

United Kingdom Strategic Export Controls Annual Report 2021

Presented to Parliament pursuant to Section 10 of the Export Control Act 2002
Ordered by the House of Commons to be printed on 21st July 2022

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Foreword

This is the 25th edition of HM Government's Annual Report on Strategic Export Controls. The report provides details of strategic export controls policy and export licensing decisions for the period January to December 2021.

HM Government is committed to a robust and transparent export control regime for military, dual-use and other sensitive goods and technologies. The purpose of these controls is to promote global security and facilitate responsible exports.

We keep our controls under regular review to ensure that they continue to address the threats we face, keep pace with new technologies, and adapt to changing circumstances, while providing an efficient service which does not impose an unreasonable administrative burden on the defence and security industry.

As in previous years, export licensing in 2021 presented a range of complex challenges, including those arising from the continued COVID-19 pandemic. In response to COVID-19, the Export Control Joint Unit (ECJU) put in place robust business continuity measures to ensure that export licensing continued to function. HM Government took decisive action following the events in Afghanistan, including revoking extant licences that were no longer consistent with the strict criteria. We applied international sanctions rigorously, including imposing new trade sanction measures on Belarus and Myanmar.

During 2021, HM Government continued to assess each export licence application on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria. On 8th December 2021, in a statement to Parliament, the Secretary of State for International Trade updated the Criteria with the new Strategic Export Licensing Criteria, which will continue to be applied on a case-by-case basis (see Annex A). In the same statement the Secretary of State for International Trade set out an intention to introduce legislation to enhance the military end-use control and to add China to the list of destinations, subject to military end-use controls. This legislation came into force on 19th May 2022.

During 2021, ECJU processed around 16,400 Standard Individual Export Licence applications, completing 69% within 20 working days against the published target of 70%. Although this is an improvement from 2020, it falls just below our primary target and we are determined to do better. An explanation is set out in Section 2 of this report.

Strengthening the export control regimes remained a high priority in 2021. The United Kingdom continued to play a pivotal role in supporting the effective implementation of the Arms Trade Treaty. At the Seventh Conference of States Parties (CSP7), the United Kingdom was elected to serve a two-year term on the Management Committee and will use this position to support the functioning of the Treaty. Through the United Nations, the United Kingdom has been a strong supporter of the need to combat the illicit trade in Small Arms and Light Weapons, working to provide a common set of standards for establishing effective national controls. The United Kingdom has shown her commitment to dealing with the humanitarian consequences of war through her

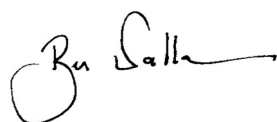
Presidency of the Convention on Cluster Munitions (CCM), which began in September 2021, and through which she will seek to increase adherence to this important Treaty.

The United Kingdom continues to operate one of the most transparent licensing regimes in the world, publishing information on all licences issued, refused or revoked. Our policy on export control is not to frustrate or hamper the ability of companies to trade, but to make the world a safer place for us all by operating a clear, proportionate, and robust system of export controls in the United Kingdom. This Annual Report demonstrates our continued commitment to transparency and accountability. As we saw throughout 2021, there remains strong parliamentary, public and media interest in strategic export control issues. Accordingly, we trust that the information contained in this Annual Report will be of interest to a wide range of people. We commend it to Parliament.



The Rt Hon Elizabeth Truss MP

First Secretary of State and Secretary of State for Foreign,
Commonwealth & Development Affairs



The Rt Hon Ben Wallace MP

Secretary of State for Defence



The Rt Hon Anne-Marie Trevelyan MP

Secretary of State for International Trade
and President of the Board of Trade

Section 1:

Export licensing process and basics

1.1 The need for Export Licensing

The Export Control Act 2002 and the Export Control Order 2008 provide the legal framework for the United Kingdom's export controls. A body of retained EU legislation and current EU legislation is also relevant.

Through this legislative framework, HM Government controls the export of a range of military and "dual-use"¹ items. At the end of the Transition Period², some parts of EU legislation became retained legislation under the European Union (Withdrawal) Act 2018 and are applicable to exports from Great Britain. Under the terms of the Northern Ireland Protocol, EU legislation continued to apply to the movement of controlled goods in Northern Ireland. Section 3 of this report sets out the changes to applicable legislation that occurred in 2021.

The purpose of the United Kingdom's export controls is to promote global security and facilitate responsible exports.

Our export controls help ensure that goods exported from the United Kingdom do not contribute to the proliferation of weapons of mass destruction (WMD), or a destabilising accumulation of conventional weapons. They protect the United Kingdom's security and our expertise by restricting who has access to sensitive technologies and capabilities. Export controls also help ensure that controlled items are not used to commit or facilitate internal repression or to commit or facilitate a serious violation of international humanitarian law. They are the means by which we implement a range of international legal commitments, including the Arms Trade Treaty and those resulting from United Nations arms embargoes or trade sanctions.

1 Dual-use items are goods, software, technology, documents and diagrams which can be used for both civil and military applications. They can range from raw materials to components and complete systems, such as aluminium alloys, bearings, or lasers. They could also be items used in the production or development of military goods, such as machine tools, chemical manufacturing equipment and computers.

2 11pm on 31st December 2020

A product needs an export licence if it is included in:

- the United Kingdom Military List or national control list
- lists of controlled dual-use items covered by retained Council Regulation (EC) No 428/2009 derived from the international export control regimes (set out in more detail in Section 7), which are:
 - The Nuclear Suppliers Group³
 - The Missile Technology Control Regime⁴
 - The Australia Group⁵
 - The Wassenaar Arrangement⁶
 - The Zangger Committee⁷
- For exports from Northern Ireland, the relevant regulation is Regulation (EU) 2021/821.
- the list of goods covered by retained Regulation (EU) 2019/125 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (“the Torture Regulations”), for exports from Northern Ireland, the relevant regulation is Regulation (EU) 2019/125
- the list of items covered by retained Regulation (EU) No 258/2012, which establishes export, import and transit measures for firearms, their parts and components and ammunition, for exports from Northern Ireland, the relevant regulation is Regulation (EU) No 258/2012
- the list of goods covered by the Export of Radioactive Sources (Control) Order 2006

Even if an item does not appear on one of these lists, it may still require an export licence under Article 4 of retained Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (for Northern Ireland it is Article 4 of Regulation (EU) 2021/821), if there are concerns about its end-use. “End-use” or “catch-all” controls aim to prevent the proliferation of WMD and their delivery systems, or the supply of items intended for a military end-use in an embargoed destination.

1.2 The Export Control Joint Unit

In July 2016, HM Government established the Export Control Joint Unit (ECJU), following the 2015 Strategic Defence and Security Review. It is hosted by the Department for International Trade (DIT). ECJU administers HM Government’s system of export controls, and brings together policy and operational expertise from DIT, the Foreign, Commonwealth & Development Office (FCDO) and the Ministry of Defence (MOD). The individual Departments within ECJU have distinct roles, and these are outlined below, under “Advisory Departments”.

