

Technical Information Required from Exporters when Asking for Advice, or Applying for a Licence

When you apply for an export licence, you need to ensure that you provide sufficient information for the Export Control Organisation (ECO) to process your application as quickly as possible.

Specifically, your information needs to enable ECO to:

- establish whether the goods fall under export controls at all and, if they do, which particular control applies; and
- make a thorough risk assessment: ECO needs to understand where the goods are going, who is involved in the transaction, and what the goods will be used for.

The guidance which follows covers the first part of this process. For help and advice on the second aspect, please see Appendix 1 at the end of this document which sets out the common mistakes that are made on licence applications. If you can avoid these pitfalls you will give yourself a much better chance of a quick answer to your application.

WHAT THE GOODS ARE, WHAT THEY ARE USED FOR, ORIGINALLY DESIGNED FOR ETC

A key issue for us in the Export Control Organisation (ECO) when considering your request for advice, or application for an export licence, is to know and understand the nature of the goods concerned. To be certain about this we need information that tells us exactly what the goods are, what they are used for and, in all cases, the purposes for which they were originally designed. This enables us to work out whether they are specified by export controls and, if so, under which particular control they fall.

We call this process the "Rating". You can greatly assist ECO in this task, and hence minimise the need for us to come back to you, by performing an initial Rating yourself and supporting your request for advice, or your licence application, with appropriate information, for instance, whether or not and why you think your goods are controlled.

SUPPLYING INFORMATION AT THE OUTSET

It will help us in processing your case if the following information is supplied at the outset. This will often remove the need for us to contact you for further details:

Product information

Product brochures, data sheets or short-form descriptions of the goods concerned; it is, however, usually preferable if manuals, or other lengthy material, are not sent. The information that is

submitted should make clear the type and functions of the goods and provide key technical parameters. It may help to look at the export control legislation in order to ascertain what the latter (i.e. key technical parameters) are for export control purposes. Relevant details can be found on our website at

<http://www.dti.gov.uk/export.control/pdfs/controllist20040930.pdf>

Further details that will help us establish whether goods are, or are not, subject to control are as follows:

General purpose items

Identification of items that are general purpose, with an explanation making clear why this is so.

Military use/applications

Where goods are destined for military use, or where military applications are apparent in the product literature, identification of the design origins and original intended use of the goods. This may not be necessary where design origin is reasonably obvious, e.g., as would be the case for a machine gun or a fighter aircraft. The original design intent is often less clear to us though, especially where there are military and civil variants of the goods concerned.

Export control entry (ie the Rating)

Where known, the export control entry (ie the Rating) you believe is applicable to each item (you may be able to identify this from the UK Strategic Control Lists on the ECO website, see hyperlink above).

COMPLEX PROJECTS

For complex projects a written document outlining the purpose and scope of the project, together with a clear list of the goods proposed for export.

PREVIOUS REFERENCE NUMBERS

Make sure you supply reference numbers of previous export licence applications, or rating enquiries, for similar or identical products, ensuring that any specific information previously requested by us has been supplied with the current application or enquiry.

YEAR OF MANUFACTURE

For arms and military goods, we need the year of manufacture if they are 50 or more years old.

LICENCE APPLICATIONS

For export licence applications you need to think about the following:

R&D

It is preferable, when entering the intended end-use on the licence application, that general terms such as "for R&D" or "for laboratory use" are avoided. We need to know about the specific intended use, eg the field and type of R&D involved, in order to give proper consideration to your application.

Goods used as component or material for making or repairing something else

Further details where the goods proposed for export are to be used as a component, or material for making or repairing something else. It would be most helpful if you could include information about the item to be made or repaired, particularly the type/model and function and a statement as to whether the goods proposed for export were originally designed, or have been modified, for that purpose (making clear which items are and which are not). The same applies to "software" or "technology" and we need to know the original design intent and characteristics of the product, as well as the specifics of the software or technology.

Simple descriptions

Provision of a simple description of the goods and possible uses, suitable for the layman with little knowledge of your business.

"Kits" and "spares"

Provision of more precise descriptions where "spares", "kits" or "accessories" are concerned. General terms like these will usually prompt us to ask for a full breakdown of what is actually to be exported as it is unclear exactly what might be encompassed.

