions to operational expert groups. These groups underpin national export controls and aim to improve controls by sharing expertise and best practice. In 2011 HMRC produced a Licensing and Enforcement Officers Manual for the Nuclear Suppliers Group which has now been adopted as best practice. HMRC continues to play a role in the Proliferation Security Initiative working alongside the US and other partners to strengthen partners' capabilities to prevent the smuggling of illicit goods.

### 1.10 Enforcement actions taken by HM Revenue and Customs, Border Force and the Crown Prosecution Service

HM Revenue and Customs, Border Force and the Crown Prosecution Service have continued to undertake a wide range of enforcement activity through 2011-2012. This activity includes:

- 1 prosecution on export control and trafficking and brokering offences (see table 1.4).
- Confiscation orders to the value of £1,785,722.77
- 141 seizures of strategic goods in breach of licensing requirements or sanctions and embargoes (see table 1.3).
- 188 disruptions, where strategic goods without the necessary licence have been stopped from leaving the UK.
- HMRC has also made use of its power to issue compound penalties, with 8 issued in 2011-12, totalling £503,700.

HMRC continues to receive voluntary disclosures from exporters. These voluntary disclosures are assessed by HMRC and appropriate action taken. This can range from the issuing of a warning letter, through to compounding and up to a criminal prosecution depending on the specific details of the disclosure. HMRC, Border Force and the Crown Prosecution Service have also worked with BIS to contribute to raising awareness amongst traders of strategic goods in the UK through educational trade events and conferences.

<b>Financial Year</b>	<b>HMRC Strategic Exports and Sanctions Number of Seizures</b>
2006-07	44
2007-08	55
2008-09	50
2009-10	115
2010-11	134
2011-12	141

Crown Prosecution Service Prosecutions of strategic export and trade control cases

<b>Table 1.4 Prosecutions for strategic exports offences</b>					
<b>Financial Year</b>	<b>Goods</b>	<b>Destination</b>	<b>Individual or Company</b>	<b>Offence</b>	<b>Penalty</b>
2009-2010	15 Military personnel carriers	Sudan	Andrew Jackson and Steven Smithey	Exportation of goods Contrary to the Customs & Excise Management Act 1979 Section 68	Jackson sentenced to 2 years 8 months Imprisonment. Smithey sentenced to 8 month suspended sentence Confiscation Order £369,000 Costs £5,000
2009-2010	Military equipment including parts for F14 Tomcat fighters, military helicopters etc.	Iran	Mohsen Akhaven Nik, Mohammad Akaven Nik & Nithish Jaitha	Export of military goods contrary to Customs and Excise Management Act 1979 – section 68(2) Trade in Military goods contrary to Trade in Goods Control Order 2003 – article 9(2)	Total of 10 years imprisonment. Confiscation Order £978,774
2009-2010	Supply of bombs, armour piercing ammunition and other weapons to Sri Lanka and Israel.	Sri Lanka and Israel	Gideon Sarig and Howard Freckleton	Trading in controlled goods with intent to Evade prohibition contrary to Trade in Goods Control Order 2003 – article 9(2).	Total of 16 years imprisonment Freckleton Confiscation Order £1,500,000 Costs £25,000 Sarig: Confiscation Order £260,652.12 Costs £25,000
2010-2011	Tasers	New Zealand	Caroline Egley-Turner	Trading in controlled goods with intent to evade prohibition contrary to Trade in Goods Control Order 2003 – article 9(2)	6 months sentence suspended for 12 months Confiscation Order £24,802 Costs £36,197
2010-2011	Radiation detection equipment	Iran	Philip Bisgrove	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2)	Sentenced to 8 months imprisonment Confiscation Order £25,070.65 Costs £25,000



**Table 1.4** (continued)

<b>Financial Year</b>	<b>Goods</b>	<b>Destination</b>	<b>Individual or Company</b>	<b>Offence</b>	<b>Penalty</b>
2010-2011	Armoured vehicles, Body Armour and Helmets	Jordan and Iraq	Teal and Jones	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2) and trade in controlled goods contrary to Trade in Goods (Control) Order 2003 article 9(2)	Sentenced to 2 years imprisonment Sentenced to 50 weeks suspended for 2 years Confiscation Order £9,000 Costs £39,000
2010-2011	Machine guns	Nigeria	Ghulum Sayeed	Trade in military goods contrary to Trade in Goods (Control) Order 2003 article 9(1)	Conditional discharge for 12 months Costs £1,000
2010-2011	Chemicals	Israel	Avocet Dye Chemical	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2)	Fine £5,000 Confiscation Order £18,818
2010-2011	Rifle scopes	Dubai	Andrew Faulkner	Export of military goods contrary to Customs and Excise Management Act 1979 section 68(2)	Sentenced to 30 months imprisonment
2010-2011	Chemicals	China	Avocado Research Chemicals	Export of controlled chemicals contrary to Customs and Excise Management Act section 68(1)	Fine £300 Costs £100
2010-2011	Body Armour	Thailand	Mr. Varunprabha	Export of military goods contrary to section Customs and Excise Management Act 1979 section 68(2)	Conditional discharge for 12 months
2011-2012	Electrical switch gear	Iran	Ramin Pouladian-Kari, Gurminder Gill and Arbrene Hussain	Export of prohibited items contrary to section Customs and Excise Management Act 1979 section 68(2)	Pouladiian-Kari sentenced to 12 months imprisonment suspended for 2 years, and 200 hours unpaid work Hussain sentenced to 6 months imprisonment suspended for 2 years and 100 hours unpaid work Confiscation proceedings to follow

# Section 2

## International Policy

### 2.1 Non Proliferation Treaties and Export Control Regimes

For domestic policy to be effective, it must reflect the UK's commitments and obligations under international non-proliferation treaties and the regimes and arrangements that supplement them. We rigorously implement UK commitments and work actively with partners to ensure that controls are effective.

### 2.2 Export Control Commitments in 2011

The following table lists the UK's non-proliferation commitments, and their areas of coverage. Also shown in the list are other international organisations involved directly in export controls.

Table 2.1	
Areas of coverage	Commitment
Nuclear:	<ul style="list-style-type: none"> <li>Treaty on the non-proliferation of Nuclear Weapons (NPT)</li> <li>The Zangger Committee</li> <li>Nuclear Suppliers Group (NSG)</li> </ul>
Chemical and Biological:	<ul style="list-style-type: none"> <li>The Chemical Weapons Convention (CWC)</li> <li>Organisation for the Prohibition of Chemical Weapons (OPCW)</li> <li>The Biological and Toxins Weapons Convention (BTWC)</li> <li>The Australia Group</li> </ul>

Table 2.1 (continued)	
Areas of coverage	Commitment
WMD Delivery Systems	<ul style="list-style-type: none"> <li>The Missile Technology Control Regime (MTCR)</li> </ul>
Conventional Weapons	<ul style="list-style-type: none"> <li>The Wassenaar Arrangement (WA)</li> <li>The Convention on Landmines (known as the Ottawa Convention)</li> <li>The UN Convention on Certain Conventional Weapons</li> <li>The Convention on Cluster Munitions (known as CCM or Oslo)</li> </ul>
Other Organisations involved directly in Strategic Export Controls	<ul style="list-style-type: none"> <li>United Nations (UN), including the UN Security Council</li> <li>G8 Initiatives</li> <li>European Union (EU)</li> <li>Organisation for Security and Co-operation in Europe (OSCE)</li> </ul>

The following table shows countries which are subject to UN, EU, OSCE and other restrictions on the export of items

Table 2.2		
Country	Source	Instrument
Afghanistan	UN	UNSCR 1988 (2011).
	EU	Council Decision 2011/486/CFSP.
Armenia & Azerbaijan	OSCE	Decision of the Committee of Senior Officials of the OSCE 28/02/92.
Belarus	EU	Council Decision 2011/357/CFSP.
		Council Regulation (EU) 588/2011.
Burma	EU	Council Decision 2010/232/CFSP.
		Council Regulation (EU) 194/2008, as amended.
China	EU	Declaration by the Madrid European Council 27/06/89.
Cote d'Ivoire	UN	Most recently amended by UNSCR 1980 (2011).
	EU	Council Decision 2010/656/CFSP, as amended by 2011/412/CFSP. Council Regulation (EU) 174/2005, as amended.
Democratic Republic of Congo	UN	UNSCR 1807 (2008), most recently renewed by UNSCR 2021 (2011).
	EU	Council Decision 2010/788/CFSP. Council Regulation (EC) No 889/2005, as amended.
Eritrea	UN	UNSCR 1907 (2009).
	EU	Council Decision 2010/127/CFSP, as amended. Council Regulation (EU) 667/2010.

Table 2.2 (continued)		
Country	Source	Instrument
Guinea	EU	Council Decision 2010/638/CFSP, as amended by Council Decision 2011/706/CFSP.
		Council Regulation (EU) 1284/2009, as amended.
Iran (Nuclear)	EU	Council Decision 2010/413706/CFSP
Iran (Human Rights)	EU	Council Decision 2011/235/CFSP
Iraq	UN	UNSCR 661 (1990).
	EU	UNSCR 1483 (2003). UNSCR 1546 (2004). Common Position 2003/495/CFSP, as amended. Council Regulation (EC) No 1210/2003, as amended.
Lebanon	UN	UNSCR 1701 (2006).
	EU	Common Position 2006/625/CFSP. Council Regulation (EC) 1412/ 2006, as amended.
Liberia	UN	UNSCR 1903 (2009), most recently renewed by UNSCR 2025(2011).
	EU	Common Position 2004/487/CFSP, as amended by 2010/129/CFSP. Council Regulation (EC) 234/2004, as amended.

Country	Source	Instrument
North Korea	UN EU	UNSCR 1718 (2006) and 1874 (2009). Council Decision 2010/800/CFSP. Council Regulation (EC) No. 329/2007, as amended.
Libya	UN EU	UNSCR 1970 (2011) UNSCR 2009 (2011) Council Decision 2011/137/CFSP, as amended. Council Regulation (EU) No 204/2011, as amended.
Somalia	UN EU	UNSCR 733 (1992) UNSCR 1356 (2001) UNSCR 1725 (2006) UNSCR 1744 (2007) Council Decision 2010/231/CFSP, as amended. Council Regulation (EC) No 147/2003, as amended.
South Sudan	EU	Council Decision 2011/423/CFSP. Council Regulation (EC) No 131/2004
Sudan	UN EU	UNSCR 1591 (2005) as amended by UNSCR1945 (2010). Council Decision 2011/423/CFSP. Council Regulation (EC) No 1184/2005, as amended. Council Regulation (EC) No 131/2004, as amended.
Syria	EU	Council Decision 2011/782/CFSP.

Country	Source	Instrument
Zimbabwe	EU	Council Decision 2011/101/CFSP. Council Regulation (EC) 314/2004.

In addition, it is UK policy to take into account the moratorium by ECOWAS (the Economic Community of West African States) on the import, export and manufacture of light weapons when considering relevant licence applications to export small arms and light weapons to ECOWAS Member States (Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo). The ECOWAS moratorium applies to pistols, rifles, shotguns, sub-machine guns, carbines, machine guns, anti-tank missiles, mortars and howitzers up to 85mm and ammunition and spare parts for the above. The moratorium was declared on 1 November 1998 and a code of conduct on its implementation was agreed on 24 March 1999.

### 2.3 Assessment of Export Licence Applications

The Consolidated EU and National Arms Export Licensing Criteria (Annex A) sets out eight criteria against which every export licence application (ELA) is assessed. If an ELA does not meet the strict measures of the criteria, then the export will be refused.

**Table 2.3**

#### Criterion One

When assessing an Export Licence Application (ELA) under Criterion One, the International Organisations Department at the Foreign and Commonwealth Office are consulted to confirm whether the country of final destination is currently subject to any embargoes or other relevant commitments.

#### Criterion Two

When assessing an ELA under Criterion Two, British Diplomatic Posts, Geographical Desks and the Human Rights and Democracy Department at the Foreign and Commonwealth Office are consulted if the end destination of a proposed export is of concern.

**Table 2.3** (continued)

**Criterion Three**

When assessing an ELA under Criterion Three, British Diplomatic Posts and Geographical Desks at the FCO are consulted to assess the risk of a potential export provoking or prolonging armed conflict or aggravating existing tensions or conflicts in the country of final destination.

**Criterion Four**

When assessing an ELA under Criterion Four, the views from staff at the British Diplomatic Post(s) in the country of destination and Geographical Desks at the FCO are sought to assess the peace, security and stability of the region.

**Criterion Five**

When assessing an ELA under Criterion Five, the Ministry of Defence is consulted to consider whether a proposed export could have an impact on the security of the UK, UK assets overseas and the security of allies, EU member states and other friendly countries.

**Criterion Six**

When assessing an ELA under Criterion Six, the FCO is consulted to assess the behaviour of the buyer country with regard to the international community, in particular its attitude to terrorism, the nature of its alliances and respect for international law.

**Criterion Seven**

When assessing an ELA under Criterion Seven, staff at the MOD and FCO are consulted if the proposed export could have a military end-use or if there are concerns about the military capabilities of the importing country. An assessment is also made of whether the goods could be diverted to an undesirable end-user in either the importing country or to an undesirable end-user in another state.

**Criterion Eight**

When assessing an ELA under Criterion 8, the Department for International Development must be consulted if the importing country is on the World Bank's International Development Association list (Annex B), and the value of the application exceeds the threshold set by the Criterion 8 methodology. DFID then considers the potential impact of the proposed export on the sustainable development of the recipient country.