3 <https://www.nuclearsuppliersgroup.org/en/about-nsg>

4 <https://mtcr.info/>

5 <https://www.dfat.gov.au/publications/minisite/theaustraliagroupnet/site/en/index.html>

6 <https://www.wassenaar.org/genesis-of-the-wassenaar-arrangement/>

7 <http://zanggercommittee.org/>

Departments Involved in Export Control

The Department for International Trade has overall responsibility for the export licensing process. The Secretary of State for International Trade is ultimately responsible for:

- the statutory and regulatory framework of the controls (i.e. what items and activities are controlled)
- the decision to grant or refuse an export licence in any individual case; and where necessary, the decision to suspend or revoke extant licences in accordance with the relevant legislation and announced policy

All of those departments involved in the licensing process and/or, in enforcing the implementation of export controls are set out below.

Departments involved in export control

Licence Assessment

- Department for International Trade
- Foreign, Commonwealth & Development Office
- Ministry of Defence
- National Cyber Security Centre.
- Department for Business, Energy and Industrial Strategy.

Licence Enforcement

- HM Revenue and Customs
- Border Force
- Crown Prosecution Service

Advisory Departments

The principal advisory departments are the FCDO and the MOD. Together, they provide DIT with advice and analysis on foreign policy, defence and development matters relevant to licensing. They do this by assessing all applications on a case-by-case basis against the Strategic Export Licensing Criteria. The FCDO licensing team considers, among other issues, whether an export:

- would comply with the United Kingdom's international obligations and commitments and sanctions regimes
- might be used to commit or facilitate internal repression or to commit or facilitate a serious violation of international humanitarian law
- would contribute to or undermine peace and security
- might be diverted to an undesirable user or for an undesirable end use

FCDO also considers whether an export is compatible with the technical and economic situation of a country. If a country is on the World Bank's International Development Association list and the value of the export exceeds an agreed threshold, FCDO will consider the potential impact on

the sustainable development of the country. FCDO considers several factors when determining country specific thresholds, including the recipient country's relative levels of military and social expenditure and how much it receives in development assistance.

In making its assessment on a case-by-case basis, the FCDO takes account of the proposed end uses of the equipment, the situation in the destination country, and the end user. They seek detailed political, sanctions, human rights and legal advice as necessary from posts overseas and other sources such as NGO or media reporting.

The MOD considers the military, operational, technical and security aspects of proposals to release classified material or controlled goods to foreign end-users. The MOD advises on the risk of any export being used against the United Kingdom Armed Forces and those of our Allies, and any potential threat to the security of the United Kingdom or Allies. The MOD jointly leads with the FCDO on assessing the risk of diversion or re-export of goods to end-users of concern.

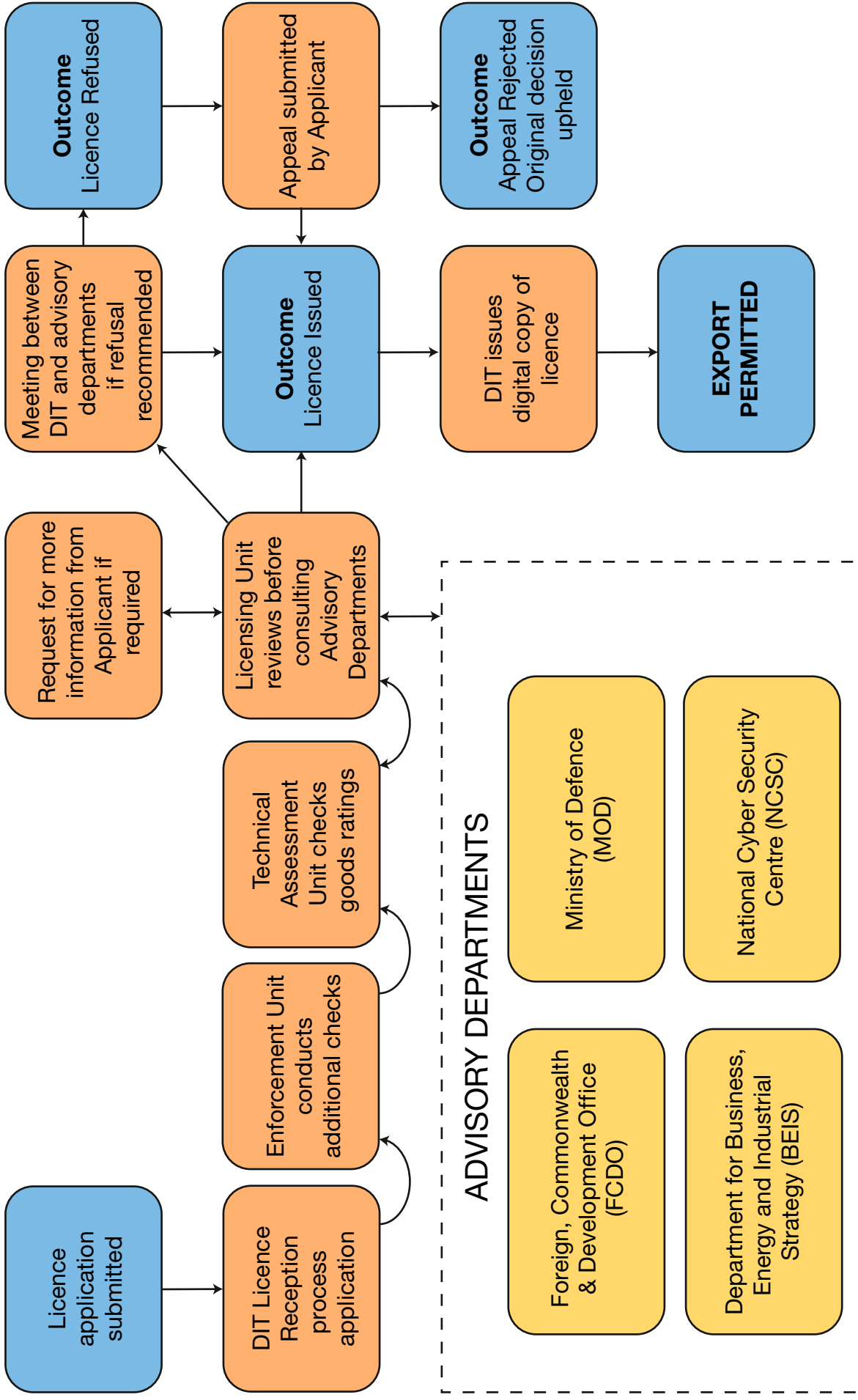
The MOD's advice on export licence applications is given on a case-by-case basis and assesses the views of those responsible for protecting the capability of the United Kingdom's Armed Forces, as well as security and intelligence specialists. The MOD also operates the MOD Form 680 (F680) approval process which enables HM Government to control the release of classified equipment or information to foreign entities without compromising the United Kingdom's national security.

The National Cyber Security Centre (NCSC) is HM Government's national technical authority for information security and advises on applications for goods involving sensitive communications or computer technology.

The Department for Business, Energy & Industrial Strategy (BEIS) plays a key role in HM Government's biological, chemical and nuclear non-proliferation policy, for example by making sure that HM Government continues to meet its obligations under the Chemical Weapons Convention (CWC) and Nuclear Suppliers Group (NSG). The Department advises if there are concerns that proposed exports might be used in a WMD programme.