We recognise that breakdowns of such lists can be impractical in some cases. There is, however, an alternative that could be considered where parts lists run to hundreds or thousands of items. You could use narrower, generic groupings of certain types or categories of items. The first consideration is that terms like "components of...", "tooling for...." are more accurate ways of describing goods than "spares for" or "accessories" and may help remove the need to explicitly list every nut and bolt. Better still is to develop descriptions in terms of what the goods are designed for, e.g., "components specially designed for". For instance, we could be sure what was involved with a description such as "airframe components specially designed for aircraft X". We would be certain that this did not cover weapons or airborne equipment as they are not part of the airframe and it might be an acceptable alternative to listing hundreds of individual airframe components. We would, however, have difficulty if the enquiry/application merely

said "components of aircraft X", as this description would still be too broad and we would need to come back to you for a breakdown. "Engine Y components", "tools specially designed for engine Y" are further examples of generic formulae that might be acceptable.

CAN YOU USE A OPEN GENERAL EXPORT LICENCE?

Exporters who are aware of the rating for their goods should also consider whether any of the Open General Export Licences (OGELs) could cover their export. For example, the OGEL (Military Components) might apply for a large item like a weapons platform "spares" which could cover armaments, ammunition or other sensitive equipment. Information on current OGELs can be found on at <http://www.dti.gov.uk/export.control/ogellicences.htm>

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APPENDIX 1

Common Pitfalls

The Export Control Organisation (ECO) has to return roughly half of all applications to the exporter, either for more information, or because the application has been completed wrongly. Obviously this delays processing. Here are some of the most common mistakes, or things to be aware of when submitting your application.

- **How to describe your goods on the licence application**
- **End User Undertakings**
- **Consignees and end-users**
- **Applying for an Open Individual Export Licence (OIEL)**
- **Technical documentation**
- **Goods which might have been modified**
- **Completing the licence application correctly**
- **Signing the licence application**
- **Authorised signatories for all licence applications**
- **Details of your earlier or related licences**
- **Your company's contact details**
- **Customs declarations**
- **Checking that the Open General Export Licence (OGEL) you are using is up to date**

How to describe your goods on the licence application

How you describe the item or items – and in how much detail – is very important. In particular, the Export Control Organisation (ECO) need to know what the goods were originally designed for, as well as their current intended use.

And then if any of the items were specially designed or modified for military use (or for the development, production or use of military items) then ECO will need details of the original military use. For example, if an inertial navigation system has been designed for a military application, ECO need to know which type of military application. So tell us what it's been designed for, eg a combat aircraft, naval frigate, tank or gun laying platform.

If you don't get it right first time – the clock stops on the application until it's sorted. And time, of course, is money and there are circumstances in which we might even have to reject your application.

And do be clear and specific in your description, and use the same description to HM Customs in any export documentation, so they can link any licence with the shipping documentation and, if necessary, the containers themselves.

Goods descriptions should be basic and concise and include model or type number where appropriate. Detailed descriptions of the goods should be given in the technical specifications that you send with your application.

It is very important to make sure that the descriptions on the goods sheets matches the description on the End-User Undertakings (see below). Failure to check this will mean we will have to send your application back to you which could significantly delay it. It is also very important that you include each good's/item's value in sterling in the appropriate column, even if the value is only nominal - you can't enter zero as a value.

End-User Undertakings (EUUs)

An End-User Undertaking (EUU) is a document which you should provide with almost every licence application. There are a few exceptions - for example temporary licences will not generally need an EUU. And in some cases an international import certificate or, where government contracts are involved, a purchase order or contract, may be sufficient. But apart from this, every other licence application needs to be accompanied by some documentation from the end-user.

The purpose of EUUs is to verify end use. Sample EUU forms are on the ECO website and have guidance notes attached which explain exactly what is required. All the forms have to be signed and dated by the end-user themselves. They have to describe the goods, say what they are going to be used for, and where the goods will be used or based.

If the goods are to be incorporated into another product, then this new product and its use should also be described.

It is very important to make sure that the goods description on the EUU matches the description on the licence application. Failure to check this will mean ECO will have to ask you to get the end-user to fill in the forms again which could obviously delay your application considerably.