**2.4 Case Studies**

**LIBYA**

As demonstrations against the Qadhafi regime escalated in mid-February 2011, the Government immediately reviewed all valid licences for Libya and quickly revoked a number of extant licences for riot-control equipment, ammunition and tear gas. The Government had always taken particular care when approving licences for Libya. Following the events of February 2011, it became clear that the risks of exporting to Libya had changed significantly and, as the large-scale violence continued into late February, licences were subject to increased scrutiny. BIS had revoked all remaining licences for military-rated equipment as well as crowd-control equipment to Libya by the end of February.

The UN imposed an arms embargo on Libya through UNSCR 1970 (2011) and 1973 (2011) on 26 February and 17 March respectively which were brought into force in the UK by EU Council Decisions and Regulations. These prohibited the supply, sale or transfer of arms and related material to Libya unless allowed by the terms of the embargo – for example for humanitarian purposes, or for protective clothing for the media and UN personnel. UNSCR 2009 (2011) of 16 September reflected further developments in Libya through the introduction of new exemptions for the provision of arms and related material intended solely for security or disarmament assistance to the Libyan authorities. Export licence applications to Libya are now being closely assessed against these provisions, as well as the further changes in UNSCR 2040 (2012), and in line with the Consolidated Criteria.

**BAHRAIN**

The Government reviewed export licences to Bahrain immediately following the unrest on 14 February 2011. Any licences that were contrary to the Consolidated Criteria in the changed circumstances were revoked by 18 February. This meant revoking 23 standard individual licences and removing Bahrain as a destination from 18 open licences. However, it was the Government's view that an embargo would not have been an appropriate or proportionate response to events in Bahrain. During 2011, licences for communications equipment were granted for civil end use and for Government end use where the goods were to be used as a telecommunications system and for internet connectivity. From February to December 2011 the Government approved a limited number of licences for the Bahrain Air Force for aircraft components for the maintenance of military aircraft. The Government of Bahrain has committed to implementing reforms based on the unprecedented Independent Commission of Inquiry to prevent future human rights abuses from occurring.

## EGYPT

When violent unrest broke out in Cairo in February 2011, the Government reviewed all extant licences for Egypt and decided to revoke 36 standard individual licences. However, it was judged that a number of licences for goods such as naval navigation and radar equipment remained consistent with the Consolidated Criteria and licences for these goods were not revoked. Since then the Government continued to monitor the situation in Egypt closely, paying particular attention to the risk that goods might be used in internal repression or to aggravate existing tensions in the country.

## SAUDI ARABIA

Following calls in parts of Saudi Arabia to support uprisings elsewhere in the region through demonstrations and a planned two “days of rage”, extant licences were reconsidered against the Criteria in line with reviews conducted for other countries in the region during the Arab Spring. The Government concluded that all extant licences remained consistent with the Criteria.

Public interest was raised when Saudi Arabian troops deployed to Bahrain in March 2011, questioning whether they were assisting the Bahraini authorities to police protests, or had entered Bahrain of their own volition. In light of their involvement, we looked very carefully at applications for the Saudi Arabian National Guard (SANG) and considered their deployment to Bahrain.

It transpired that the Saudi Arabian National Guard had been invited by the Bahraini Government as part of the Gulf Co-operation Council’s Peninsular Shield Force, which also included military contingents from Qatar and UAE to guard critical installations whilst the unrest continued. Most of the Peninsular Shield Forces withdrew at the end of July, currently only a company-sized National Guard grouping remains deployed. The Government welcomed the Bahrain Independent Commission of Inquiry’s report into the unrest in late November 2011. The Inquiry’s report found no evidence of human rights violations committed by the Gulf Cooperation Council Peninsular Shield troops deployed to Bahrain.

## SAUDI ARABIA *(continued)*

Limited incidents of civil unrest in part of Saudi Arabia’s Eastern Province also raised the sensitivity of some export licence applications. Consequently, we continue to look carefully at applications involving the Saudi Arabian military and internal security forces. For example, licence applications for communications equipment were recently put to Ministers to ensure that the Government made a thorough assessment of the risk that the goods might be used for internal repression.

## THAILAND

In 2011 we received a licence application for a respirator that provides protection against chemical weapon agents, CS gas, CN gas, toxic industrial materials and chemicals. The equipment was potentially for use by a variety of end users including Thai Border and Drug Enforcement Organisations, the Thai police and Thai military units. We had significant concerns regarding the human rights record of the Thai police, following State Department and Human Rights Watch reports issued during Thailand’s “War on Drugs” in 2004, of the police beating, torturing and using excessive force against suspects and prisoners, and allegations of several people being killed during the arrest process. We also had particular concerns over the record of the armed forces in southern Thailand, where numerous violations had allegedly been committed, including unlawful killings, torture and unlawful detention. Clashes in April and May 2010 between security forces and anti-government protestors resulted in the deaths of more than 90 people as live ammunition was used on both sides. Despite the outbreak of violence during the crackdown on these protests, the Thai security forces did not opt to use tear gas to bring the situation under control. After consulting our Embassy we assessed that the risk of the security forces using tear gas continued to be low and indications were that it was unlikely that the respirators would be deployed to enable the use of tear gas. We had seen no reports suggesting that the other end users listed in this application had used tear gas to disperse protestors, or other civilians in crowd control situations. We therefore assessed there was no clear risk that this equipment might be used for internal repression, and the licence was approved.



## INDONESIA

Indonesia has a population of 240 million and is the world's third largest democracy and largest Muslim majority nation. As a member of the G20 and a leader in ASEAN, its confidence and assertiveness on the global stage has grown, demonstrated through: recent initiatives to tackle the tension in the South China Sea and the conflict on the Thai/Cambodia border; leveraging its influence on change in Burma; and driving progress on a P5/ASEAN treaty on a South East Asia Nuclear Weapons Free Zone.

Despite Indonesia's growing influence on regional conflict issues, some military end users continue to give rise to concerns because of their human rights record. However, when looking at export licence applications it is important to distinguish the exact end user – even down to the particular unit.

In 2011 we received an application for helmets and shields for the Indonesian Ministry of Defence. There had been concerns with the policing of protests by the police, particularly BRIMOB (the Mobile Brigade, a police special operations unit), but it was established that these goods were going to be used in counter-terrorism and VIP protection activities rather than crowd control. Enquiries by our Embassy meant that we could establish a clear dividing line between the army and police.

There are also concerns with the human rights record of the security forces, in particular KOPASSUS (**Komando Pasukan Khusus**, an army special forces group) which is undergoing reform; Human Rights Watch reported that the military used torture and that they were not being held to account. Our Embassy similarly noted that impunity was a problem regarding violations committed by the security forces. However, we were also able to establish that the highest levels of government were committed to trying to address this problem of impunity and, although penalties for individuals implicated in abuses had been limited, they were being handed out more routinely. Furthermore, it was seen that the Indonesian military had lost a number of personnel in shooting incidents in recent years and it was assessed that there was a legitimate requirement for this type of equipment. There was no information that linked this equipment to the human rights violations already being reported.

Since the equipment was not going to an end user of concern, and the end use was in protective and counter-terrorism operations rather than crowd control, it was assessed that there was not a clear risk that the particular goods were likely to be misused and an export licence was issued.

## VENEZUELA

Export applications to Venezuela are considered against Criteria 1, 2, 4 and 7. The United States has an arms embargo against Venezuela, which extends to the export of US technology to Venezuela from third countries. All export licence applications are considered against those restrictions. The impact on regional peace, security and stability (Criterion 4) stems from the previously poor diplomatic relations between Venezuela and Colombia. This relationship has improved and the risk of conflict is currently judged to be very low. There are some concerns about the occasional use of excessive force by law enforcement agencies (e.g. during civil demonstrations), and about security problems exacerbated by the high presence of guns among the population.

As an example of our procedures, in 2011 a UK exporter applied to demonstrate an assortment of thermal sights, thermal imaging sights, intensified night sights and optical day scopes to the Venezuelan Ministry of Defence, amongst other countries. Taking account of the above identified risks and, in line with procedures, we consulted our Embassy in Caracas, our non-resident Defence Attaché, and the FCO Human Rights Department regarding the application. In respect to this case, it was noted that: there was a legitimate use for such equipment; and that there was no record of this type of equipment being misused by the military in the past. The application was also considered in light of the US embargo against Venezuela.

These comments were forwarded to the FCO's Arms Export Policy Team which noted that the equipment to be demonstrated was only being exported temporarily and was to remain under the control of the exporter. It was judged that, on balance, there was a low risk of these goods being misused through temporary export, but it was made clear that should a sale result from the demonstration, the licence would be assessed carefully in light of the quantities, exact end user and prevailing conditions in Venezuela.

### 2.5 Arms Trade Treaty

The UK is firmly committed to securing a robust and effective, legally binding Arms Trade Treaty to regulate the international trade in conventional arms.

The UK acknowledges that states have an inherent right of self-defence and that responsible trade in arms is legitimate. However, the Government believes it important that we help to prevent the unregulated and irresponsible trade in arms through the introduction of common international standards. An Arms Trade Treaty will help to achieve this and prevent weapons reaching

those that would use them to exacerbate conflict or commit human rights abuses.

An Arms Trade Treaty is important for the UK as this would help to set standards for the arms trade, exporting British values by ensuring a respect for human rights and international humanitarian law. It presents an opportunity to tackle the harmful effects of irresponsible arms transfers which can fuel regional conflicts, exacerbate or prolong armed violence, create conditions for corruption, and undermine democracy and sustainable development. It would also support British prosperity by creating a level playing field for the defence industry, and through the introduction of common international standards for them to work to. Such a Treaty would also help to maintain the UK's security by reducing conflict and by stopping weapons reaching terrorists and insurgents that use them against our troops and our civilians, and those of our allies.

Throughout 2011, the UK maintained its leading international position in support of efforts to secure an Arms Trade Treaty, including playing an active and constructive role in the Second and Third Sessions of the Preparatory Committee held in March and July respectively.

The UK has also played a key co-ordinating role within the EU and the P5 (Permanent members of the United Nations Security Council that is: the United Kingdom, the United States of America, China, France and the Russian Federation) on the Arms Trade Treaty. This resulted in the first P5 statement in support of the UN process on the Treaty. The Arms Trade Treaty is regularly raised by Ministers and senior officials in their bilateral and multilateral meetings.

The UK continued to work closely with non-government organisations and the UK defence industry on the Arms Trade Treaty, holding a series of technical meetings to help inform UK positions on the Treaty. The UK has funded a range of projects in support of the Treaty, including research into implementation, capacity building for developing states, and engagement with key negotiating states.

## 2.6 Small Arms and Light Weapons

The illicit trade in Small Arms and Light Weapons, and the uncontrolled spread and accumulation of these and other conventional arms, means there is no shortage of evidence of the problems caused by the proliferation of these weapons.

Small Arms and Light Weapons are responsible for the killing and injuring of hundreds of thousands of people worldwide every year. Additionally, the violence perpetrated with these weapons destroys livelihoods, displaces entire communities and hampers social and economic development.

The UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects is the main international instrument for tackling these issues and the UK is committed to its full implementation (<http://www.poa-iss.org/poa/poahtml.aspx>).

The UK also supports the work carried out by the European Union as part of its Small Arms and Light Weapons Strategy to combat the illicit accumulation and trafficking of Small Arms and Light Weapons and their ammunition. The EU produces six monthly and annual reporting to illustrate the work being done to implement the Strategy (<http://www.consilium.europa.eu/eeas/foreign-policy/non-proliferation,-disarmament-and-export-control-/documentation/documents?lang=en>).

The UK had attended the Fourth Biennial Meeting of States in June 2010. The meeting discussed issues around strengthening the follow up mechanisms of the UN Programme of Action, establishing regional and sub-regional mechanisms for implementation of the UN Programme of Action and tackling issues around the implementation of the International Tracing Implement. Progress over the past 2 years was recognised and the key priority issues for the next cycle were identified and agreed. The UK will attend the UN Programme of Action Preparatory Committee in March 2012 ahead of the Review Conference due to be held in August and September 2012. The UK is considering the impact that the Arms Trade Treaty negotiations will have on the UN Programme of Action Review Conference, on the implementation of the UN Programme of Action generally and on the integration of Small Arms and Light Weapons control programmes into broader conflict prevention, armed violence reduction and development strategies and interventions.

The UK supports transparency in the overall effort to curb the illicit trade in Small Arms and Light Weapons, and other conventional weapons. Transparent systems are less vulnerable to manipulation by groups that view rigorous export controls as an impediment to their aims. The UK provides details of UK imports and exports of conventional arms to the UN Conventional Arms Register <http://www.un.org/disarmament/convarms/Register/> (Annex C) and also reports to the UN Programme of Action on annual basis, in order to promote transparency.

To contribute to reducing the destabilising effect of Small Arms and Light Weapons, the UK continues to work closely with non-government organisations and international partners and organisations, including the European Union and the Organisation for Security and Co-operation in Europe. Additionally the UK continues to address the long term structural causes of conflict; manage regional and national tension and violence; and support post-conflict reconstruction.



## 2.7 Cluster Munitions

Cluster munitions can have a devastating humanitarian impact on civilian populations. Unexploded ordnance from cluster munitions can remain dispersed and undetected for decades, threatening the lives of civilians and hampering post-conflict reconstruction and development.

In 2008, a number of governments, including the UK, came together to negotiate and adopt the Convention on Cluster Munitions. This important international treaty prohibits the use, development, production, acquisition, stockpiling and transfer of cluster munitions. The UK became the 32<sup>nd</sup> state party to the Convention on Cluster Munitions in 2010. By the end of 2011, less than 2 years after entering into force the Convention on Cluster Munitions already had 111 signatory states – a clear example of what can be achieved when governments and non-government organisations work together.