Whilst HM Revenue & Customs (HMRC) does not provide direct advice on applications it does have responsibility for the enforcement of export and trade controls, as well as sanctions and embargoes. HMRC works with the Border Force to prevent, detect and investigate breaches. The Central Fraud Group in the Crown Prosecution Service leads on any subsequent prosecutions.

Standard Individual Export Licence (SIEL) Process



1.3 Overview of export licence types and processing times

Applications for export, trade ('brokering'), or transshipment licences for controlled goods are submitted to ECJU through the digital SPIRE licensing database and also, as part of the phased introduction of LITE (the new online export licensing system). Further detail is available in Section 4.4.

Applications must include details about who will use the goods and what they intend to do with them. This information is considered as part of the overall assessment process. Applications must include technical specifications sufficient to allow experts in ECJU to determine whether the goods are specified by the control lists and therefore need an export licence.

Most export licences granted are Standard Individual Export Licences (SIELs). While all applications are processed as efficiently as possible, we encourage all exporters to apply for licences at the earliest opportunity and advise applicants not to enter into a binding contract, or to start special production until an export licence has been issued.

Table 1.1 Summary of applications and registrations

Licence type	Applications and registrations received in 2021
Standard Individual Export Licences (SIELs)	17,095 ⁸
Open Individual Export Licences (OIELs)	530
Open General Export Licences (OGELs)	1,122*
Retained General Export Authorisations (GEAs)	262*
Union General Export Authorisations (GEAs)	81*
Standard Individual Trade Control Licences (SITCLs)	203
Open Individual Trade Control Licences (OITCLs)	68
Open General Trade Control Licences (OGTCLs)	49*
Standard Individual Transshipment Licences (SITLs)	9
Open General Transshipment Licences (OGTLs)	6*

*Registrations

Standard Individual Export Licences (SIELs)

- Applications received in 2021: 17,095⁹

SIELs allow shipments of specified items to a specified consignee or end-user up to a quantity specified in the licence. If the export will be permanent, SIELs are generally valid for two years or until the quantity specified has been exported, whichever occurs first.

⁸ 16,932 SIEL applications were made on the SPIRE system and 163 were made on the new online export licensing system, LITE.

⁹ Data taken from SPIRE and LITE as of 4th January 2022.

If an 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 United Kingdom before the licence expires. Checks are in place to ensure that items have returned to the United Kingdom.

Open Individual Export Licences (OIELs)

- Applications received in 2021: 530¹⁰

OIELs cover multiple shipments of specified items to specified destinations and/or, in some cases, specified consignees. An OIEL is a tailored and flexible licence and generally valid for five years. The exceptions are OIELs for the transfer of military items from Northern Ireland to destinations in EU Member States, which are valid for three years, but may be renewed at the exporter's request; and "dealer-to-dealer" OIELs, which allow firearms dealers to export certain categories of firearms and ammunition solely to firearms dealers in the EU, and which are also valid for three years.

Applications must include items to be exported and destinations, but specific quantities and named end-users do not necessarily need to be provided before a licence is issued. This data must be provided over the lifetime of the licence. The rejection of an application for an OIEL; or an amendment to exclude 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 to specified consignees in the relevant destinations. The factors that led to the original decision on the OIEL would be considered in the decision about a SIEL application.

Open General Export Licences (OGELs)

- Number of registrations in 2021: 1,122¹¹

OGELs are pre-published licences that permit the export of specified items to specified countries, following an online registration. They remove the need for exporters to apply for individual licences if the exporters can meet the terms and conditions set out in the licence. Failure to meet the terms and conditions may result in the licence being withdrawn. An OGEL or other type of Open General licence is only published when the exports are consistent with the Strategic Export Licensing Criteria. If the assessment changes, for the items and destinations permitted, then the OGEL is amended or revoked. OGELs generally remain in force until they are revoked. All OGELs are published on GOV.UK. OGELs in force in 2021 are listed in Section 2.7.

Retained General Export Authorisations (GEAs)

- Number of registrations in 2021: 262¹²

There are six retained General Export Authorisations (GEAs) under the retained Dual-Use Regulations. These permit the export from Great Britain of certain specified dual-use items to specified destinations, subject to the terms and conditions of the licences. They are equivalent to OGELs and are available for use by any exporter in Great Britain. The GEAs are contained in Annexes II(a) to II(f) of the retained Dual-Use Regulation. There is also one retained GEA under the retained Torture Regulation. This covers the goods listed in any entry in Annex IV of the retained Torture

¹⁰ Data taken from SPIRE as of 4th January 2022.

¹¹ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

¹² <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

Regulation to certain destinations that have abolished capital punishment. All the GEAs are listed in Section 2.7.

Union General Export Authorisations (GEAs)

- Number of registrations in 2021: 81¹³

There are eight Union General Export Authorisations (GEAs) under the recast Dual-Use Regulation 2021/821 that is applicable in Northern Ireland. These permit the export from Northern Ireland of certain specified dual-use items to specified destinations, subject to the terms and conditions of the licences. They are equivalent to OGELs and are available for use by any exporter in Northern Ireland. The Union GEAs are contained in Sections A-H of Annex II of the retained Dual-Use Regulation. There is also one Union GEA under the Torture Regulation applicable in Northern Ireland. This covers the goods listed in any entry in Annex IV of the Torture Regulation to certain destinations that have abolished capital punishment. All the Union GEAs are listed in Section 2.7.

Standard Individual Trade Control Licences (SITCLs)

- Applications received in 2021: 203¹⁴

A SITCL is specific to a named United Kingdom trader or broker and covers involvement in the trade of a specified quantity of specific goods between a specified overseas country, known as the source country, and between a specified consignor, consignee and end-user in an overseas destination country. SITCLs will normally be valid for two years. When a licence expires, either due to the length of time since it was issued or because the activity has taken place, the licence ceases to be valid. If further similar activity needs to take place, another 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.

Open Individual Trade Control Licences (OITCLs)

- Applications received in 2021: 68¹⁵

An OITCL is specific to a named United Kingdom trader and covers involvement in the trade of specific goods between specified overseas source and destination countries and/or specified consignor(s), consignee(s) and end-user(s). OITCLs are generally valid for five years. The refusal of an application for an OITCL, an amendment to exclude destinations and/or items, or the revocation of an OITCL, does not prevent a broker from applying for SITCLs covering some or all of the items to specified consignees in the relevant destinations. The factors that led to the original decision on the OITCL would be considered in the decision about a SITCL application.

Open General Trade Control Licences (OGTCLs)

- Number of registrations in 2021: 49¹⁶

13 <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

14 Data taken from SPIRE as of 4th January 2022.

15 Data taken from SPIRE as of 4th January 2022.

16 <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

An OGTCCL is a pre-published licence that permits the supply of specified goods from specified source countries outside the United Kingdom to specified destination countries, subject to the specific terms and conditions of the licence. There are currently four OGTCCLs available.

Standard Individual Transshipment Licences (SITLs)

- Applications received in 2021: 9¹⁷

A SITL is specific to a named transit/transshipment provider and covers a set quantity of specific goods between a specific source and destination country with a specified consignor, consignee and end-user. SITLs are normally valid for two years.

