



BERR | Department for Business
Enterprise & Regulatory Reform

**INTRODUCTION TO THE EXPORT
CONTROL ORGANISATION AND
TO EXPORT CONTROLS**

What the ECO does and its UK
regulatory role of controlling
the export of strategic goods

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1. BACKGROUND

The Export Control Organisation (ECO) is the UK's export licensing authority for strategic goods.

ECO staff work as part of the Department for Business, Enterprise and Regulatory Reform (BERR).

2. WHAT WE DO

The chief task of ECO is to issue export licences for strategic goods from the UK.

The ECO's mission is to "Promote global security through strategic export controls, facilitating responsible exports."

This specifically means military goods, dual-use goods (which are civilian goods but with a potential military use), goods with potential WMD use, products that could be used for torture, and radioactive sources.

We also:

- Participate in the shaping of global arms control policies through the international arms control regimes and working with Other Government Departments on counter-proliferation activities.
- Develop the UK's export licensing policy and legislation working in consultation with a diversity of stakeholders from industry and Non-Governmental Organisations (NGOs).
- Take part in FCO-led international outreach work to promote good export licensing practice in other countries.
- Update the UK Strategic Export Control Lists
- Audit and ensure company compliance with Open General Licences through regular company visits
- Record statistics about licence applications for quarterly reports and the Government's annual report on strategic export controls.
- Provide help and advice to exporters.

The ECO contributes to a number of central government Public Service Agreement (PSA) targets including on counter-proliferation and delivering free and fair markets.

3. OUR SERVICES

Providing an efficient and responsible licensing system

- ECO's main objective is to process licence applications for strategic military or dual use goods. All licence applications are made via the SPIRE website – <https://www.spire.berr.gov.uk>

Licensing and Rating Advice

- We provide 2 web-based databases designed to help exporters decide whether they need a licence and whether they may be able to use an Open General Licence.
 - **Goods Checker** – search by keyword to determine if your goods are controlled
 - **OGEL Checker** – decide if you are able to use an Open General Licence to export your goods.
- The **Rating Enquiry Service** is provided by ECO's Technical Assessment Unit. It offers advice on whether your goods need a licence.

Making Export Control Understandable

- The ECO endeavours to explain export controls clearly through a number of different channels including:
 - A comprehensive programme of **seminars and workshops**
 - Our **website** is: <http://www.berr.gov.uk/exportcontrol>

This provides access to a range of information and advice, including:

- information and guidance on export control legislation
- details on how to apply for a licence via SPIRE.
- details of types of licences including Open General Licences, which are available in the public domain subject to terms and conditions
- information of current arms embargoes
- answers to Frequently Asked Questions
- export licensing and performance statistics

Updating and Informing

- Our **Notices to Exporters** regularly inform exporters and other interested stakeholders about amendments to licences, legislative changes, new guidance material and other updates. Sign up at web.comments@berr.gsi.gov.uk
- The ECO's **Helpline** provides general advice on export control. You can either telephone: 020 7215 4594 or email: eco.help@berr.gsi.gov.uk

4. THE UK'S STRATEGIC EXPORT CONTROLS

The UK takes its international commitments seriously. Most of the UK's export controls result from the UK's commitments made in multilateral and international agreements.

The UK is an active member of various international control regimes, including, the Australia Group, Missile Technology Control Regime, Nuclear Suppliers Group and the Wassenaar Arrangement.

These international groups work collectively to agree multilateral commitments on the transfers of conventional weapons, missiles, chemical and biological weapons and nuclear-related goods and technology, and associated components.

UK Strategic Export Control Lists

Internationally agreed (along with specific national) controlled items are distilled into the UK Strategic Export Control Lists. This document forms the basis of the UK's export control legislation detailing goods which are controlled. The list principally comprises:

1. The UK National Military List (for goods/technology designed specifically for military use)
2. The EU Dual-Use List (for goods/ technology which may have military or civil applications).

The Control Lists are enshrined in the UK's export control legislation which stem from both EU law and UK national legislation. The primary UK legislation is the Export Control Act 2002.

The Export Control Act 2002

This Act represented the most comprehensive overhaul of the UK's strategic export controls for over 60 years and implemented recommendations of the 1996 Scott Report which called for more transparency and accountability. It was implemented through secondary legislation which came into effect on 1 May 2004. The law took the form of various Orders:

1. The Export of Goods, Transfer of Technology and Provision of Technical Assistance Order 2003;
2. The Trade in Goods (Control) Order 2003.
3. The Trade in Controlled Goods (Embargoed Destinations) Order 2004
4. The Radioactive Sources (Control) Order 2006

As of 6 April 2009, the orders above (excluding the Radioactive Sources Order) were consolidated and updated into one new single order – the Export Control Order 2008. This introduced new controls on transport, trade controls and transit and transshipment. The Export Control Order's implementation follows an extensive Post-Implementation review process throughout 2007-8. This introduced some tightening of the trade controls, including on small arms and light weapons, and of the controls on transshipment.