The UK withdrew all cluster munitions from operational service in 2008. By the end of 2011, two thirds of these munitions (some 25 million sub-munitions) had been destroyed. Under current plans it is our intention to destroy the remainder by the end of 2013 (five years ahead of the deadline imposed by the Convention on Cluster Munitions). This represents an early and dedicated effort to realise, as quickly as possible, and in a safe, secure and environmentally responsible manner, our obligation to destroy munitions that are prohibited under the Convention. We have also shared the experience gained and lessons learnt from this stockpile destruction programme with other signatories.

The UK continued to play a full role during 2011 in delivering on our Treaty obligations in regards to international cooperation and assistance. Between 2010 and 2013, the UK has committed more than £30 million to international mine action work. This includes the clearance of unexploded ordnance, including cluster munitions. In addition to this we have allocated significant additional funding for mine action work in Afghanistan and Libya.

We continued to use relevant bilateral and multilateral meetings in 2011 to encourage non-signatories to join the Convention on Cluster Munitions. In October, the UK, in partnership with non-government organisations and the International Committee of the Red Cross, hosted an universalisation workshop for Commonwealth countries opened by Foreign Office Minister Lord Howell.

The UK also played an active part in the 2nd Meeting of States Parties to the Convention on Cluster Munitions, which took place in Beirut 13-16 September 2011, using the opportunity to reiterate our continued full commitment to the Convention and to globalising the ban on cluster munitions.

## 2.8 The Wassenaar Arrangement

The Wassenaar Arrangement is the only global multilateral arrangement dealing with the control of exports of conventional weapons and associated sensitive dual-use goods and technologies. It now has 41 participating states, following the success of Mexico's application to join in 2011, including all EU Member States except Cyprus, as well as the USA, Russia and Japan. It was established to contribute to regional and international security and stability by promoting transparency and helping to prevent destabilising accumulations of conventional arms. The Wassenaar Arrangement produces two control lists – one for conventional weapons (Munitions List) and one for dual-use goods and technologies.

General Working Group meetings will take place in May and October 2012, ahead of the next plenary meeting in Vienna in December 2012. For further information see <http://www.wassenaar.org/>.

The 17<sup>th</sup> Plenary Meeting of the Wassenaar Arrangement was held in Vienna in December 2011. The Plenary adopted four new Best Practice Guideline documents on Controlling Transport of Conventional Arms between Third Countries, Internal Compliance Programmes for Dual-Use Goods and Technologies, Destabilising Accumulations of Conventional Weapons, and Subsequent Transfer (Re-Export) Controls for Conventional Weapons Systems.

The Plenary also approved over 90 amendments to the Wassenaar Export Control Lists. New controls were agreed in significant areas such as equipment designed to intercept and process mobile telecommunications, and unmanned airships. UK experts continued to play a key role in the Technical Working Groups.

The UK engaged actively in the Wassenaar Arrangement Assessment Year process in 2011, which aimed to evaluate the performance of the Wassenaar Arrangement since 2007 and to highlight where further progress should be made. The UK delegation encouraged a forward leaning process of identifying and adopting a range of actions to facilitate a more effective, efficient and transparent Arrangement.

The UK also played a leading role in encouraging participating States to explore the possibility of developing an illustrated handbook for the Wassenaar control lists, and compiled a Compilation of Selected Expert Group Chair Statements from previous reports, that can assist licensing officers in the interpretation of the Wassenaar lists.

The UK will continue to work with Wassenaar Arrangement participating States to make the existing control lists more readily understood and user-friendly for licensing authorities and exporters, and to ensure the

detection and denial of undesirable exports. The UK will also work to engage with partners to further refine and institutionalise the technical criteria for membership of the Wassenaar Arrangement, to ensure that the regime's breadth keeps up to speed with the current geopolitical and technological realities.

## **2.9 The UN Register of Conventional Arms**

The United Nations Register of Conventional Arms is a voluntary global reporting instrument, intended to create greater transparency in international arms transfers and help identify any excessive build-up of arms in particular countries or regions. The UN Register currently covers seven categories of conventional weapons, namely: battle tanks; armoured combat vehicles; large-calibre artillery systems; combat aircraft; attack helicopters; warships (including submarines); and missiles and missile-launchers (including Man-Portable Air Defence Systems). There is an additional background section of the Register for countries to report national holdings of Small Arms and Light Weapons.

The UK reports annually to the UN on all exports of military equipment in these categories and will again provide this information by June 2012 (Annex C). Whilst all reporting to the UN Register is voluntary, the UK continues to view regular and comprehensive reporting as important, and actively encourages all UN member states to participate with similar levels of transparency. Transparent systems are less vulnerable to manipulation by groups that view rigorous export controls as an impediment to their aims.

## **2.10 The Nuclear Suppliers Group**

The 21<sup>st</sup> Plenary meeting of the Nuclear Suppliers Group took place in Noordwijk, Netherlands on 24 and 25 June 2011. The Nuclear Suppliers Group seeks to prevent the proliferation of nuclear weapons through the implementation on a national basis of export controls for nuclear and nuclear-related material, "dual use" material, equipment, software and technology, without hindering international cooperation on peaceful uses of nuclear energy. It also promotes effective safeguards and the protection of existing nuclear materials. The Nuclear Suppliers Group has 46 Participating Governments.

Participating Governments exchanged information on developments in the nuclear non-proliferation regime; they also focused on specific regions and countries of concern. Concerns were shared about the proliferation implications of the nuclear programmes of the Democratic People's Republic of Korea (DPRK) and Iran. The Nuclear Suppliers Group reiterated its long-standing support for diplomatic efforts for a solution to the Iranian nuclear issue and for a solution to the DPRK nuclear issue in a peaceful manner.

Participating Governments agreed to strengthen the guidelines on the transfer of enrichment and reprocessing technologies. Emphasis was placed on the importance of keeping the control lists (Trigger List and Dual Use List) up to date, where UK experts provided essential expertise on technological developments. Participating Governments exchanged views on the implementation of the 2008 Statement on Civil Nuclear Co-operation with India and discussed the NSG relationship with India.

The Nuclear Suppliers Group's 26<sup>th</sup> Consultative Group meeting was held in Vienna in November 2011. The Consultative Group received updates from the technical experts working group, responsible for conducting the review of the control lists. UK experts continued to support the work of the technical experts working groups to ensure that the control lists are kept up to date. The 2012 Plenary will be held in Seattle, in June.

## **2.11 The Academic Technology Approval Scheme**

The Academic Technology Approval Scheme was introduced in November 2007. The scheme seeks to protect certain sensitive technologies relating to weapons of mass destruction and their means of delivery from possible misuse by proliferators.

It is operated with the co-operation of those Institutes of Higher Education that teach sensitive subjects at masters level or higher. Foreign students seeking to study such subjects must first obtain an Academic Technology Approval Scheme certificate. This can be achieved through an online application at no cost to the applicant. An Academic Technology Approval Scheme certificate is usually processed within 20 working days of receipt of a completed application.

The scheme makes a small but significant contribution to UK counter proliferation efforts. Since the introduction of the scheme in 2007 there have been over 44,000 applications processed, of which 499 have had to be refused.

## **2.12 The Australia Group**

The Australia Group was established in 1985 to prevent the proliferation of chemical and biological agents and dual-use manufacturing equipment. It is not legally binding. The Group's principal objective is to use export licensing measures to ensure that exports of certain chemicals, biological agents, and dual-use chemical and biological manufacturing facilities and equipment, do not contribute to the spread of chemical and biological weapons. There are currently 41 participants in the Australia Group, including all EU Member States and the European Commission.

All Australia Group member states are also states parties to the Chemical Weapons Convention and Biological and Toxin Weapons Convention, and support for these conventions and their aims remains the overriding objective of the Group.

The UK is one of the most active participating governments within the Group and a major contributor to technical proposals, adopted by consensus, that ensure that the Group's control lists are kept up to date. Co-operation under the Chemical Weapons Convention and Biological and Toxin Weapons Convention is the key to defeating the threat of chemical and biological weapons. By working through the Australia Group, the export of materials that could be used to produce chemical and biological weapons are monitored and better controlled, helping to prevent them from falling into the hands of proliferators and terrorists. The UK took part in outreach visits to two non-Australia Group countries, China and India.

### **2.13 The Missile Technology Control Regime**

The Missile Technology Control Regime held its 25th Plenary Meeting in Buenos Aires from 11 to 15 April 2011 to review and evaluate its activities and to further intensify its efforts to prevent missile programmes and their proliferation.

The Missile Technology Control Regime is a voluntary association of countries who work together through the coordination of export licensing efforts to prevent the proliferation of WMD capable unmanned delivery systems. The UK continues to provide leadership at the Missile Technology Control Regime Technical Working Group. At the 25<sup>th</sup> Plenary, Regime partners discussed proliferation of weapons of mass destruction as well as their means of delivery that constitute a threat to international peace and security and reaffirmed the importance of addressing these challenges and the role the Missile Technology Control Regime serves in this regard. Missile Technology Control Regime guidelines and controls list constitute an international export control standard which is increasingly adhered to by non-members of the Regime.

Partners conducted extensive discussions on missile proliferation-related activities worldwide, including developments in missile programs and their proliferation; procurement activities and techniques in support of such programs; rapid technological change; the role of intangible technology, brokering, and transshipment in facilitating proliferation; and key technology trends in proliferation missile programs.

Partners exchanged information on concerns about the ongoing missile programs in the Middle East, Northeast Asia and South Asia, including Iran and the DPRK, which could contribute to regional instability and supply missile proliferation activities elsewhere.

Partners reaffirmed the critical importance of the Missile Technology Control Regime's ongoing technical work. They expressed their appreciation for the work of the Licensing and Enforcement Expert Meeting, the Information Exchange Meeting and the Technical Expert Meeting.

A Reinforced Point of Contact meeting was held in Paris, in December. This meeting further considered developments in missile proliferation, technical developments and outreach efforts. The next Plenary will be held in Berlin, in October 2012.

### **2.14 Export Control Outreach**

Establishing the highest possible arms export control standards across the world is one of the UK's highest priorities, as our work towards an international Arms Trade Treaty demonstrates. In addition, the UK carries out a range of work bilaterally with certain countries and with our partners, for example in the European Union. Much of this work is also done through our membership of the export control regimes, which all conduct outreach activities in their specific areas.

The UK's focus on export licensing outreach is designed to demonstrate the counter proliferation benefits of export controls and the positive effects they can have on domestic industry. Establishing a strong international reputation for export controls allows a country greater access to world markets and contributes significantly to counter-proliferation efforts. The UK sees outreach as a key step in halting the spread of proliferation networks and we continue to work closely with international partners on such programmes. During 2011 the UK funded several export control outreach projects around the world. These involved outreach with the UAE, China, Turkey, Indonesia, Singapore and Malaysia.

### **2.15 Gifted Equipment**

The UK gifts equipment to overseas governments in support of wider security and foreign policy aims. All proposals to gift controlled military equipment are assessed against the Consolidated EU and National Arms Export Licensing Criteria by relevant Government departments. Where gifts are approved these are exported under a Crown Immunity letter and therefore do not require the normally appropriate export or trade licence.

The list of gifts approved by the Government in 2011 is set out in Table 2.4

**Table 2.4 Equipment gifted by the Government in 2011**

Country	Recipient	Goods Description	Goods Value £
Djibouti	Djibouti Airport Authority	Explosive Trace Detection Equipment, Maintenance, Training and Consumables	86,566
Pakistan	Pakistan Army and Khyber Pakhtunkhwa Police	Explosive detection Kit	18,000
Pakistan	Pakistan Army	EOD Equipment	210,000
Kenya	Kenyan Police Service	Body Armour	2,500
Afghanistan	Afghan National Security Forces	Expeditionary Elevated Sangar	25,942
Kenya	Rural Border Patrol Unit	Metal Detectors, Inspection Equipment, Tactical Radios, Truck, Water Bowser	370,693
Libya	National Transitional Council	Binoculars, GPS Ship, GPS Hand-Held Waterproof, Life Jackets	11,105,645
Jordan	Jordanian Armed Forces	General Purpose Test Facility to support battle tanks	5,000
Pakistan	Khyber Pakhtunkhwa Police	Explosive Ordnance Disposal EOD Remote Control Vehicle and EOD accessories.	1,740,000
Turks and Caicos Islands	Royal Turks and Caicos Islands Police Force	Public order equipment	40,618
Somalia	Rapid Reaction Unit	Assault Rifles, Weapon Cleaning Kit, Body Armour, Helmet, Military Uniforms	80,000
Mauritania	Mauritania Armed Forces	Various military equipment for counter terrorism military capability building project	84,000
Mauritania	Mauritanian Armed Forces	Patrol Team Medical Kits	10,000
Algeria	Algerian Groupe Speciale Intervention	Light Weight Combat EOD Suit and Personal Protective Equipment	25,901
Lebanon	Lebanon Armed Forces	Lightweight EOD Suits	25,900
Belize	Belize Defence Force	Truck Utility Light/Medium Vehicle, Trailer 3/4 Ton, Trailer Cargo 1.3/4T 2WH, Truck Cargo Bulk Fuel, Truck Cargo 4 Ton – 4 Wheel Drive, Truck Cargo with Winch, Truck Bulk Fuel Aviation	25,700
Libya*	Interim Transitional National Council	3,000 Body Armour Sets	455,000
Brazil	Brazilian Customs	Contraband Detector Machines and Consumables	77,075
Lebanon	Moukafaha Search school	EOD search equipment	30,000
USA	USA Air Force	Communications equipment.	Not known
Pakistan	Military College of Engineering	Forensic Kit and Consumables Spares Pack	44,602
Afghanistan	Head of NDS	Armoured Land Cruiser Vehicles	81,866
Somalia	Ministry of Aviation	Contraband Detector and Consumables	42,910

\*It was not feasible to conduct a full assessment against the Consolidated Criteria as this gifted equipment was urgently required and an exception was made to Government policy in this case. Parliament was kept fully informed of this exception to Government policy.