Open General Transshipment Licences (OGTLs)

- Number of registrations in 2021: 6¹⁸

OGTLs are like Open General Export Licences. They relate to transit rather than export and are subject to specific terms and conditions. There are currently four different types of OGTL.

Holders of Open Individual and Open General licences are subject to audit by ECJU Compliance Officers, to ensure that they are using the correct licence and meeting the terms and conditions of their licences.

Information on Financial Services, Brokering Services, Technical Assistance, Syria Humanitarian and Global Project Licences, is provided in Section 2.6.

¹⁷ Data taken from SPIRE as of 4th January 2022.

¹⁸ <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data>

Section 2:

Export licensing data

2.1 Transparency

HM Government publishes comprehensive Official Statistics¹⁹ every quarter about export licence applications granted, refused, rejected, or revoked. In addition, we provide an online searchable database²⁰ allowing users to produce bespoke reports drawing on this data. HM Government remains committed to openness and transparency of strategic export licensing to provide the means for Parliament and the public to hold HM Government to account.

2.2 Data for each licence type

The following charts provide details of the numbers of each of the main types of licence processed during 2021.

Those processed to completion in 2021 will include applications received during, as well as prior to 2021. Any data referred to as “Issued”, “Refused”, “Rejected” or “Revoked” is taken from the Official Statistics available on GOV.UK.

Comprehensive data on export licences by country is published every three months on GOV.UK. All other data in this section is taken from the SPIRE licensing database as of 4th January 2022, unless an alternative date is otherwise stated.

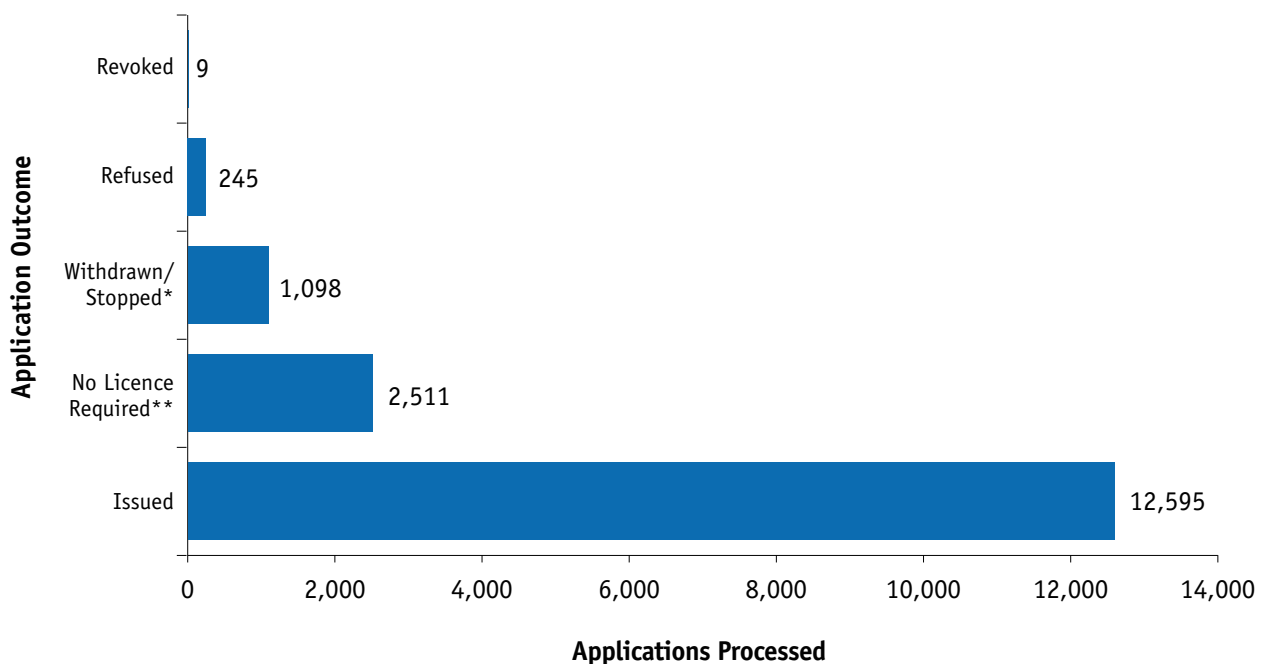
19 <https://www.gov.uk/government/collections/strategic-export-controls-licensing-data#quarterly-reports>

20 <https://www.exportcontroldb.trade.gov.uk/sdb2/fox/sdb/>

Table 2.1 Summary of application outcomes

Outcome	SIELs	SITLs	OIELs	SITCLs	OITCLs
Issued	12,595	4	298	138	50
Refused / Rejected	245	0	44	9	4
No Licence Required	2,511	0	3	10	0
Withdrawn, Stopped or Unsuitable	1,098	5	105	53	24
Revoked	9	0	4	13	0

Chart 2.I Standard Individual Export Licences (SIELs)



* Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

** Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

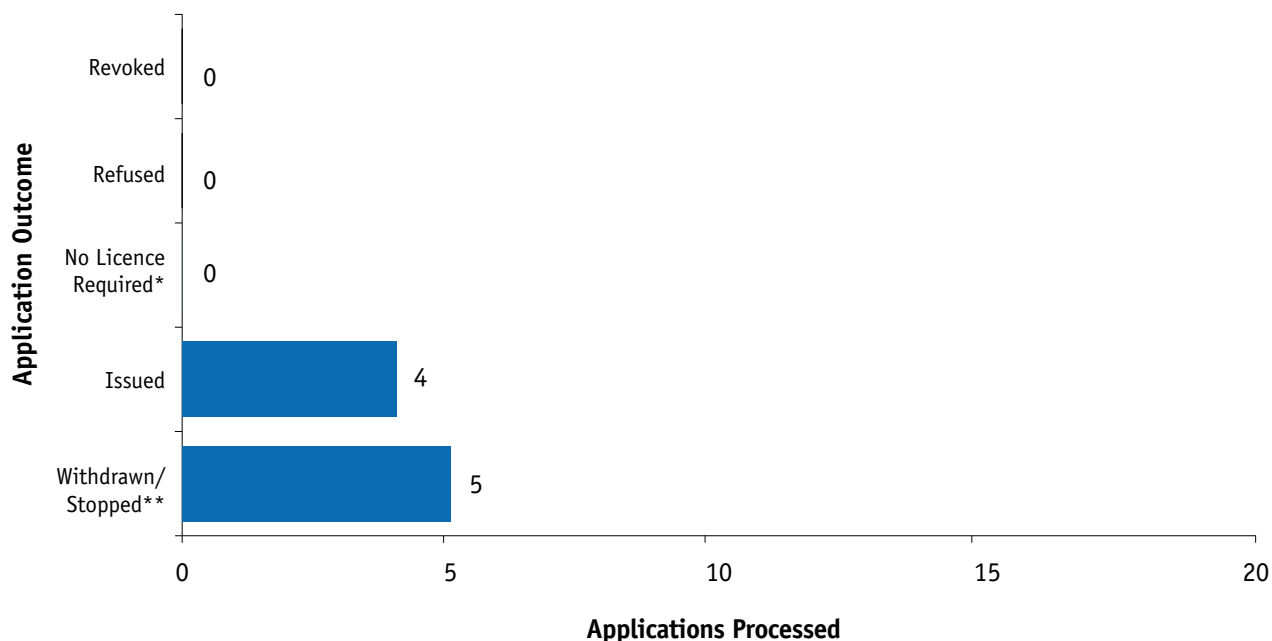
SIEL data published on GOV.UK shows how many licences are issued, refused or revoked for the export of items to the destination concerned and whether they were for a permanent or temporary export. The data is split into:

- Military List
- Non-Military items
- both (covering licences with military and non-military goods)
- items covered by the Torture Regulation and/or a mix of both Military List and non-military items

The total value of SIEL licences granted does not indicate the actual value of exports shipped during the reporting period, it is the stated export value from the application. Licences usually cover a two-year validity period and goods can be exported at any time during that period. Moreover, some licences will not be used to carry out all the exports authorised, and others will not be used at all. In addition, some items may be exported only temporarily and later returned to the United Kingdom within the validity of the licence. Licences may expire before being used or only partially used. In these circumstances, exporters may then apply for new licences which can lead to an element of “double counting” in statistics.

Information is provided separately within the Official Statistics on items licensed under SIELs intended to be incorporated into a good / product, for example, sensors for a military aircraft being exported to the aircraft manufacturer in one destination, who intends to export the complete aircraft to one or more ultimate end-user destinations. An aggregated summary of the ultimate end-user destinations for the goods, after incorporation, is included as part of the Official Statistics data.

Chart 2.II Standard Individual Transshipment Licences (SITLs)

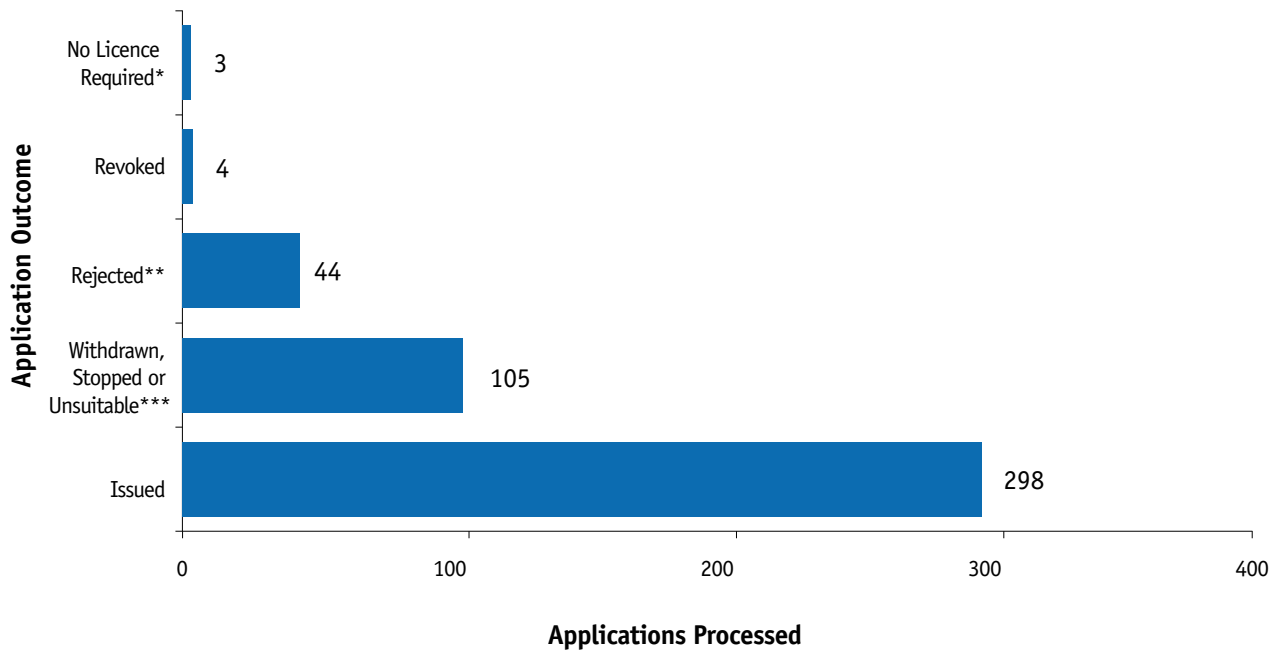


* Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

Information on SITLs is provided in the same format as for SIELs. The licensing information can be found under each destination, listed as “SIELs – transshipments”. As the items covered by SITLs only pass through the United Kingdom, it would be misleading to compare the monetary value for these licences with the value of items originating in the United Kingdom.

Chart 2.III Open Individual Export Licences (OIELs)



* Some applications are submitted for goods that do not require an export licence. Where this is determined, the applicant is informed that no licence is required.

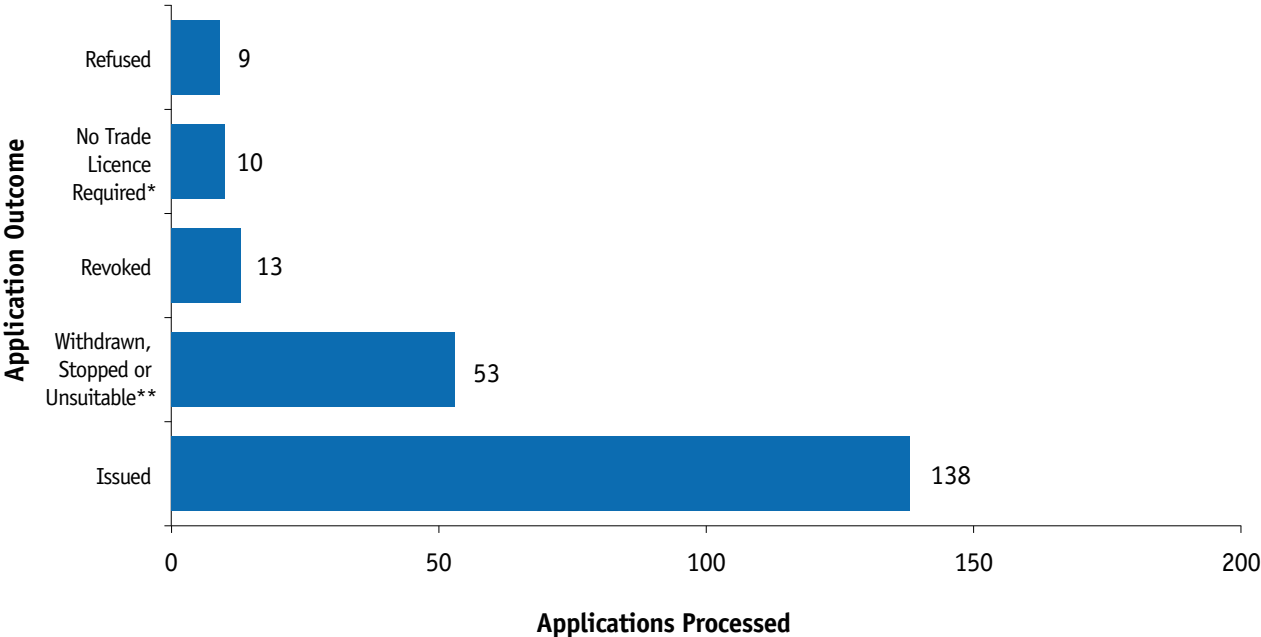
**Some applications are not suitable for open individual export licences and may need the scrutiny that a standard individual export licence application provides to fully address and assess the risk. In such cases the OIEL application is rejected, and exporters are recommended to apply for SIELs.

***Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

The OIELs data on GOV.UK include the number of licences issued, rejected or revoked for each country. 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 quantities, or values of goods they propose to ship, and it is therefore not possible to provide information on the total value of goods that are licensed. Companies are however required to submit annual open licence returns about usage for each of their OIELs (and/or OGELs).

HM Government is continuing to improve the reliability of the data we collect about open licence use, including the development of a new online export licensing system and a new Customs Declaration System (CDS). Once new systems are in place, we will be able to explore options for greater transparency, particularly with respect to open licences.

Chart 2.IV Standard Individual Trade Control Licences (SITCLs)

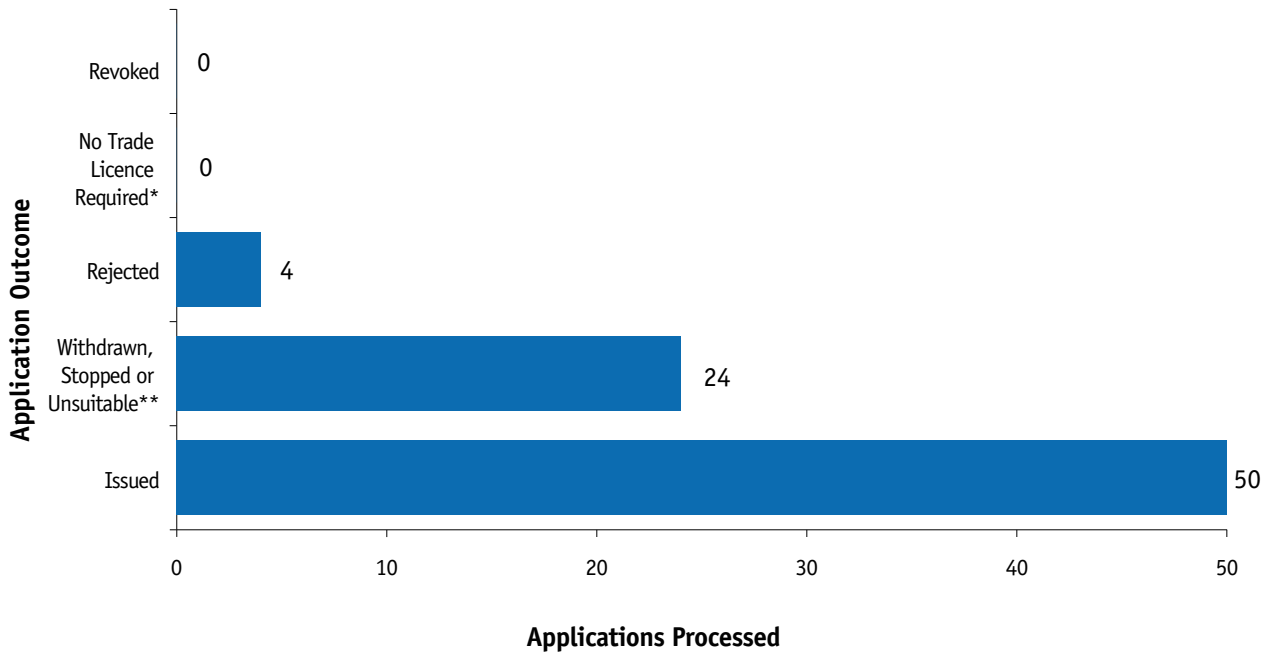


* Some applications are submitted for goods that do not require a trade control licence. Where this is determined, the applicant is informed that no licence is required.

** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

As SITCLs cover the trading of specific goods between overseas source and destination countries, there is no physical export from the United Kingdom, and traders are not asked to provide information on the monetary value of goods.

Chart 2.V Open Individual Trade Control Licences (OITCLs)



* Some applications are submitted for goods that do not require a trade control licence. Where this is determined, the applicant is informed that no licence is required.

** Some applications are not suitable for open individual trade control licences and may need the scrutiny that a standard individual licence application provides to fully address and assess the risk. In such cases the OITCL application is rejected and exporters are recommended to apply for SITCLs.

*** Applications may be withdrawn by the exporter during processing. They may also be stopped by ECJU, if an exporter has not provided further information, when requested, that is necessary to allow the application to be processed.

As OITCLs cover the trading of specific goods between an overseas source and one or more destination countries, exporters holding OITCLs are not asked to provide details of the monetary value of goods they propose to trade.

2.3 Performance against targets

ECJU sets out HM Government’s commitments to exporters in a Service and Performance Code. The performance targets are to decide on 70% of applications for SIELs within 20 working days, and 99% within 60 working days.

The targets apply once the applicant has supplied the documentation necessary to begin the assessment of their application. Where further information is requested, the time required for the exporter to provide that information is not counted against the targets.

The targets do not apply to OIELS, nor OITCLs because they are tailored specifically to address an exporter’s requirements. The flexibility and complexities mean there is a wide variation in the goods and destinations covered by such licences, consequently it is not possible to offer measured target processing times. However, ECJU still seeks to process 60% of OIEL applications within 60 working days.

Table 2.2 (*SIEL and SITCL Processing Performance*) gives a breakdown of the performance of HM Government in 2021 against the two main published SIEL and SITCL targets. Information for 2019 and 2020 is also provided for comparative purposes.

Table 2.2 SIEL and SITCL Processing Performance

Outcomes	2021		2020		2019	
	SIELs	SITCLs	SIELs	SITCLs	SIELs	SITCLs
Number of applications completed in 20 working days	11,283	94	9,813	96	12,219	140
% of applications completed in 20 working days	69%	45%	62%	35%	77%	69%
Number of applications completed in 60 working days	15,021	169	13,393	185	15,045	187
% of applications completed in 60 working days	91%	81%	85%	68%	95%	93%
Median processing time	15 days	23 days	14 days	32 days	12 days	14 days

The Export Control Joint Unit (ECJU) is extremely mindful of the commercial pressures that businesses face – and of the need to process licence applications with minimum delay – which is why it strives to meet its licensing targets (to conclude 70% of standard individual export licence applications within 20 working days and 99% within 60 working days). However, some destinations remain more challenging and will take longer than our target times to complete as we continue to maintain our robust export controls regime.

We monitor performance against our government targets on SIELs on a monthly basis and we monitor new and completed applications on a weekly basis, looking for trends or emerging issues that we need to address. We monitor long outstanding applications on a weekly basis.

Performance in 2021 recovered from the previous year with an additional 1,488 SIELs completed within 20 working days compared to 2020, improving from 62% to 69% and the percentage completed within 60 working days increasing from 85% in 2020 to 91% in 2021 (an additional 1,650 SIELs).