Consignees and end-users

The ECO talks a lot about consignees and end-users on licence applications. They are sometimes one and the same people, but quite often they are not, and people often get muddled between the two. This definition might help:

The **consignee** is the first recipient of the goods you are exporting. This may be where the export remains (in which case they will be the end-user), but not necessarily. The consignee can be one of the following: authorised distributor, associated company, customer, or agent or anyone else

If the consignee is passing the goods on to someone else the final recipient will be the **end-user**. This might be a country's armed or security forces, a company, a research institution, or individual.

See details of End-User Undertakings on the ECO website.

Open Individual Export Licence (OIEL)

Applying for an OIEL

When you *first* apply for an OIEL you need to write to ECO with your application, setting out the reasons for your request, and evidence that this kind of licence is most appropriate for your proposed export. If you do not explain this in a letter ECO will have to come back to you, which is likely to hold things up.

If appropriate, use the same goods description when you apply for a replacement OIEL.

Have a look at the OIELs module elsewhere on this DVD for details of this type of licence and whether it would suit the sorts of goods you want to export

Putting the same countries on different parts of your OIEL application

You need to put the countries you are exporting to on two different parts of your application form:

- Sections D3 (Destinations to which you wish to export) and

- Section F1 (Type and End- Use of the Items).

The countries must match up so be careful you do not miss one out. ECO will have to come back to you and start the process all over again if this happens.

Don't go overboard on the number of countries you put on your OIEL application

You might well plan over time to export your goods to 25 countries but, at the time of your licence application, only have contracts in five. You might bear in mind that it will take a great deal longer to assess all 25 countries, so if you include them all it might hold up your application significantly. (In general, the fewer the countries, the shorter the processing time). In these circumstances ECO advises you strongly not to include those places where contracts have yet to be signed. You can always apply for another OIEL at a later date.

Entering details of the goods on the OIEL application form

The exporter needs to put the name of the item(s) and a description which explains **very briefly** what they are designed for and what they will be used for.

"Very briefly" means in about one sentence. Exporters often enter a complete product history which is not necessary.

You can also group together similar items in one entry as long as you make clear what the items are designed for and what are they going to be used for. Again this needs to be brief.

You should not say "see attached lists" as this will often mean that ECO will have to return your application because you need to put the details on the actual application form itself.

If you are applying for a **replacement** OIEL then you should enter exactly the same words that were on your previous licence, unless there are any changes in the scope of the items you wish to export.

Any more detailed information on the item(s) and its/their use can be entered in the field titled "Details of its relevant specific application/use for each item specified".

And finally, some very basic pitfalls:

Technical documentation

Is all the technical information up to date? For instance, if you are saving time – sensibly – by using a template for repeat applications make sure the template hasn't got out of date since you last applied.

Have you included a full and detailed goods description and supporting specifications and technical documents? See the main part of this document for fuller details

Goods which might have been modified

Comprehensive information about goods' modifications helps the ECO to assess your export against relevant legislation. For example, modifying a civilian vehicle by adding a NATO towing hook before exporting it from the UK would make it licensable

Completing the licence application correctly

Have you filled in all the fields on the application form?

Have you specified the quantities and values?

Signing the licence application

Have you signed the application form?

Authorised signatories for all licence applications

Every licence application for a standard or open individual export licence (SIEL or OIEL) must be signed by what is known as an "authorised signatory". This means that you will have to apply to ECO for a specific person in your company or organisation to become the official authorised signatory. They need to know who this is before processing your application.

If you are a new applicant company you probably won't have organised one of these. The Authorised Signatory form on the ECO website enables you to get started. This Form **MUST** be signed by one of your directors who **MUST** be on the board of the company. ECO cannot accept the signature of a director who is not on the board. Your company will be given a reference number when ECO has accepted your form, which you must quote on subsequent applications.

If you are an individual applying in our own right you need only complete the relevant "type of signatory box in section E either of the SIEL or OIEL application form.

We need details of earlier or related licences

Have you put in details of any previous or related applications?

Your company's contact details

Are your own contact details up to date and correct?

Customs declarations

Have you given clear written instructions for freight forwarders and agents who complete customs declarations on your behalf?

Be clear and specific in your description and use the same description to HM Customs in any export documentation so they can link any licence with the shipping documentation and, if necessary, the containers themselves.

Is the Open General Export Licence (OGEL) up to date?

Make sure the particular OGEL you are using is up to date; you should print out the latest version from the ECO website.

Has the OGEL been amended recently, and have you checked that your goods are still covered?

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