Under the HM Treasury guidelines set out in “Managing Public Money” the body armour was granted to the Libyan National Transitional Council and was not gifted. An assessment was made against the Consolidated Criteria. Therefore Crown Immunity applied to the supply of the body armour and an export licence was not required.

<b>Table 2.4 Equipment granted by the Government in 2011</b>				
<b>Country</b>	<b>Recipient</b>	<b>Goods Description</b>	<b>Quantity</b>	<b>Goods Value £</b>
Libya	Libyan National Transitional Council	Body Armour	5,000	1,849,600

# Section 3

## Export Licensing Decisions During 2011

### 3.1 Background to export licence decisions

In assessing applications for individual licences, on the basis of the information supplied by the exporter, officials in the Export Control Organisation (ECO) will first determine whether or not the items are controlled and, if so, under which entry in the relevant legislation; the relevant alphanumeric entry is known as the “rating” of the items. Items and activities subject to control for strategic reasons are as follows:

- Exports of items listed in Schedule 2 of the Export Control Order 2008 (the UK Military List).
- Exports of items listed in Schedule 3 of the Export Control Order 2008 (UK Dual-Use List).
- Trade activities as specified in Articles 20 – 25 of the Export Control Order 2008. The three risk-based categories of goods (A, B and C) are specified in Article 2 and Schedule 1 of the Export Control Order 2008, and “embargoed destinations” are specified in Parts 1 and 2 of Schedule 4 of the Export Control Order 2008.
- The provision of technical assistance is controlled where the provider knows or has been made aware that the technical assistance will be used for “WMD Purposes”<sup>7</sup> outside the EU.
- Items that the exporter has been told, knows or suspects are or may be intended for “WMD Purposes”. This is the “WMD end-use” or “catch-all” control and goods controlled for these reasons are given the rating “End-Use”.
- The transfer of technology by any means is controlled where the person making the transfer

knows or has been made aware that the technology is for “WMD Purposes” outside the EU.

- Exports of items listed in Council Regulation (EC) 428/2009 (The Dual-Use Regulation) setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.
- Brokering services or items listed in Annex I of the Dual-Use Regulation where the broker has been informed by the competent authorities of the Member State where he is established that the items are or may be intended for “WMD Purposes”. If the broker is aware of such an end use the broker must contact the relevant national authorities who will decide whether or not it is expedient to make the transaction subject to a licence.
- Exports of items entered in Council Regulation (EC) 1236/2005 (the “torture” Regulation) setting up a Community Regime concerning trade in certain equipment and products which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment.
- Components or production equipment that the exporter has been told, knows or suspects are or may be intended for a military end-use<sup>8</sup> in a country subject to certain types of arms embargo, or for use as parts or components of military list items which have been exported in breach of United Kingdom export controls. This is the “Military End-Use” control.
- Transit or transshipment of controlled items through the UK as set out in Article 17 of the Export Control Order 2008.

<sup>7</sup> “WMD Purposes” means use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or the development, production, maintenance or storage of missiles capable of delivering such weapons.

<sup>8</sup> i.e. a: incorporation into military items listed in the military list; b: use of production, test or analytical equipment and components therefore, for the development, production or maintenance of military list items; or c: use of any unfinished products in a plant for the production of military list items.



Where an item or activity is controlled, the exporter or trader must apply to the ECO for an export or trade control licence.

### Notes on Refusals Data

A simple comparison of the numbers of licences issued or refused in this period compared to that reported in previous Annual Reports is not necessarily an indicator that circumstances have changed, or concerns increased, in the destination in question. Levels of refusals can be affected by a number of factors: they might for example be influenced by companies taking the view that an application was likely to be refused when assessed against the published criteria and so deciding not to apply; companies are now better able to judge that likelihood given the publication of refusal statistics by destination. More generally, the number and nature of the applications received in total, or in relation to particular destinations can vary widely from one period to the next, and this is driven by many factors, including business factors outside the Government's control.

### General Note on Licensing Data

#### 3.2 Standard Individual Export Licences (SIELs), Standard Individual Transshipment Licences (SITLs), Open Individual Export Licences (OIELs), Standard Individual Trade Control Licences (SITCLs) and Open Individual Trade Control Licences (OITCLs).

Data about the SIELs, SITLs, OIELs, SITCLs, and OITCLs, granted, refused and revoked during 2011 is available via the new Strategic Export Controls: Reports and Statistics Website <https://www.exportcontroldb.bis.gov.uk/>

This section of the Report gives information on the various types of licences as well as information on appeals against licensing decisions during this period. Information on the number of applications processed can be found at the end of this section, as well as a breakdown by final licence status.

SIELs generally allow shipments of specified items to a specified consignee up to the quantity or value specified by the licence. SIELs are generally valid for two years where the export will be permanent. Where the export is temporary, for example for the purposes of demonstration, trial or evaluation, a SIEL is generally valid for one year only and the items must be returned to the UK before the licence expires.

A licence is not required for the majority of controlled goods being transhipped through the UK en route from one country to another **pre-determined** destination as these are exempt from control providing certain conditions are met. Where these conditions cannot be met a transshipment licence will be required. A

transshipment may be made under the provisions of one of the Open General Transshipment Licences (OGTL) provided, in all cases that the relevant licence conditions are met including **goods or destinations restrictions**. If the OGTL cannot be used a SITL must be applied for (there is no Open Individual Transshipment Licence).

The information on SIELs included in this section of the report has been compiled using the Export Control Organisation's computer databases. The databases were interrogated during the compilation of the report to identify the status of all applications on which a decision was taken during the period covered by the Report. In a small number of cases, there may be a subsequent change of status. There are two main reasons for such changes: a licence issued during the period may have been revoked, for example because of the imposition of new sanctions or an arms embargo; or a decision during the reporting period to refuse a licence might be overturned because the applicant later appealed successfully. In addition, information is also provided in Annex C on the number of items of equipment in the UN Register of Conventional Arms categories covered by SIELs issued during the period, where the contract in question has come into force.

OIELs are concessionary licences that are specific to an individual exporter and cover multiple shipments of specified items to specified destinations and/or, in some cases, specified consignees. OIELs are generally valid for a period of five years, with the exception of "Dealer to Dealer" OIELs which allow firearms dealers to export certain categories of firearms and ammunition solely to other gun dealers in the European Union only. These are valid for three years. It should be noted that the refusal of an application for an OIEL, amendment to exclude particular destinations and/or items, or the revocation of an OIEL does not prevent a company from applying for SIELs covering some or all of the items concerned to specified consignees in the relevant destinations. The factors that led to the original decision on the OIEL would be taken into account in the decision on any such SIEL application.

A SITCL is specific to a named trader and covers involvement in the trading of a specified quantity of specific goods between a specified overseas source country, and between a specified consignor, consignee and end-user in an overseas destination country. SITCLs will normally be valid for two years. Upon expiry, either by time or because the activity has taken place, the licence ceases to be valid. Should further similar activity need to take place, a further licence must be applied for. Trade Controls only apply to Category A, B and C goods as specified in Article 2 and Schedule 1 of the Export Control Order 2008. They do not apply to software and technology.

An **OITCL** is specific to a named trader and covers involvement in the trading of specific goods between specified overseas sources and overseas destination countries and/or specified consignor(s), consignee(s) and end-user(s). OITCLs are generally valid for two years. It should be noted that the refusal of an application for an OITCL, amendment to exclude particular destinations and/or items, or the revocation of an OITCL does not prevent a company from applying for SITCLs covering some or all of the items concerned to specified consignees in the relevant destinations. The factors that led to the original decision on the OITCL would be taken into account in the decision on any such SITCL application.

Information on licences processed during 2011:

Table 3.1 No of SIELs: 2011	
Issued	11,936
Revoked	125
Refused	196
NLR*	1,569
Withdrawn/Stopped**	2,107

\*No Licence Required

\*\* In Tables 3.1-3.5 "Withdrawn" applications will generally be because an application was withdrawn by the exporter. "Stopped" applications will generally be because an exporter has not provided adequate information to allow the application to proceed, following a Request for Information (RFI) from a Case Officer.

Table 3.2 No of SITLs: 2011	
Issued	7
Revoked	0
Refused	0
NLR	0
Withdrawn/Stopped	10

Table 3.3 No of OIELs*** 2011	
Issued	406
Revoked/Reduced	3
Rejected/Removed****	44
NLR	1
Withdrawn, Stopped or Unsuitable (where an exporter does not meet the criteria for an OIEL)	169

\*\*\* includes Dealer to Dealer OIELs

\*\*\*\* A rejected OIEL application does not mean that if an exporter applies for a SIEL to make the export, that application will be refused. In many cases where OIEL applications are rejected, exporters are asked to apply for SIELs because these allow closer scrutiny of individual exports, but this does not necessarily mean that this closer scrutiny will result in rejection.

Table 3.4 No of SITCLs 2011	
Issued	141
Revoked	2
Refused	5
NTLR*****	5
Withdrawn/Stopped	125

\*\*\*\*\* No Trade Licence Required

Table 3.5 No of OITCLs 2011	
Issued	25
Revoked	0
Refused	6
NTLR	0
Withdrawn, Stopped or Unsuitable (where an exporter does not meet the criteria for an OIEL)	31

### 3.3 Information on SIELs, SITLs, OIELs, SITCLs and OITCLs

The entry for each destination on the Strategic Export Controls: Report and Statistics website: <https://www.exportcontroldb.bis.gov.uk/> contains the following information:

For SIELs:

- Total value of all applications in respect of which a SIEL was issued for the export of items to the destination concerned during the period, whether the export concerned was permanent or temporary. It should be noted that the value of exports that are actually made under the licences concerned may be less than shown because some of these licences will not be used to make all of the exports authorised and others will not be used at all. In addition, some items are exported only temporarily and later returned to the UK.
- The number of licences issued, refused or revoked, split into Military List, dual use items and both (covering licences with military and dual use goods) categories. A (T) at the beginning of a line indicates a Temporary export licence.



#### For Incorporation:

- Information on goods licensed under SIELs for incorporation and onward export from the destination country is provided in the same format as that for all other SIELs, and includes the same level of information. An aggregated summary of the ultimate destinations for the goods after incorporation is also provided.

#### For Items covered by Council Regulation 1236/2005 (the "Torture" Regulation):

- Information provided under this heading is displayed in the same way as for standard SIELs.

#### For SITLs:

- Information on SITLs is provided in the same format as for SIELs. The licensing information can be found within each destination, under "SIELs – Transshipments". As the items covered by SITLs issued only pass through the UK, it would be misleading to include a 'value' for these licences in the report.

#### For OIELs:

- The number of licences issued, refused or revoked. A (T) indicates a Temporary export licence.
- As OIELs cover multiple shipments of specified goods to specified destinations or specified consignees, exporters holding OIELs are not asked to provide details of the value of goods they propose to ship and it is therefore not possible to provide information on the total value of goods licensed under OIELs issued.

#### For SITCLs:

- A summary of the items or activities authorised by the licence is given.
- As SITCLs cover the trading of specific goods between overseas source and destination countries, there is no physical export from the UK and traders are not asked to provide information on values.

#### For OITCLs:

- A summary of the items or activities authorised by the licence are given.
- As OITCLs cover the trading of specific goods between overseas source and destination countries, exporters holding OITCLs are not asked to provide details of the value of goods they propose to trade and it is therefore not possible to provide information on the total value of goods to which those trading activities related.

#### Special OIELs:

There are four special categories of OIELs:

##### Media OIELs

Media OIELs authorise the export of protective clothing and equipment, mainly for the protection of aid agency workers and journalists, in areas of conflict. In addition to military helmets and body armour, the OIELs include NBC protective items, non-military 4WD civilian vehicles with ballistic protection and specially designed components for any of these items. The OIELs permit these items to be exported to all destinations on a temporary basis only, i.e. the items must be returned to the UK when no longer required. 7 were issued in 2011.

##### Continental Shelf OIELs

Continental Shelf OIELs authorise the export of controlled goods to the UK sector of the Continental Shelf for use only on, or in connection with, offshore installations and associated vessels. During the period of this report, 3 Continental Shelf OIELs were issued.

##### Cryptographic OIELs

Cryptographic OIELs authorise the export of specified cryptography hardware or software and the transfer of specified cryptography technology, to the destinations specified in the licence. These OIELs do not cover hardware, software or technology which includes certain types of cryptanalytic functions. During the period of this report, 28 Cryptographic OIELs were issued.

##### Global Project Licences

Global Project Licences (GPLs) are a form of licence introduced by Framework Agreement partners (France, Germany, Italy, Spain, Sweden and the UK) to streamline the arrangements for licensing military goods and technologies between Partner States where these transfers relate to their participation in specific collaborative defence projects. In relation to the collaborative project, each Partner State will, as appropriate, issue their own GPLs to permit transfers of specified goods and technology where these are required for that programme. The GPLs operate on a similar basis to UK Open Individual Export Licences, and applications for GPLs are assessed against the Consolidated Criteria in the UK, and against the EU Common Position in other Framework Partner countries. None were issued in 2011.