The Export Control Act 2002 encompasses export controls on both military and dual-use goods, software and technology. It also covers controls on the trade in overseas military goods (also known as trafficking and brokering), the transfer of military technology by electronic means, additional WMD end-use controls on the transfer of technology by any means, and the provision of technical assistance.

Exporters should keep up to date with relevant legislative amendments and the licensing implications via our 'Notices to Exporters' on the website or via email.

5. WHAT DO THE CONTROLS COVER?

Strategic export controls apply to a wide range of goods, components and spare parts, and technology, including the following:

- **military equipment** such as arms, ammunition, bombs, tanks, imaging devices, military aircraft and warships;
- **nuclear related items** including nuclear materials, nuclear reactors and nuclear processing plant;
- **dual-use items**, ie items designed for civil use but which can be used for military purposes such as certain materials, machine tools, electronic equipment, computers, telecommunication equipment, cryptographic goods, sensors and radar, navigation and avionics equipment, marine equipment and space and propulsion equipment;
- **chemical weapons** precursors, and related equipment and technology;
- certain **micro-organisms, biological equipment and technology**;
- goods used in programmes involved in **weapons of mass destruction** and missiles used for their delivery.

Some exports and other activities are controlled:

- where particular destinations are involved, for example where a UN, EU or OSCE arms embargo or other arms related sanctions apply.
- end-use controls on non-controlled goods for military end use, and goods and technology which may be for use in connection with a WMD (weapons of mass destruction) programme.
- technology or software relating to controlled goods.
- Trading (trafficking and brokering) of goods between overseas countries
- Transfers of technology by intangible means

6. TYPES OF LICENCES

Detailed below is a summary of the main types of licence, which cover the export of controlled goods and technology from the UK.

- **Open General Export Licences (OGELs)** are available in the public domain. They allow the export of specified controlled goods by any exporter. They remove the need for exporters to apply for an individual licence, providing the shipment and destinations are eligible and the conditions are met. Exporters must register with ECO via the SPIRE system before they make use of most OGELs. All Open General Licences remain in force until they are revoked, although their provisions may be varied at any time. The Government, through BERR and ECO, issues Open General Licences where they are consistent with the consolidated EU and national arms export licensing criteria, in order to minimise the burden on industry.
- **Community General Export Authorisation (CGEA)** is the European Union equivalent of an OGEL. The licence, like OGELs, is subject to the exporter being able to satisfy the conditions contained within the licence or specified in national legislation. As with OGELs exporters must register with ECO via the SPIRE system before they use the CGEA.
- **Standard Individual Export Licences (SIELs)** generally allow shipments of specified goods to a specified consignee up to the quantity specified by the licence. They are generally valid for two years where the export will be permanent; where it is temporary, for instance, for demonstration purposes, trial or evaluation, the licence is generally valid for one year only and the goods must be returned before the licence expires.
- **Open Individual Export Licence (OIEL)** - a concessionary form of licence. It is specific to an individual exporter and covers multiple shipments of specified goods to specified destinations and/or, in some cases, specified consignees. OIELs are normally valid for 5 years, with the exception of those permitting the export of goods covered by the EU Weapons Directive, which are valid for 3 years.
- **Global Project Licence (GPL)** - This is similar in nature to an OIEL. It simplifies the arrangements for licensing military goods and technologies between Framework Agreement partners (ie the UK, France, Italy, Sweden, Spain and Germany) participating in collaborative defence projects. They can be used for exports involving both Government or industrial collaborative projects and will generally be valid for the length of the particular project.
- **Transshipment Licences** - A licence is not required for the majority of transshipments through the UK from one country to another. Most other transshipments can be made under one of the Open General Transshipment Licences in force, provided that the relevant conditions are met; where this is not the case, an individual transshipment licence is required.

Trade Control Licences cover the trading of goods from one overseas destination to another. These licences were introduced as a result of the Export Control Act 2002 which made the trading (commonly referred to as trafficking and brokering) of goods from one overseas destination to another a licensable activity. Trade Controls only apply to goods on the UK National Military List and not to software and technology.