Whilst performance has improved since 2020, COVID-19 restrictions and resource constraints towards the end of 2021, made meeting our primary targets more challenging.

2.4 Refusals and revocations

There were 276 refusals or revocations of SIELs and SITCLs in 2021. Table 2.3 provides an overview of the number of times each of the Strategic Export Licensing Criteria²¹ was used to justify the refusal or revocation of an export licence application.

²¹ Refusal decisions were taken on the basis of the Criteria in place at the time. The Consolidated EU and National Arms Export Licensing Criteria remained in force until 8th December 2021, when they were subsequently replaced by the Strategic Export Licensing Criteria.

Table 2.3* Reasons for refusals or revocations of SIEL and SITCL applications

Reason for refusal or revocation**	2021	2020	2019
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	57	72	59
Criterion 1 – UK’s commitments and obligations to observe UN, OSCE and UK arms embargoes	51	63	33
Criterion 1 – UK’s obligations under the Ottawa Convention and the 1998 Land Mines Act	0	0	0
Criterion 2 – Risk of use to commit or facilitate internal repression or to commit or facilitate a serious violation of international humanitarian law	23	47	27
Criterion 3 – Preservation of internal peace and security	0	0	1
Criterion 4 – Preservation of peace and security	1	2	9
Criterion 5 – National security of the UK, as well as that of friendly and allied countries	82	71	80
Criterion 6 – Behaviour of the buyer country with regard to the international community	0	0	0
Criterion 7 – Risk of diversion to an undesirable end-user or for an undesirable end-use	170	123	140
Criterion 8 – Compatibility of the arms exports with the technical and economic capacity of the recipient country	0	0	0

* Data taken from SPIRE as at 9th May 2022.

** Decisions to refuse or revoke often involve more than one criterion. Therefore, the figures quoted in this table, when they are added together will exceed the total number of applications refused or revoked in 2021.

The data above does not include decisions to reject OIELs or OITCLs in full or in part, or amendments to the coverage of an OIEL to exclude destinations and/or goods, or to revoke an OIEL. This is because a decision to exclude a destination from OIELs or OITCLs does not prevent a company applying for SIELs or SITCLs covering some or all the goods concerned to specified consignees in the relevant destinations.

2.5 Appeals

Table 2.4* Appeals outcome and performance

Outcomes	2021	2020	2019
Appeals finalised within 20 working days	8%	0%	39%
Appeals finalised within 60 working days	8%	22%	81%
Number of Appeals considered	53	9	31
Number of Appeals upheld	47	6	30
Number of Appeals overturned	6	3	1

*Data is based on management information records as of 26th March 2022.

Appeals against refusals will often raise difficult and complex issues and are considered by a senior official not involved in the original refusal decision. Any new information not available at the time of the application will be considered. The time taken to decide an appeal can be lengthy because of the need to examine afresh all relevant information.

ECJU 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 relating to goods that are controlled solely because of UN Sanctions.

In 2021, COVID-19 workplace restrictions continued to restrict officials' access to the workplace, including access to classified material, often required when considering appeals. As in 2020, reduced access made it more challenging for officials to meet the target time to process an appeal and ECJU did not meet its targets for processing appeals.

A licence applicant may appeal a decision to refuse a SIEL, SITCL, SITAL or OITAL (see Section 2.6 for definition of SITAL and OITAL), or against a decision to revoke a SIEL or SITCL. There is no provision for a formal appeal against reject or revocation decisions relating to OIELs or OITCLs. This is because such decisions do not prevent a company from applying for SIELs or SITCLs.

The time taken to handle an appeal is calculated from the date on which the appeal is received by ECJU and not the date of the original application. Decisions to refuse licences are not taken lightly and are only made in those cases where refusal is clearly justified.

2.6 Data on other types of licence

Technical Assistance Licences

Standard Individual Technical Assistance Licences (SITALs) are issued for separate ad hoc requirements, for example the repair of a single item or simple maintenance tasks. In 2021, no SITALs were issued, refused or revoked.

Open Individual Technical Assistance Licences (OITALs) cover wide-ranging contractual issues which may form the basis of a rolling programme of work.

Under Article 19 of the Export Control Order 2008, as amended, licences are required for the provision of technical assistance for any activity where a person is aware or has been informed

that the items are or may be intended for the purposes of WMD. This could include the transfer of documents or personnel. In 2021, one WMD OITAL was issued, none were refused, rejected or revoked.

Where an application is for goods and services and a refusal has been recommended under the WMD end use control²² we may combine the Standard Individual Export Licence application with the Standard Individual Technical Assistance Licence application and refuse them together. In 2021, no such cases were refused.

OITALs are issued for the provision of technical assistance relating to military or dual-use items and activities where this is permitted under exemptions to international sanctions and embargoes. In 2021, one sanctions OITAL was issued, none were refused, rejected or revoked.

The EU imposed sanctions on Russia in 2014, which included a requirement for licences for technical assistance relating to technologies in the oil and gas industries. Following the United Kingdom's departure from the EU, measures were introduced covering activities related to restricted, dual-use and energy related goods and technology. In 2021, 38 OITALs were issued covering technical assistance for energy related goods, none was rejected or revoked. One licence was issued covering technical assistance for dual-use items. No other licences were issued, rejected or revoked.

Under the Northern Ireland Protocol, sanctioned and prohibited activities are still subject to EU regulations. No licences for the provision of technical assistance were issued under the Protocol in 2021.

Financial Services and Brokering Services Licences

DIT is the competent authority for the licensing of the provision of brokering services and financial services and funds related to prohibited or restricted trade transactions. HM Treasury is the competent authority in respect of all other financial sanctions, including asset freezes and counter-terrorist financing.

United Kingdom sanctions may contain prohibitions or restrictions on the provision of brokering services and financial services and funds related to the sale, supply, transfer, or export of goods and services prohibited or restricted under the sanctions. In cases where the provision of such services is subject to prior authorisation, a Brokering Services Licences and/or a Financial Services Licence may be granted.

As a result of the sanctions imposed on Russia in 2014, there is a requirement for licences for the provision of brokering services and financial services and funds relating to the supply of energy-related goods used in the oil and gas industry. In 2021, 35 Standard Individual Financial Services Licences were granted, but no Open Individual Financial Services Licences were granted. A further 28 Brokering Services Licences were issued. No Financial Services, or Brokering Services Licences were refused, rejected, or revoked under the Russian sanctions that were in force during the period covered by this report.

²² <https://www.gov.uk/guidance/supplementary-wmd-end-use-controls>

Syria Humanitarian Licences

DIT is the competent authority for the issuing of humanitarian licences in respect of prohibited or restricted trade transactions.

Under the Syria (Sanctions) (EU Exit) Regulations 2019, it is prohibited to purchase and transport crude oil; or petroleum products; or directly, or indirectly provide financial services or funds for these prohibited activities. However, these activities may be authorised under a licence issued by the Secretary of State, if the purchase and transport in Syria of petroleum products; or the provision of related financial services or funds, are for the sole purpose of providing humanitarian relief in Syria; or assistance to the civilian population in Syria. Therefore, a licence application must be submitted to ECJU if an entity wishes to carry out any of the prohibited activities mentioned above.