### 3.4 Transfer of Technology and Technical Assistance Licences

OIELs and SIELs:

These licences are issued for the transfer of technology and provision of technical assistance under Articles 9, 10, 11 and 19 of the Export Control Order 2008, as amended. During this reporting period 2 such OIELs were issued, 1 was refused, none were revoked and one was rated as no licence required. 1 such SIEL was issued, none were refused or revoked and 8 were rated as no licence required.

### 3.5 Refusals and revocations

There were 328 refusals or revocations of SIELs and SITCLs in 2011. Within the information relating to each destination, refusals and revocations for both Military and Dual Use goods are grouped by reference to the Rating (control entry) and, where applicable, the Consolidated EU and National Arms Export Licensing Criteria (attached at Annex A) which justified their refusal. In addition, table 3.6 gives a consolidated overview of the number of times each Criterion was used to refuse an export licence application to all destination countries. In a number of cases, the refusals/revocations were made for more than one reason; therefore the Criteria that are quoted may exceed the number of refused cases.

**Table 3.6 Reasons for Refusals and Revocations of SIEL & SITCL applications**

Reason *	Number
Criterion 1 – UK’s international obligations and commitments under non-proliferation Treaties and Conventions and export control regimes, particularly with regard to proliferation of weapons of mass destruction or ballistic missiles.	66
Criterion 1 – UK’s commitments and obligations to observe UN, EU or OSCE arms embargoes.	21
Criterion 1 – Existence of national embargoes or policy commitments.	47
Criterion 1 – UK’s obligations under the Ottawa Convention and the 1998 Land Mines Act.	0
Criteria 2 – Risk of use for internal repression.	82
Criteria 3 – Risk of contributing to internal tensions or conflict in the recipient country.	156
Criteria 4 – Preservation of regional stability.	25
Criteria 5 – National security of the UK, of allies, EU Member States and other friendly countries.	5
Criteria 6 – Behaviour of the buyer country with regard to the international community.	0
Criteria 7 – Risk of diversion or re-export to undesirable end-users.	26
Criteria 8 – Compatibility of the arms exports with the technical and economic capacity of the recipient country.	0

\* The total may be higher than the number of actual refusals because more than one Criterion can apply when refusing an application.

The information above does not include decisions to refuse OIELs or OITCLs in full or in part, to amend the coverage of an OIEL to exclude particular destinations and/or goods, or to revoke an OIEL. This is because OIELs and OITCLs are concessionary licences, and a decision to exclude a particular destination does not preclude a company from applying for SIELs or SITCLs covering some or all of the goods concerned to specified consignees in the relevant destinations.

### 3.6 Appeals

This section provides information on all appeals against a decision to refuse an application for a SIEL or SITCL, or against a decision to revoke a SIEL or SITCL. An appeal is featured based upon the date of the appeal, not the date of the original licence application. During 2011, the government processed 26% of appeals within 20 working days from receipt of all relevant information from the appellant and 71% in 60 working days. Decisions to refuse licences are not taken lightly, and only in those cases where refusal is clearly justified is a decision taken to refuse. In this context, appeals against refusals will often raise difficult and complex issues. Appeals are considered at an independent and more senior level than the original licence application, and any new information not available at the time of the application will be taken into account. Every effort is made to deal with all appeals as expeditiously as possible. However, the time taken to decide an appeal can be lengthy due to the need to examine afresh all relevant information.

There is no provision in the licensing procedure for a formal appeal against refusal or revocation decisions on OIELs or OITCLs. This is because such decisions do not prevent a company from applying for SIELs or SITCLs.

In total, there were 35 appeals against the original decision to refuse an application for a SIEL, and none against the decision to refuse a SITCL, completed in 2011. The appeals against the original decisions on 30 applications were refused; the appeals against the original decisions on two applications were upheld, two were withdrawn and one was reverted to No Licence Required (NLR).

Where appeals resulted in the original decision being overturned, the exporter was able to provide information not available at the time of the original decision which was sufficient to enable ECO and OGDs to consider that the level of risk was not strong enough to warrant sustaining the refusal. In some cases, this evidence was supported by meetings between the exporter, ECO, and advisers.

### 3.7 Open General Export Licences (OGELs)

OGELs allow the export or trade of specified controlled goods by any qualifying company, removing the need for exporters to apply for an individual licence, providing the shipment and destinations are eligible under the OGEL and that certain conditions are met. Most OGELs require the exporter or trader to register with the ECO in advance before they use them, and the companies are subject to compliance visits from the ECO to ensure that all the conditions are being met. Failure to meet the conditions can result in their ability to use the licence being withdrawn. There are also a small number of Open General Transshipment Licences (OGELs) for which registration is not required. All OGELs remain in force until they are revoked. A complete list of OGELs in force in 2011 is at Table 3.7.

Annex II of the Council Regulation (EC) 428/2009 is the Community General Export Authorisation (CGEA). The CGEA is the Community equivalent of a UK OGEL and is directly applicable in all EU Member States. This allows the export of a range of Dual-Use goods controlled under EC Regulation 428/2009 to those countries listed in the CGEA<sup>9</sup>.

<sup>9</sup> See section 1.3 for information on changes to Council Regulation (EC) 428/2009 in 2012

**Table 3.7 List of Open General Export Licences:**

	<b>Name</b>	<b>Made Into Force</b>	<b>Revoked</b>
1.	Chemicals	<i>11.06.08 20.06.08</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i>	<i>06.04.09</i> <i>27.08.09</i>
2.	Cryptographic Development	<i>04.04.07 23.04.07</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i> <i>21.04.10 30.04.10</i> <i>08.12.11 19.12.11</i>	<i>02.01.09</i> <i>06.04.09</i> <i>27.08.09</i> <i>30.04.10</i> <i>19.12.11</i>
3.	Export After Exhibition: Dual-Use Items	<i>04.04.07 23.04.07</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i> <i>08.01.10 15.01.10</i> <i>21.04.10 30.04.10</i>	<i>02.01.09</i> <i>06.04.09</i> <i>27.08.09</i> <i>15.01.10</i> <i>30.04.10</i>
4.	Export After Repair/replacement Under warranty: Dual-Use Items	<i>01.05.04 01.05.04</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i> <i>08.01.10 15.01.10</i> <i>21.04.10 30.04.10</i>	<i>02.01.09</i> <i>06.04.09</i> <i>27.08.09</i> <i>15.01.10</i> <i>30.04.10</i>
5.	Export For Repair/Replacement under Warranty: Dual-Use Items	<i>04.04.07 23.04.07</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i> <i>08.01.10 15.01.10</i> <i>21.04.10 30.04.10</i> <i>08.12.11 19.12.11</i>	<i>02.01.09</i> <i>06.04.09</i> <i>27.08.09</i> <i>15.01.10</i> <i>30.04.10</i> <i>19.12.11</i>
6.	Dual-Use Items: Hong Kong Special Administrative Region (HKSAR)	<i>07.03.05 11.03.05</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>12.08.09 27.08.09</i>	<i>02.01.09</i> <i>06.04.09</i> <i>27.08.09</i>
7.	International Non-Proliferation Regime De-controls: Dual-Use Items	<i>24.02.11 07.03.11</i> <i>19.07.11 27.07.11</i>	<i>27.07.11</i>

**Table 3.7** (continued)

	<b>Name</b>	<b>Made Into Force</b>	<b>Revoked</b>
8.	Low Value Shipments	01.05.04 01.05.04 11.12.08 02.01.09 18.03.09 06.04.09 12.08.09 27.08.09 08.01.10 15.01.10	02.01.09 06.04.09 27.08.09 15.01.10
9.	Oil and Gas Exploration: Dual-Use Items	04.04.07 23.04.07 11.12.08 02.01.09 18.03.09 06.04.09 12.08.09 27.08.09 21.04.10 30.04.10 28.09.11 10.10.11 08.12.11 19.12.11	02.01.09 06.04.09 27.08.09 30.04.10 10.10.11 19.12.11
10.	Technology for Dual-Use Items	01.05.04 01.05.04 11.12.08 02.01.09 18.03.09 06.04.09 12.08.09 27.08.09 08.01.10 15.01.10	02.01.09 06.04.09 27.08.09 15.01.10
11.	Turkey	01.05.04 01.05.04 11.12.08 02.01.09 18.03.09 06.04.09 12.08.09 27.08.09	02.01.09 06.04.09 27.08.09
12.	Specified dual-use items (X)	11.06.08 20.06.08 18.03.09 06.04.09 12.08.09 27.08.09 08.01.10 15.01.10	06.04.09 27.08.09 15.01.10
13.	Cryptography	14.10.10 22.10.10	Expired 31.12.11
14.	Military and Dual-Use Goods: UK Forces Deployed in embargoed destinations	11.06.08 20.06.08 31.03.09 06.04.09 22.03.10 26.03.10	06.04.09 26.03.10
15.	Military and Dual-Use Goods: UK Forces Deployed in non-embargoed destinations	11.06.08 20.06.08 30.03.09 06.04.09 20.11.09 30.11.09 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 26.03.10 06.07.11

**Table 3.7** (continued)

	<b>Name</b>	<b>Made Into Force</b>	<b>Revoked</b>
16.	Exports of non-lethal military and Dual-Use goods: To UK Diplomatic Missions or Consular Posts	11.06.08 20.06.08 11.12.08 02.01.09 18.03.09 06.04.09 12.10.10 22.10.10	02.01.09 06.04.09 22.10.10
17.	Access Overseas to Software and Technology for Military Goods: Individual Use Only	11.06.08 20.06.08 18.03.09 06.04.09 20.11.09 30.11.09 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 26.03.10 06.07.11
18.	Export After Exhibition or Demonstration: Military Goods	11.06.08 20.06.08 11.12.08 02.01.09 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 22.03.10 26.03.10 28.06.11 06.07.11	02.01.09 06.04.09 30.11.09 15.01.10 26.03.10 06.07.11
19.	Export After Repair/replacement under warranty: Military Goods	11.06.08 20.06.08 11.12.08 02.01.09 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 22.03.10 26.03.10 28.06.11 06.07.11	02.01.09 06.04.09 30.11.09 15.01.10 26.03.10 06.07.11
20.	Export For Repair/Replacement Under Warranty: Military Goods	11.06.08 20.06.08 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 15.01.10 26.03.10 06.07.11
21.	Exports or Transfers in Support of UK Government Defence contracts	11.06.08 20.06.08 18.03.09 06.04.09 22.03.10 26.03.10	06.04.09 26.03.10
22.	Historic Military Goods	11.06.08 20.06.08 18.03.09 06.04.09 28.06.11 06.07.11	06.04.09 06.07.11

**Table 3.7** (continued)

	<b>Name</b>	<b>Made Into Force</b>	<b>Revoked</b>
23.	Military Components	11.06.08 20.06.08 18.03.09 06.04.09 22.03.10 26.03.10	06.04.09 26.03.10
24.	Military Goods	06.10.10 15.10.10	
25.	Military Goods: Collaborative Project Typhoon	11.08.10 27.08.10	
26.	Military Goods: For Demonstration	24.05.07 11.06.07 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 15.01.10 26.03.10 06.07.11
27.	Military Goods: Government or NATO End-Use	11.06.08 20.06.08 18.03.09 06.04.09 22.03.10 26.03.10 06.10.10 15.10.10	06.04.09 26.03.10 15.10.10
28.	Export for Exhibition: Military Goods	11.06.08 20.06.08 18.03.09 06.04.09 22.03.10 26.03.10	06.04.09 26.03.10
29.	Software and Source Code for Military Goods	11.06.08 20.06.08 18.03.09 06.04.09 20.11.09 30.11.09 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 26.03.10 06.07.11
30.	Military Surplus Vehicles	29.09.06 02.10.06 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 21.05.10 04.06.10 28.06.11 06.07.11	06.04.09 30.11.09 15.01.10 04.06.10 06.07.11
31.	Technology for Military Goods	11.06.08 20.06.08 18.03.09 06.04.09 20.11.09 30.11.09 08.01.10 15.01.10 22.03.10 26.03.10 28.06.11 06.07.11	06.04.09 30.11.09 15.01.10 26.03.10 06.07.11

**Table 3.7** (continued)

	<b>Name</b>	<b>Made Into Force</b>	<b>Revoked</b>
32.	Vintage Aircraft	<i>01.05.04 01.05.04</i> <i>18.03.09 06.04.09</i> <i>29.10.10 05.11.10</i>	<i>06.04.09</i> <i>05.11.10</i>
33.	Historic Military Vehicles and Artillery Pieces (Named 'Vintage Military Vehicles' until amended on 01.11.09)	<i>26.05.09 26.05.09</i> <i>26.10.09 01.11.09</i>	<i>01.11.09</i>
34.	Accompanied Personal Effects: Sporting Firearms	<i>01.05.04 01.05.04</i> <i>18.03.09 06.04.09</i>	<i>06.04.09</i>
35.	Open General Transshipment Licence	<i>11.06.08 20.06.08</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i> <i>20.11.09 30.11.09</i> <i>22.03.10 26.03.10</i>	<i>02.01.09</i> <i>06.04.09</i> <i>30.11.09</i> <i>26.03.10</i>
36.	Open General Transshipment Licence (Sporting Guns)	<i>04.04.07 23.04.07</i> <i>18.03.09 06.04.09</i> <i>20.11.09 30.11.09</i>	<i>06.04.09</i> <i>30.11.09</i>
37.	Open General Transshipment Licence (Postal Packets)	<i>04.04.07 23.04.07</i> <i>18.03.09 06.04.09</i>	<i>06.04.09</i>
38.	Open General Transshipment Licence (Dual-Use Goods: Hong Kong Special Administrative Region)	<i>04.04.07 23.04.07</i> <i>11.12.08 02.01.09</i> <i>18.03.09 06.04.09</i>	<i>02.01.09</i> <i>06.04.09</i>
39.	Open General Trade Control Licence (Category C Goods)	<i>25.09.08 01.10.08</i> <i>26.03.09 06.04.09</i> <i>08.01.10 15.01.10</i> <i>28.06.11 06.07.11</i>	<i>06.04.09</i> <i>15.01.10</i> <i>06.07.11</i>
40.	Open General Trade Control Licence (Trade and Transportation: Small Arms and light weapons) (Named 'Open General Trade Control Licence (Small Arms)' until amended on 06.07.11)	<i>25.09.08 01.10.08</i> <i>26.03.09 06.04.09</i> <i>28.06.11 06.07.11</i>	<i>06.04.09</i> <i>06.07.11</i>
41.	Open General Trade Control Licence (Insurance or Re-Insurance)	<i>28.11.11 28.11.11</i>	



### 3.8 Performance in processing licence applications

The Export Control Organisation sets out the Government's commitments to exporters in a Service and Performance Code. The performance target is to provide a response on 70% of applications for SIELs within 20 working days, and 95% within 60 working days. The targets apply as soon as the applicant has supplied full documentation necessary to support their application. Table 3.8 gives a breakdown of the performance of Government in the period against the two main published SIELs targets (70% in 20 working days and 95% in 60 working days). The table also highlights the number of applications processed compared to previous years. Table 3.9 presents an illustration of the number of applications completed within the specified timeframe.