- **Open General Trade Control Licences (OGTCLs)** - there are 2 types of OGTCLs - one for Category C Goods and another for Small Arms. They allow trade in most activities in respect of military and paramilitary goods on the UK Military List moved to or from specified countries. As with OGELs, exporters must register with ECO before they use OGTCLs. If you can't use the OGTCL you are likely to need one of the two following licence types.
- **Standard Individual Trade Control Export Licence (SITCL)** is specific to a named trader and covers involvement in the trading of a set quantity of specific goods, ie a one-off deal which specifies where the goods are coming from and where they are going to, between a specified overseas source and overseas destination country with a specified consignor, consignee and end-user.

SITCLs are normally valid for two years. On expiry, either by time or because the activity has taken place, the licence ceases to be valid and must be returned to the ECO. A further licence must be applied for if a similar trading arrangement is made.

- **Open Individual Trade Control Export Licence (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).

It is a type of general permit to do things and allows a range of activities, such as sourcing goods from a number of places which then go to a number of other countries. For instance if a UK company that deals in long-range missiles wants to move components from, say the United States, to, say, Germany, it would in this case use an OITCL. OITCLs are generally valid for two years.

7. THE PROGRESS OF YOUR LICENCE APPLICATION

Controlled goods cannot be exported without a licence issued by the Secretary of State for Business, Enterprise and Regulatory Reform.

The ECO circulates licence applications to Foreign and Commonwealth Office (FCO), the Ministry of Defence (MoD) and the Department for International Development (DfID) and the ECO issues, or refuses licences on the basis of their advice.

Decisions are taken in accordance with the guidelines and policy statements which the Government may make. The main current guidelines are known as the Consolidated EU and National Arms Export Licensing Criteria.

HM Revenue and Customs (HMRC) enforces the licensing regime and is responsible for prosecutions where breaches have occurred.

8. GOVERNMENT TARGETS AND PERFORMANCE REPORTS

The ECO is committed to openness and transparency in its work, subject to commercial confidentiality.

The ECO publishes quarterly reports and licence performance statistics which detail the number of SIELs and OIELs issued, refused or revoked within the period and SIEL

processing times and refusals by destination. These details are available on the ECO website,

The Government also produces an Annual Report on strategic export controls which is available on both the FCO and ECO websites.

Government targets for the ECO are published in a Service and Performance Code. A summary of targets and performance are provided below:

SIEL Processing

- Substantive response within 20 working days of receipt of application to 70% of applications.
- Substantive response within 60 working days of receipt of application to 95% of applications.
- Most SIEL applications are circulated to other Government Departments. Where consultation with other Government Departments is not required, full response within 10 working days of receipt of request.

Rating Service

- Where consultation with other Government Departments is required, full response within 20 working days of receipt of request.

Appeals against refusal of a SIEL application

- The appeal must be submitted within 28 working days of the date of the refusal letter. ECO's target is to process 60% of appeals within 20 working days and 95% within 60 working days.

Responding to complaints

- To provide a substantive response to written complaints within 15 days of receipt.

9. THE LICENSING PROCESS – FREQUENTLY ASKED QUESTIONS

i. How can I decide if I need a licence?

There are various options:

- You may compare the specifications of the product concerned with the descriptions set out in the legislation to determine yourself whether or not they are listed as “controlled goods”. Some controls apply to certain destinations only and where this is the case it says so in the legislation.
- You may use the ECO's Goods Checker database which enables you to search the Strategic Export Control Lists on a keyword basis. Goods Checker is available at: <http://www.ecochecker.co.uk/goodschecker>
- Or you may seek advice from the Export Control Organisation by applying for a rating via the SPIRE online license system. In applying for a rating, you must provide all relevant technical information and specifications of the products

and details of the intended destinations. The ECO will then advise you whether or not, in its view, on the information provided, the products are controlled.

In addition unlisted goods and technology are subject to control if you are aware or suspect that they are intended to be used in connection with weapons of mass destruction or missiles to deliver them, or, if you have been informed that they are or may be intended to be used for such purposes. For further information, see the **Guidance on WMD and Military End-Use Control** on the ECO website or contact the ECO for more advice.

Where UN trade sanctions or a binding UN arms embargo applies, the supply or delivery to the country concerned of arms and related materiel and any other prohibited goods may be subject to control whether the goods are exported from the UK or anywhere else in the world. Such embargoes may also include a prohibition on related activities such as acts calculated to promote the supply or delivery of such goods. You should check the current position on the ECO website.

ii. How do I apply for a licence?

ECO introduced an online licence application system called SPIRE in September 2007. You must apply for licences (or register for OGELs) on the SPIRE system – <https://www.spire.berr.gov.uk>

iii. When should I submit my application?