Table 3.8 SIELs Processing Performance			
	2011	2010	2009
Number Finalised (with % increase on previous year)	15,734 (-5.9%)	16,723 (+18%)	14,187 (+11%)
Finalised within 20 working days	66%	63 %	73%
Finalised within 60 working days	95%	94%	94%

The performance target for SITCLs is to provide a response within 20 working days, and 45% of all SITCL applications were dealt with within this target.

The targets do not apply to applications for:

- OIELs – because of the very wide variation in the goods and destination coverage of such licences.
- OITCLs – because of the wide variation in goods or activities, sources and destinations covered by such licences.
- applications for licences to export goods that are subject to control solely because of United Nations sanctions.

### New advisory services

In June we launched two new advisory services – the Control List Classification Advice Service and the End-User Advice Service – as part of an exercise to drive efficiency to allow us to cope with growing activity without requiring extra resource and to provide services more focussed to the needs of the exporter. These new services replaced the Rating Enquiry Service which was closed at the end of May 2011.

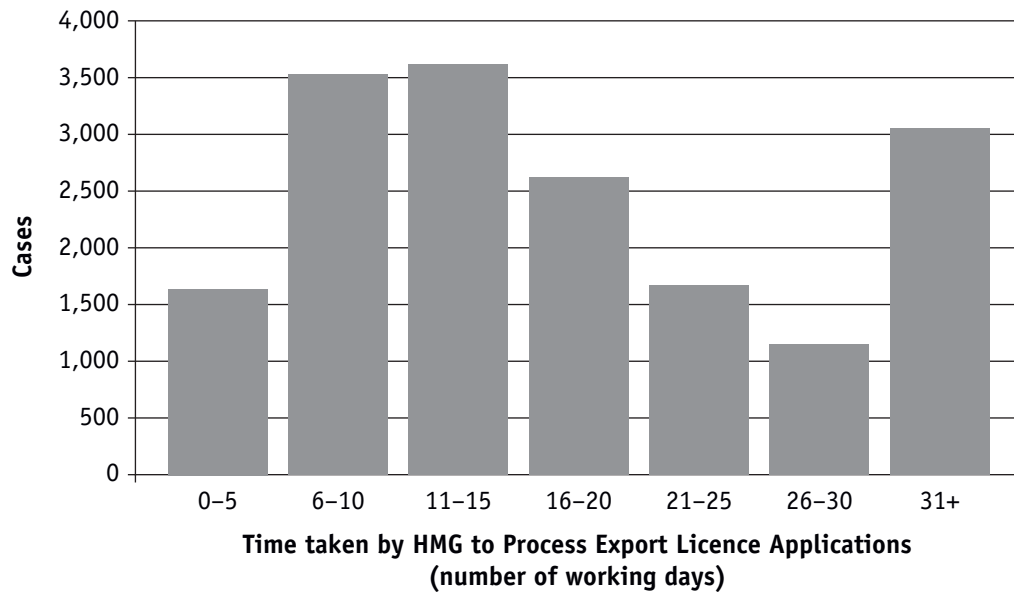
The Control List Classification Advice Service:

- Under this service, ECO's technical experts advise exporters whether their equipment features on any of the UK Strategic Export Control Lists. The principal difference from the current Rating Enquiry Service is that the new service only provides advice on the control list classification of the goods.
- As these are new services and are still being developed, there are currently no published targets. However, during 2011, 467 such requests were received. 71% of these were completed within twenty working days.

The End-User Advice Service:

- This new service is an extension of the Iran End-User Email Advice Service pilot project.
- Under this service, exporters can request advice on whether ECO has Weapons of Mass Destruction (WMD) or Military End-Use concerns related to the organisations they name.
- Before using the service, exporters must first have satisfied themselves that their goods do not appear on any of the UK's control lists (i.e. No Licence Required – NLR) either through previous ECO decisions, by having made appropriate self-rating checks, or by having made use of the separate advisory service (Control List Classification Service).
- ECO will then provide advice to companies that BIS either has no concerns (and they can proceed to export) or that BIS has concerns (and therefore they should apply for an export licence).
- This service has not performed quite as well as expected as a result of unforeseen operational difficulties but these issues are being addressed. During 2011, BIS received 304 enquiries and 34% were completed within 5 working days and 67% within 20 working days.

**Table 3.9 Time taken by HMG to process export licence applications**



**Table 3.10 Appeals performance**

Appeals Performance	2011	2010	2009
Appeals finalised within 20 working days	26%	51%	68%
Appeals finalised within 60 working days	71%	93%	91%

The Government has a target of processing 60% of appeals within 20 working days from receipt of all relevant information from the appellant and 95% in 60 working days. These targets do not apply to appeals concerning goods that are controlled solely because of UN Sanctions. Of the 35 appeals decided in 2011, none fell into this category.

# Section 4

## Military Equipment

### 4.1 Government to Government Exports

On behalf of the Government, the Disposal Services Authority of the Ministry of Defence disposes of certain military equipment that is surplus to the requirements of the UK Armed Forces. UK export licensing coverage for these is obtained either by industry, or by the customer. Tables 4.1 and 4.2 give, by destination, the equipment type and quantity of such exports in 2011.

Country	Type of Equipment	Quantity
Australia	RFA Largs Bay	1
Italy	Military Aircraft Spares	-
Spain	Military Aircraft Spares	-
US	Military Aircraft Spares	-
South Korea	Military Aircraft Spares	-
France	Sonar Buoys	8,500
Belgium	Military Helicopter Spares	-
Denmark	Military Helicopter Spares	-
Germany	Military Helicopter Spares	-
Chile	Naval Spares	-
Netherlands	Military Helicopter Spares	-
Norway	Military Helicopter Spares and Underwater weapons parts	-
Romania	Naval Spares	-
Saudi Arabia	Military Aircraft Spares	-

Country	Type of Equipment	Quantity
Australia	Lightweight Counter Mortar Radar AC/DC Converters	42

\*Where there is no quantity given this is due to the item consisting of spare parts.

Country	Type of Equipment	Quantity
Turkey	Type 42 Destroyers (HMS Nottingham, HMS Exeter, HMS Southampton) to Leyal Ship Recycling Turkey (for recycling)	3
Turkey	HMS Invincible to Leyal Ship Recycling, Turkey (for recycling)	1

### Government to Government Projects

The UK has a Government-to-Government supply agreement with Saudi Arabia. This has provided for the supply of Typhoon, Tornado, Hawk and PC-9 aircraft and mine countermeasure vessels with their associated weapons, in-service support and facilities. The UK has continued to provide substantial support for equipment already in service. Deliveries of Typhoon aircraft to the Royal Saudi Air Force have continued under arrangements for the eventual supply of 72 Typhoon to Saudi Arabia.

Table 4.3 is a summary of exports that arose in 2011 from activity by the Ministry of Defence project offices for Saudi Arabia. All goods were exported under export licence obtained by industry. Where a Standard Individual Export Licence (SIEL) was issued; that information is included in the corresponding Quarterly Report.

Government-to-Government transfers of equipment between 1 January and 31 December 2011

Country	Type of Equipment	Quantity
Saudi Arabia	<p>Typhoon aircraft and initial in-service support</p> <p>Components repair and re-provisioning and training in use of munitions for aircraft and their systems.</p> <p>Components, repair and re-provisioning for naval vessels and their systems</p>	6

# Annex A

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## The Consolidated EU and National Arms Export Licensing Criteria

26 Oct 2000: Column: 200W

**Laura Moffatt:** To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the Government have taken to consolidate the UK's national criteria against which the Government assess licence applications to export arms and dual-use equipment with those of the EU Code of Conduct on Arms Exports; and if he will make a statement. [135683]

**Mr. Hain:** Licences to export arms and other goods controlled for strategic reasons are issued by the Secretary of State for Trade and Industry, acting through the Export Control Organisation of the DTI. All relevant individual licence applications are circulated by DTI to other Government Departments with an interest, as determined by those Departments in line with their own policy responsibilities. These include the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development.

In the Foreign Secretary's reply to my hon. Friend the Member for East Ham (Mr. Timms) on 28 July 1997, *Official Report*, column 27, he set out the criteria which would be used in considering advance approvals for promotion prior to formal application for an export licence, applications for licences to export military equipment, and dual-use goods where there are grounds for believing that the end-user will be the armed forces or internal security forces of the recipient country. As my right hon. Friend said then, the Government are committed to the maintenance of a strong defence industry as part of our industrial base as well as of our defence effort, and recognise that defence exports can also contribute to international stability by strengthening collective defence relationships; but believe that arms transfers must be managed responsibly. We have since taken a range of measures designed to ensure the highest standards of responsibility in our export control policies. These include the adoption

during the UK's Presidency of the EU of a Code of Conduct on Arms Exports; the publication of Annual Reports on Strategic Export Controls which are among the most transparent of those of any arms exporting country; the ban on the export of equipment used for torture; the ratification of the Ottawa Convention on anti-personnel landmines and the passage of the Land Mines Act; and our many efforts to combat illicit trafficking in and destabilising accumulations of small arms.

Since the Council of the European Union adopted the EU Code of Conduct on Arms Exports on 8 June 1998, all relevant licence applications have been assessed against the UK's national criteria and those in the Code of Conduct, which represent minimum standards that all member states have agreed to apply. The criteria in the EU Code of Conduct are compatible with those which I announced in July 1997. At the same time there is a large degree of overlap between the two. It is clearly in the interests of Government Departments involved in assessing licence applications, British exporters and other interested parties that the criteria which are used should be set out as clearly and unambiguously as possible.

With immediate effect, therefore, the following consolidated criteria will be used in considering all individual applications for licences to export goods on the Military List, which forms Part III of Schedule 1 to the Export of Goods (Control) Order 1994; advance approvals for promotion prior to formal application for an export licence; and licence applications for the export of dual-use goods as specified in Annexe 1 of Council Decision 94/942/CFSP when there are grounds for believing that the end-user of such goods will be the armed forces or internal security forces or similar entities in the recipient country, or that the goods will be used to produce arms or other goods on the Military List for such end-users. The criteria are based on those in the EU

Code of Conduct, incorporating elements from the UK's national criteria where appropriate. As before, they will not be applied mechanistically but on a case-by-case basis, using judgment and common sense. Neither the fact of this consolidation, nor any minor additions or amendments to the wording of the two sets of criteria used before, should be taken to imply any change in policy or in its application.

An export licence will not be issued if the arguments for doing so are outweighed by the need to comply with the UK's international obligations and commitments, by concern that the goods might be used for internal repression or international aggression, by the risks to regional stability or by other considerations as described in these criteria.

### CRITERION ONE

*Respect for the UK's international commitments, in particular sanctions decreed by the UN Security Council and those decreed by the European Community, agreements on non-proliferation and other subjects, as well as other international obligations.*

The Government will not issue an export licence if approval would be inconsistent with, inter alia:

- a. The UK's international obligations and its commitments to enforce UN, OSCE and EU arms embargoes, as well as national embargoes observed by the UK and other commitments regarding the application of strategic export controls;
- b. The UK's international obligations under the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention and the Chemical Weapons Convention;
- c. The UK's commitments in the frameworks of the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Wassenaar Arrangement;
- d. The Guidelines for Conventional Arms Transfers agreed by the Permanent Five members of the UN Security Council, and the OSCE Principles Governing Conventional Arms Transfers and the EU Code of Conduct on Arms Exports;
- e. The UK's obligations under the Ottawa Convention and the 1998 Land Mines Act;
- f. The UN Convention on Certain Conventional Weapons.

### CRITERION TWO

*The respect of human rights and fundamental freedoms in the country of final destination.*

Having assessed the recipient country's attitude towards relevant principles established by international human rights instruments, the Government will:

- a. Not issue an export licence if there is a clear risk that the proposed export might be used for internal repression;
- b. Exercise special caution and vigilance in issuing licences, on a case-by-case basis and taking account of the nature of the equipment, to countries where serious violations of human rights have been established by the competent bodies of the UN, the Council of Europe or by the EU.

For these purposes equipment which might be used for internal repression will include, inter alia, equipment where there is evidence of the use of this or similar equipment for internal repression by the proposed end-user, or where there is reason to believe that the equipment will be diverted from its stated end-use or end-user and used for internal repression.

The nature of the equipment will be considered carefully, particularly if it is intended for internal security purposes. Internal repression includes, inter alia, torture and other cruel, inhuman and degrading treatment or punishment; summary, arbitrary or extra-judicial executions; disappearances; arbitrary detentions; and other major suppression or violations of human rights and fundamental freedoms as set out in relevant international human rights instruments, including the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights.

The Government considers that in some cases, the use of force by a government within its own borders, for example to preserve law and order against terrorists or other criminals is legitimate and does not constitute internal repression, as long as force is used in accordance with the international human rights standards described above.

### CRITERION THREE

*The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.*

The Government will not issue licences for export which would provoke or prolong armed conflicts or aggravate existing tensions or conflicts in the country of final destination.

#### CRITERION FOUR

*Preservation of regional peace, security and stability.*

The Government will not issue an export licence if there is a clear risk that the intended recipient would use the proposed export aggressively against another country, or to assert by force a territorial claim. However, a purely theoretical possibility that the items concerned might be used in the future against another state will not of itself lead to a licence being refused.

When considering these risks, the Government will take into account inter alia:

- a. The existence or likelihood of armed conflict between the recipient and another country;
- b. A claim against the territory of a neighbouring country which the recipient has in the past tried or threatened to pursue by means of force;
- c. Whether the equipment would be likely to be used other than for the legitimate national security and defence of the recipient.

The need not to affect adversely regional stability in any significant way, taking into account the balance of forces between the states of the region concerned, their relative expenditure on defence, the potential for the equipment significantly to enhance the effectiveness of existing capabilities or to improve force projection, and the need not to introduce into the region new capabilities which would be likely to lead to increased tension.

#### CRITERION FIVE

*The national security of the UK, or territories whose external relations are the UK's responsibility, and of allies, EU Member States and other friendly countries.*

The Government will take into account:

- a. The potential effect of the proposed export on the UK's defence and security interests or on those of other territories and countries as described above, while recognising that this factor cannot affect consideration of the criteria on respect of human rights and on regional peace, security and stability;
- b. The risk of the goods concerned being used against UK forces or on those of other territories and countries as described above;
- c. The risk of reverse engineering or unintended technology transfer;
- d. The need to protect UK military classified information and capabilities.

#### CRITERION SIX

*The behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law*

The Government will take into account inter alia the record of the buyer country with regard to :

- a. its support or encouragement of terrorism and international organised crime;
- b. its compliance with its international commitments, in particular on the non-use of force, including under international humanitarian law applicable to international and non-international conflicts;
- c. its commitment to non-proliferation and other areas of arms control and disarmament, in particular the signature, ratification and implementation of relevant arms control and disarmament conventions referred to in sub-para b) of Criterion One.

#### CRITERION SEVEN

*The existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions.*

In assessing the impact of the proposed export on the importing country and the risk that exported goods might be diverted to an undesirable end-user, the following will be considered:

- a. the legitimate defence and domestic security interests of the recipient country, including any involvement in UN or peace-keeping activity;
- b. the technical capability of the recipient country to use the equipment;
- c. the capability of the recipient country to exert effective export controls.

The Government will pay particular attention to the need to avoid diversion of UK exports to terrorist organisations. Proposed exports of anti-terrorist equipment will be given particularly careful consideration in this context.

#### CRITERION EIGHT

*The compatibility of the arms exports with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources*



The Government will take into account, in the light of information from relevant sources such as United Nations Development Programme, World Bank, IMF and Organisation for Economic Cooperation and Development reports, whether the proposed export would seriously undermine the economy or seriously hamper the sustainable development of the recipient country.

The Government will consider in this context the recipient country's relative levels of military and social expenditure, taking into account also any EU or bilateral aid, and its public finances, balance of payments, external debt, economic and social development and any IMF- or World Bank-sponsored economic reform programme.

### **OTHER FACTORS**

Operative Provision 10 of the EU Code of Conduct specifies that Member States may where appropriate also take into account the effect of proposed exports on their economic, social, commercial and industrial interests, but that these factors will not affect the application of the criteria in the Code.

The Government will thus continue when considering export licence applications to give full weight to the UK's national interest, including:

- a. the potential effect on the UK's economic, financial and commercial interests, including our long-term interests in having stable, democratic trading partners;
- b. the potential effect on the UK's relations with the recipient country;
- c. the potential effect on any collaborative defence production or procurement project with allies or EU partners;
- d. the protection of the UK's essential strategic industrial base.

In the application of the above criteria, account will be taken of reliable evidence, including for example, reporting from diplomatic posts, relevant reports by international bodies, intelligence and information from open sources and non-governmental organisations.

# Annex B

## International Development Association eligible countries\*

### Africa

Angola  
Benin  
Burkina Faso  
Burundi  
Cape Verde  
Cameroon  
Central African Republic  
Chad  
Comoros  
Congo, Democratic Republic of  
Congo, Republic of  
Cote D'Ivoire  
Eritrea  
Ethiopia  
Gambia  
Ghana  
Guinea  
Guinea-Bissau  
Kenya  
Lesotho  
Liberia  
Madagascar  
Malawi  
Maldives  
Mali  
Mauritania  
Mozambique  
Niger  
Nigeria  
Rwanda  
Sao Tome and Principe  
Senegal  
Sierra Leone  
Somalia  
Sudan  
Tanzania  
Togo  
Uganda  
Zambia  
Zimbabwe

### East Asia

Cambodia  
Kiribati  
Laos, PDR  
Mongolia  
Myanmar  
Papua New Guinea  
Samoa  
Solomon Islands  
Timor-Leste  
Tonga  
Vanuatu  
Vietnam

### Europe and Central Asia

Albania\*  
Armenia  
Azerbaijan\*  
Bosnia-Herzegovina  
Georgia  
Montenegro\*  
Kosovo  
Kyrgyz Republic  
Moldova  
Tajikistan  
Uzbekistan

### Latin America and Caribbean

Bolivia  
Dominica  
Grenada  
Guyana  
Haiti  
Honduras  
Nicaragua  
St Lucia  
St Vincent & Grenadines

### Middle East and North Africa

Djibouti  
Yemen, Republic of

### South Asia

Afghanistan  
Bangladesh  
Bhutan  
Cambodia  
India  
Indonesia\*  
Nepal  
Pakistan  
Sri Lanka

\*This list represents IDA eligible countries as of 2007 used during 2011 to assess export licensing applications under Criterion 8. A current list of IDA eligible countries has been used since 2012.  
\*denotes countries that have since graduated from IDA eligible status.

# Annex C

## Information Required for the UN Register of Conventional Arms

### Standardized form for reporting international transfers of conventional arms (exports)<sup>a</sup>



#### EXPORTS

Report of international conventional arms transfers

(according to United Nations General Assembly resolutions 46/36 L and 58/54)

Reporting country: United Kingdom

National point of contact: Business, Innovation & Skills Department,  
Tel: +44 (0) 20 7215 8421, e-mail; Stav.Georgiou@bis.gsi.gov.uk  
(Organization, Division/Section, telephone, fax, e-mail) (FOR GOVERNMENTAL USE ONLY)

Calendar year: 2011

A		B	C	D <sup>b</sup>	E <sup>b</sup>	REMARKS <sup>c</sup>	REMARKS <sup>c</sup>
Category (I-VII)		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
I.	Battle tanks	Finland	1			T34 85	Demilitarised
		Greece	1			T34 85	Demilitarised
		Greece	1			Chieftain	Demilitarised
		Netherlands	1			1943 Grizzly Sherman	Demilitarised
		Slovenia	1			M3A1 Stuart	Demilitarised
		USA	1			Swiss G13	Demilitarised
		USA	1			T-55	Demilitarised
		USA	1			T-55 AM2	Demilitarised
		USA	1			Chieftain MK11	Demilitarised

A		B	C	D <sup>b</sup>	E <sup>b</sup>	REMARKS <sup>c</sup>	REMARKS <sup>c</sup>
Category (I-VII)		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
II.	Armoured combat vehicles						
III.	Large-calibre artillery systems						
IV.	Combat aircraft	Germany	1			Heinkel 162	
		New Zealand	1			De Havilland Mosquito	
		Saudi Arabia	6			Typhoon	
		UAE	1			Hawker Hunter	
V.	Attack helicopters						
VI.	Warships						
VII.	Missiles and missile launchers <sup>d</sup>	Greece	1			Scud Missile	Dismantled & deactivated
		USA	1			GAR1 Falcon	Exhibition

National criteria on transfers: \_\_\_\_\_

<sup>a b c d</sup> See explanatory notes.

The nature of information provided should be indicated in accordance with explanatory notes e and f.

## Statistics on exports of weapons and small arms in 2010.

### Information on international transfers of small arms and light weapons<sup>a,b</sup> (exports)



#### EXPORTS

Reporting country: United Kingdom

National point of contact: Foreign and Commonwealth Office, Arms Export Policy Department,  
Tel: +44 (0) 20 7008 1793 email; Mia.Gore@fco.gov.uk  
(Organization, Division/Section, telephone, fax, e-mail) (FOR GOVERNMENTAL USE ONLY)

Calendar year: 2011

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
<b>SMALL ARMS</b>							
1	Revolvers and self-loading pistols	Australia	4			Pistol	
		Bahrain	1				
		Belgium	32				
		Brazil	5				
		Bulgaria	1				
		Canada	35				
		Channel Islands	20				
		Djibouti	50				
		France	1				
		Germany	22				
		Ireland	11				
		Jordan	9				
		Kenya	32				
		Malta	12				
		Mauritius	100				
		Namibia	150				
		Netherlands	8				
		New Zealand	27				
		Nigeria	40				
		Oman	636				
		South Africa	58				

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
1	Revolvers and self-loading pistols (continued)	Switzerland	14				
		UAE	10				
		USA	22				
		Zambia	116				
		Iraq	109			Semi-Automatic Pistol	
						Sporting Pistol	
						Revolver	
2	Rifles and carbines					Automatic rifles	
						Rifles	
		Australia	9				
		Bahrain	1				
		Belgium	21				
		Canada	2006				
		Channel Islands	23				
		Chile	1				
		Djibouti	65				
		Falkland Islands	9				
		France					
		Germany	2				
		Hong Kong	18				
		Ireland	1				
		Italy	2				
		Japan	4				
		Madagascar	78				
		Maldives	200				
		Malta	130				
		Mauritius	1				
		Montserrat	1231				
		Netherlands	2				
		New Zealand	7				
		Norway	2				
		Oman	1				

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2	Rifles and carbines (continued)	Romania	2055				
		South Africa	1				
		Spain	1107				
		Sweden	2				
		Switzerland	1				
		Tanzania	3				
		UAE	12				
		USA	450				
			11				
		Canada	2			Shotguns	
		Channel Islands	3				
		Cyprus	4				
		Italy	2				
		Kenya	150				
		Madagascar	350				
		Maldives	60				
		Mauritius	160				
		Namibia	10				
		New Zealand	1				
		Oman	370				
		Pakistan	1				
		South Africa	101				
		UAE	150				
		USA	5				
		Argentina	3			Sporting Rifle	
		Australia	69				
		Austria	4				
		Bahrain	3				
		Barbados	1				
		Belgium	28				
		Botswana	202				
		Brazil	16				
		Bulgaria	3				



A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2	Rifles and carbines (continued)	Canada	26				
		Cayman Islands	2				
		Channel Islands	39				
		Chile	8				
		Colombia	1				
		Cyprus	35				
		Czech Republic	1				
		Denmark	17				
		Dominican Republic	10				
		Falkland Islands	16				
		Finland	15				
		France	12				
		Gambia	4				
		Germany	21				
		Gibraltar	2				
		Greece	14				
		Hungary	1				
		Iceland	4				
		Ireland	20				
		Italy	37				
		Japan	3				
		Jordan	10				
		Kazakhstan	2				
		Kenya	210				
		Korea, South	26				
		Kuwait	220				
		Lebanon	2				
		Luxembourg	1				
		Madagascar	340				
		Madeira	1				
		Malta	17				

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2	Rifles and carbines (continued)	Mauritius	950				
		Nepal	1				
		Netherlands	55				
		New Zealand	29				
		Norway	5				
		Oman	991				
		Pakistan	8				
		Paraguay	67				
		Poland	4				
		Portugal	25				
		Qatar	3				
		Romania	1				
		Russia	74				
		Saudi Arabia	1				
		Serbia	137				
		Singapore	7				
		Slovakia	1				
		South Africa	313				
		Spain	28				
		St Helena	20				
		Sweden	8				
		Switzerland	32				
		Tanzania	3				
		Thailand	12				
		Turkey	93				
		UAE	123				
		Ukraine	358				
USA	251						
Uruguay	7						
Zambia	226						
		Australia	336			Sniper Rifle	
		Bahrain	1				
		Belgium	1				

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2	Rifles and carbines (continued)	Bulgaria	2				
		Canada	204				
		Channel Islands	2				
		Chile	2				
		Czech Republic	2				
		Denmark	4				
		France	405				
		Germany	2				
		Hong Kong	4				
		Indonesia	20				
		Ireland	1				
		Italy	4				
		Kazakhstan	2				
		Kenya	2				
		Korea, South	2				
		Kuwait	4				
		Malta	5				
		Mozambique	1				
		Namibia	2				
		New Zealand	32				
		Norway	61				
		Pakistan	2				
		Peru	8				
		Poland	50				
		Portugal	20				
		Qatar	2				
		Saudi Arabia	9				
		South Africa	106				
		Spain	3				
		Sweden	4				
		Switzerland	35				
		Thailand	61				

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2	Rifles and carbines <i>(continued)</i>	Ukraine USA Zambia	49 3934 2				
3	Sub-machine guns					Sub Machine Gun	
4	Assault rifles	Afghanistan Australia Belgium Brazil Bulgaria Canada Channel Islands Djibouti Falkland Islands Finland Germany Iraq Ireland Italy Japan Mauritius New Zealand Nigeria Oman South Africa Switzerland UAE Ukraine USA	87 10 4 166 4 6 14 230 3 1 58 578 1 2 198 1224 48 60 2693 1054 3 12 25 155			Assault Rifles	

A		B	C	D	E	REMARKS	REMARKS
		Importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
5	Light machine guns					Light Machine Gun	
<b>LIGHT WEAPONS</b>							
1	Heavy machine guns	Australia	2			General Purpose Machine Guns	
		Belgium	15				
		Brazil	10				
		Brunei	15				
		Bulgaria	1				
		Canada	71				
		Channel Islands	4				
		Chile	1				
		Djibouti	15				
		Gabon	10				
		Germany	2087				
		Hong Kong	2				
		Iraq	35				
		Japan	155				
		Korea, South	22				
		Malta	33				
		Namibia	12				
		Netherlands	3				
		New Zealand	63				
		Oman	8				
		Poland	17				
		South Africa	1				
		UAE	180				
		USA	3				
						Heavy Machine Guns	

National criteria on transfers: \_\_\_\_\_

<sup>a</sup> The standardized forms provide options for reporting only aggregate quantities under the generic categories of "Small arms" and "Light weapons" and/or under their respective subcategories. See the United Nations Information Booklet 2007 (<http://disarmament.un.org/cab/register.html>) for questions and answers regarding the reporting of small arms and light weapons.