You should submit your licence application as early as possible and, where the export or supply of goods/technology is likely to be involved, as soon as there is a possibility that you will secure the relevant contract, but before you make any contractual commitment.

If you are involved in the trading of military rated goods between overseas countries, you might need a licence for pre-contract discussions. For further advice, please see the more detailed **Guidance on the Trade Controls** on the ECO website.

Where a UN trade or arms embargo apply, you may need to apply for a licence to communicate even before entering into contractual discussions.

iv. How long will it take to process my application?

Standard Individual Export Licence (SIELs) applications are circulated to other government departments, principally the FCO and MoD. The Government's aim is to provide a substantive response within 20 working days of receipt of the application. However, some cases will take longer to process than others; there will be occasions when these targets cannot be reached, and the ECO's aim therefore is to process 70% of cases within this period.

We will also aim to process 95% of all applications within 60 working days. These targets apply as soon as full documentation in support of the application has been provided by the applicant. All applications are processed expeditiously and with care.

These timings do not apply to applications for Open Individual Export Licences because of the very wide variation in the goods and country coverage of such licences, nor do they apply to goods which are subject to UN sanctions.

v. Are applications sometimes refused?

Once we have received your application, and all necessary supporting information, it will be considered carefully. A licence may or may not be issued.

All applications for a licence to export goods and technology on the UK Military List are considered against the EU Code of Conduct on Arms Exports. This is also used to assess applications for licences to export dual-use goods where there are grounds for believing that the end-user would be the armed forces or internal security forces of the recipient country. Applications which do not meet the criteria in the Code are refused.

Among the factors taken into account in assessing applications will be the destination, the parties involved and the nature of the goods or technology concerned, and the use to which they could be put.

vi. Can I appeal against a refusal?

If your application is refused you may appeal. Appeals must be submitted within 28 calendar days of the date of the refusal letter and should, where possible, include any additional information or arguments which may not have been available at the time of the original application and which could materially affect the refusal decision. The appeal and any new information provided are circulated to advisory departments to be considered independently at a more senior level than the original application.

The ECO aims to process 60% of appeals within 20 working days and 95% within 60 working days. The target does not apply to appeals concerning goods which are subject to UN sanctions. If you have any questions about the appeal system please contact the ECO Helpline.

vii. Are licences ever revoked or varied?

Licences can be revoked, suspended or amended. Circumstances which might lead to this include if there is a war or political upheaval in the destination country, or if an arms embargo is imposed against a particular destination, or if new information comes to light about a particular export.

viii. What happens if I export without a licence?

Exporting controlled goods or technology without a valid licence is a criminal offence. They can be seized by HM Revenue and Customs and offenders can be fined and/or imprisoned for up to 10 years. Making false statements is also a criminal offence. ECO also have the power to suspend or revoke licences.

In addition licences for the export of military goods and dual-use and related goods issued on the basis of false information are not valid. If you export goods or undertake an activity subject to UN trade sanctions or a UN arms embargo, without the necessary licence, you will also have committed an offence.

ix. Do the controls ever change?

Controls do change and you should always ensure that you comply with the requirements in place at the time. Details of changes to UK export controls are made by statutory instruments, whilst changes to EC export control legislation or EU trade sanctions are published in the Official Journal of the European Communities. Details of any changes are published on the ECO website.

You can sign up by email for **ECO's 'Notices to Exporters'**. This enables you to receive electronically all future ECO announcements about export control including any changes to the rules, new guidance material, new and revised Open General Licences and ECO promotional material.

x. Can I get help with setting up export control procedures in my company?

Yes. The Export Control Compliance Code of Practice gives more information on this.

xi. Where can I find out about export controls not administered by ECO?

Exports may be subject to control under legislation other than that administered by the ECO including antiques, animals, chemicals, drugs, food plants and wildflowers. For more information see the [Business Link website – Do you need an export or import licence?](#)

10. CONTACT THE ECO

Export Control Organisation
3rd Floor
1 Victoria Street
London SW1H 0ET

Tel (020) 7215 4594
Fax (020) 7215 2635
Email eco.help@berr.gsi.gov.uk

The help-line facility provides advice on export licence types as well as general enquiries and details of other ECO services.

To sign up to receive our Notices to Exporters email which informs you of updates and changes to export controls please contact us at: web.comments@berr.gsi.gov.uk.

Website:
<http://www.berr.gov.uk/exportcontrol>

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Further Export Control Organisation publications are also available on our website:
<http://www.berr.gov.uk/exportcontrol>