<sup>b</sup> The categories provided in the reporting form do not constitute a definition of "Small arms" and "Light weapons".

# Standardized form for reporting international transfers of conventional arms (imports)<sup>a</sup>



## IMPORTS

Report of international conventional arms transfers

(according to United Nations General Assembly resolutions 46/36 L and 58/54)

Reporting country: United Kingdom

National point of contact: Foreign and Commonwealth Office, Business, Innovation & Skills Department,  
Tel: +44 (0) 20 7215 8421, e-mail: Stav.Georgiou@bis.gsi.gov.uk  
(Organization, Division/Section, telephone, fax, e-mail) (FOR GOVERNMENTAL USE ONLY)

Calendar year: 2011

A		B	C	D <sup>b</sup>	E <sup>b</sup>	REMARKS <sup>c</sup>	
Category (I-VII)		Exporter State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
I.	Battle tanks						
II.	Armoured combat vehicles	USA	47		NP Aerospace Coventry	Mastiff	The UK defines both of these vehicles as Personal Protection Vehicles and they do not fully fit the definition of an ACV. They are included in the register for transparency reasons.
		USA	20		NP Aerospace Coventry	Ridgeback	
III.	Large-calibre artillery systems						
IV.	Combat aircraft						
V.	Attack helicopters						
VI.	Warships						
VII.	Missiles and missile launchers <sup>d</sup>	a)					
		b)					

National criteria on transfers: \_\_\_\_\_

<sup>a b c d</sup> See explanatory notes.

The nature of information provided should be indicated in accordance with explanatory notes e and f.

# Information on international transfers of small arms and light weapons<sup>a,b</sup> (imports)



## IMPORTS

Reporting country: United Kingdom

National point of contact: Foreign and Commonwealth Office, Arms Export Policy Department,  
Tel: +44 (0) 20 7008 1793 email: Mia.Gore@fco.gov.uk  
(Organization, Division/Section, telephone, fax, e-mail) (FOR GOVERNMENTAL USE ONLY)

Calendar year: 2011

A		B	C	D	E	REMARKS <sup>c</sup>	
		Exporter State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
<b>SMALL ARMS</b>							
1	Revolvers and self-loading pistols	Germany	44	N/A		self-loading pistols	
2	Rifles and carbines						
3	Sub-machine guns						
4	Assault rifles	Germany	202	N/A	N/A	Assault rifles	
		Canada	247	N/A	N/A		
		USA	267	N/A	N/A		
5	Light machine guns	Belgium	380	N/A	N/A	LMGs	
6	Others						
<b>LIGHT WEAPONS</b>							
1	Heavy machine guns	USA	50	N/A	N/A	HMGs	
		Belgium	9	N/A	N/A		
2	Hand-held under-barrel and mounted grenade launchers						
3	Portable anti-tank guns						
4	Recoilless rifles						



A		B	C	D	E	REMARKS <sup>c</sup>	
		Exporter State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
5	Portable anti-tank missile launchers and rocket systems	USA	2304	N/A	N/A	anti-tank missile launchers and rocket systems	
		Sweden	4444	N/A	N/A		
6	Mortars of calibres less than 75 mm	Austria	400	N/A	N/A	60mm mortar	
7	Others	Germany	120	N/A	N/A	Grenade machine gun	

National criteria on transfers:

<sup>a</sup> The standardized forms provide options for reporting only aggregate quantities under the generic categories of “Small arms” and “Light weapons” and/or under their respective subcategories. See the United Nations Information Booklet 2007 (<http://disarmament.un.org/cab/register.html>) for questions and answers regarding the reporting of small arms and light weapons.

<sup>b</sup> The categories provided in the reporting form do not constitute a definition of “Small arms” and “Light weapons”.

## THE UN REGISTER OF CONVENTIONAL ARMS

### MILITARY HOLDINGS

Reporting Country: United Kingdom

For reporting period: 2011

Category	Definition	Number
<b>Category I Battle Tanks</b>	Challenger 2	345
<b>Category II</b>	CVR(T) Scimitar	297 MK1 + 16 MK2
<b>Armoured Combat Vehicles</b>	CVR(T) Spartan	431 MK1 + 9 MK2
	CVR(T) Sultan	200
	CVR(T) Sturgeon	35
	CVR(T) Salamander	32
	CVR(T) Samson	45 MK1 + 3 MK2
	CVR(T) Samaritan	47
	FV430 Series (Bulldog)	895
	Panther	396a
	Viking Front Cab	137
	Viking TCV Rear	89
	Viking CV Rear	34
	Viking RRV Rear	14
	Warrior	790
	Warthog Front Cab	115
	Warthog Rear Cab	115
	Mastiffb	451
	Ridgebackb	177
	Wolfhoundb	125
<b>Category III Large Calibre Artillery Systems</b>	AS90 155 mm SP Howitzer	89
	105 mm Light Gun	126
	MLRS launchers	36
<b>Category IV Military Aircrafts</b>	Tornado GR4	136
	Tornado F3	24
	Typhoon	85
	Reaper UAV	5
<b>Category V Attack Helicopters</b>	Apache AH1	67
	Lynx AH7	53
	Lynx AH9/9A	22
	Lynx MK3	20
	Lynx MK8	33
	Merlin MK1	42
	Sea King (Mk 7)	13

Category	Definition	Number
<b>Category VI Warships</b>	Submarines	10
	Aircraft Carriers	2
	Frigates/Destroyers	21
	Amphibious Ships	3
	Survey Vessels	4
	Offshore Patrol Vessels	4
	Aviation Training Ship	1
	Repair & Maintenance Ship	1
	Tanker/Replenishment Ship	14
	MCM Vessels	15
	Ice Patrol Ships	1
<b>Category VII Missiles and Missile Launchers</b>	Total	4609

Notes:

<sup>a</sup> It is advised that last year's return figure of 386 for Panther was incorrect

<sup>b</sup> The UK defines these vehicles as Personal Protection Vehicles and they do not fully fit the definition of an ACV. They are included in the register for transparency reasons.

## THE UN REGISTER OF CONVENTIONAL ARMS

### PROCUREMENT FROM NATIONAL PRODUCTION

Reporting Country: **United Kingdom**

For reporting period: **2011**

Category (I-VII)	Number of Items	Details of model, type, variant
I. Battle Tanks		
II. Armoured Combat Vehicles	16	CVR(T) Scimitar MK2
	9	CVR(T) Spartan MK2
	3	CVR(T) Samson MK2
III. Large Calibre Artillery Systems		
IV. Combat Aircraft	15	Typhoon Tranche 2
V. Attack Helicopters		
VI. Warships	1	Type 45 destroyer (entry into service)
VII. Missiles & Missile Launchers		

Procurement from national production is defined as complete weapon systems purchased by the Government from suppliers within the United Kingdom or from programmes in which the UK is a collaborative partner.

### Government to Government transfers of equipment between 1 January and 31 December 2011

Country	Type of Equipment	Quantity*
Saudi Arabia	Combat Aircraft (1)	6

**Explanatory Notes**

(a)	Member States that do not have anything to report should file a “nil report” clearly stating that no exports or imports have taken place in any of the categories during the reporting period.														
(b)	International arms transfers involve, in addition to the physical movement of equipment into or from national territory, the transfer of title to and control over the equipment. Member States are invited to provide with their return a concise explanation of national criteria used to determine when an arms transfer becomes effective. (See paragraph 42 of the annex to document A/49/316.)														
(c)	In the “Remarks” column Member States may wish to describe the item transferred by entering the designation, type, model or any other information considered relevant. Member States may also wish to use the “Remarks” column to explain or clarify aspects relevant to the transfer.														
(d)	Multiple-launch rocket systems are covered by the definition of category III. Rockets qualifying for registration are covered under category VII. MANPADS should be reported if the MANPAD system is supplied as a complete unit, i.e. the missile and launcher/Grip Stock form an integral unit. In addition, individual launching mechanisms or grip-stocks should also be reported. Individual missiles, not supplied with a launching mechanism or grip stock need not be reported.														
(e)	<p>Check any of the following provided as part of your submission:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 90%;"></th> <th style="width: 10%; text-align: center;">Check</th> </tr> </thead> <tbody> <tr> <td>(i) Annual report on exports of arms</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(ii) Annual report on imports of arms</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(iii) Available background information on military holdings</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(iv) Available background information on procurement through national production</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(v) Available background information on relevant policies and/or national legislation</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(vi) Other (please describe)</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		Check	(i) Annual report on exports of arms	<input type="checkbox"/>	(ii) Annual report on imports of arms	<input type="checkbox"/>	(iii) Available background information on military holdings	<input type="checkbox"/>	(iv) Available background information on procurement through national production	<input type="checkbox"/>	(v) Available background information on relevant policies and/or national legislation	<input type="checkbox"/>	(vi) Other (please describe)	<input type="checkbox"/>
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(f)	<p>When reporting transfers, which of the following criteria, drawn from paragraph 42 of the annex to document A/49/316, were used:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 90%;">(i) Departure of equipment from the exporter’s territory</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(ii) Arrival of equipment in the importer’s territory</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(iii) Transfer of title</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(iv) Transfer of control</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(v) Others (please provide brief description below)</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	(i) Departure of equipment from the exporter’s territory	<input type="checkbox"/>	(ii) Arrival of equipment in the importer’s territory	<input type="checkbox"/>	(iii) Transfer of title	<input type="checkbox"/>	(iv) Transfer of control	<input type="checkbox"/>	(v) Others (please provide brief description below)	<input type="checkbox"/>				
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(iv) Transfer of control	<input type="checkbox"/>														
(v) Others (please provide brief description below)	<input type="checkbox"/>														

## Explanatory Notes (continued)

### Categories of equipment and their definitions

I.	<b>Battle tanks</b>  Tracked or wheeled self-propelled armoured fighting vehicles with high cross-country mobility and a high-level of self-protection, weighing at least 16.5 metric tons unladen weight, with a high muzzle velocity direct fire main gun of at least 75 millimetres calibre.
II.	<b>Armoured combat vehicles</b>  Tracked, semi-tracked or wheeled self-propelled vehicles, with armoured protection and cross-country capability, either: (a) designed and equipped to transport a squad of four or more infantrymen, or (b) armed with an integral or organic weapon of at least 12.5 millimetres calibre or a missile launcher.
III.	<b>Large-calibre artillery systems</b>  Guns, howitzers, artillery pieces, combining the characteristics of a gun or a howitzer, mortars or multiple-launch rocket systems, capable of engaging surface targets by delivering primarily indirect fire, with a calibre of 75 millimetres and above.
IV.	<b>Combat aircraft</b>  Fixed-wing or variable-geometry wing aircraft designed, equipped or modified to engage targets by employing guided missiles, unguided rockets, bombs, guns, cannons or other weapons of destruction, including versions of these aircraft which perform specialized electronic warfare, suppression of air defence or reconnaissance missions. The term "combat aircraft" does not include primary trainer aircraft, unless designed, equipped or modified as described above.
V.	<b>Attack helicopters</b>  Rotary-wing aircraft designed, equipped or modified to engage targets by employing guided or unguided anti-armour, air-to-surface, air-to-subsurface, or air-to-air weapons and equipped with an integrated fire control and aiming system for these weapons, including versions of these aircraft which perform specialized reconnaissance or electronic warfare missions.
VI.	<b>Warships</b>  Vessels or submarines armed and equipped for military use with a standard displacement of 500 metric tons or above, and those with a standard displacement of less than 500 metric tons, equipped for launching missiles with a range of at least 25 kilometres or torpedoes with similar range.
VII.	<b>Missiles and missile launchers</b>  (a) Guided or unguided rockets, ballistic or cruise missiles capable of delivering a warhead or weapon of destruction to a range of at least 25 kilometres, and means designed or modified specifically for launching such missiles or rockets, if not covered by categories I through VI. For the purpose of the Register, this sub-category includes remotely piloted vehicles with the characteristics for missiles as defined above but does not include ground-to-air missiles.  (b) Man-Portable Air-Defence Systems (MANPADS).