In 2021, 10 Syria Humanitarian Licences were issued.

Licences for drugs used in execution by lethal injection

The retained torture regulation and the EU regulation that applies in Northern Ireland, require licences from ECJU to export short and immediate-acting barbiturate anaesthetic agents to any destination from Great Britain, or outside the EU from Northern Ireland. These drugs which have legitimate medical uses include the following:

- Amobarbital (CAS RN 57-43-2)
- Amobarbital sodium salt (CAS RN 64-43-7)
- Pentobarbital (CAS RN 76-74-4)
- Pentobarbital sodium salt (CAS 57-33-0)
- Secobarbital (CAS RN 76-73-3)
- Secobarbital sodium salt (CAS RN 309-43-3)
- Thiopental (CAS RN 76-75-5)
- Thiopental sodium salt (CAS RN 71-73-8), also known as “thiopentone sodium”.

SIEL applications must be submitted for the following destinations for ad hoc requirements of these drugs:

- American Samoa
- People’s Republic of China
- Guatemala
- Guam
- Northern Mariana Islands
- Thailand
- Taiwan
- United States Minor Outlying Islands
- United States of America
- United States Virgin Islands
- Vietnam

In recent years OIEL applications have largely been replaced by registration for the EU General Export Authorisations under the torture regulations. This licence covers multiple exports of these drugs to end users in all destinations, other than those destinations specified above.

The United Kingdom controls Pancuronium Bromide and Propofol under the listing of human and veterinary medicinal products that are prohibited for export to the US, when they are in a form suitable for injection or for preparation of an injection.

In 2021, 41 SIELs for these items were issued and none were refused or revoked. One OIEL was issued, one was rejected, and none were revoked.

Global Project Licences

Global Project Licences (GPLs) are a form of Open Individual Export Licence introduced by Framework Agreement Partners (France, Germany, Italy, Spain, Sweden, and the United Kingdom) to streamline the arrangements for licensing military goods and technologies between partner states who are participating in specific collaborative defence projects. In relation to the collaborative project, each partner state will, as appropriate, issue its own GPLs to permit transfers of specified goods and technology required for that project.

Applications for GPLs are assessed against the Strategic Export Licensing Criteria in the United Kingdom, and against the EU Common Position²³ in other Framework Partner countries. In 2021, no GPLs were issued, rejected or revoked.

2.7 Open General Export Licences and Retained and Union General Export Authorisations

The nature and purpose of Open General Export Licences (OGELs) is set out in Section 1.3.

OGELs may be republished²⁴ as a result of updates to the United Kingdom Strategic Export Control Lists and/or due to changes to the general terms and conditions or permitted destinations.

A summary of key changes affecting OGELs in 2021 is set out in Annex B.

List of OGELs in force in 2021:

Dual-use OGELs: these permit the export of certain controlled dual-use goods:

- Chemicals
- Chemicals – from December 2019
- Cryptographic Development
- Cryptographic Development – from December 2019
- Export After Exhibition: Dual-Use Items
- Export After Repair/Replacement Under Warranty: Dual-Use Items
- Export After Repair/Replacement Under Warranty: Dual-Use Items – from June 2019

²³ Council Common Position 2008/944/CFSP of 9th December 2008 defining common rules governing control of exports of military technology and equipment.

²⁴ <https://www.gov.uk/government/collections/open-general-export-licences-ogels>

- Export for Repair/Replacement Under Warranty: Dual-Use Items
- Export for Repair/Replacement Under Warranty: Dual-Use Items – from December 2019
- Export of Dual-Use Items to EU Member States
- Exports of non-lethal Military and Dual-Use Goods: to UK Diplomatic Missions or Consular posts
- Information Security Items
- Information Security Items – from December 2019
- Low Value Shipments
- Low Value Shipments – from December 2019
- Military and Dual-Use Goods: UK Forces deployed in embargoed destinations
- Military and Dual-Use Goods: UK Forces deployed in non-embargoed destinations
- Military and Dual-Use Goods: UK Forces deployed in non-embargoed destinations – from December 2019
- Oil and Gas Exploration: Dual-Use Items
- Oil and Gas Exploration: Dual-Use Items – from December 2019
- Technology for Dual-Use Items
- Technology for Dual-Use Items – from June 2019
- PCBs and Components for Dual-Use Items
- PCBs and Components for Dual-Use Items – from June 2019
- X
- X – from December 2019

Military Goods OGELs: these permit the export of certain controlled military goods:

- Access Overseas to Software and Technology for Military Goods: Individual Use Only
- Access Overseas to Software and Technology for Military Goods: Individual Use Only – from December 2019
- Certified Companies
- Export After Exhibition or Demonstration: Military Goods
- Export After Repair/replacement under warranty: Military Goods
- Export After Repair/replacement under warranty: Military Goods – from June 2019
- Export for Exhibition: Military Goods
- Export for Exhibition: Military Goods – from December 2019
- Exports for Repair/replacement under warranty: Military Goods
- Exports for Repair/replacement under warranty: Military Goods – from December 2019
- Exports in Support of Joint Strike Fighter: F-35 Lightning II
- Exports in Support of Turkish Aerospace Industries TF-X programme
- Exports or transfers in Support of UK Government Defence Contracts
- Exports or transfers in Support of UK Government Defence Contracts – from June 2019
- Exports under the US-UK Defence Trade Cooperation Treaty
- Historic Military Goods

- Historic Military Goods – from December 2019
- Historic Military Vehicles and Artillery Pieces
- Military Components
- Military Goods, Software and Technology
- Military Goods: Collaborative Project Typhoon
- Military Goods: Collaborative Project Typhoon – from June 2019
- Military Goods: For Demonstration
- Military Goods: For Demonstration – from December 2019
- Military Goods: A400M Collaborative Programme
- Military Goods: A400M Collaborative Programme – from February 2020
- Military Goods, Software and Technology: Government or NATO End Use
- Military Surplus Vehicles
- Military Surplus Vehicles – from December 2019
- PCBs and Components for Military Goods
- PCBs and Components for Military Goods – from June 2019
- Software and Source Code for Military Goods
- Software and Source Code for Military Goods – from June 2019
- Technology for Military Goods
- Technology for Military Goods from June 2019
- Vintage Aircraft

Other types of General Licences:

- Iraq
- Radioactive sources
- General Trade Licence (Russia: Sanctions)

Open General Transshipment Licences (OGTLs): these allow, subject to certain conditions, controlled goods to be exported from one country to another via the United Kingdom:

- Sporting Guns
- Postal Packets
- Transshipment Licence

Open General Trade Control Licences (OGTCLs): these control trafficking and brokering activity between one third country and another where the transaction or deal is brokered in the United Kingdom or by a UK person:

- Open General Trade Control Licence
- Category C Goods
- Category C Goods – from December 2019
- Insurance or Re-Insurance

- Maritime Anti-Piracy
- Trade and Transportation: Small Arms and Light Weapons
- Trade and Transportation: Small Arms and Light Weapons – from December 2019

The Retained General Export Authorisations are as follows:

- GEA001 – export of most dual-use items to Australia, Canada, Japan, New Zealand, Norway, Switzerland, Liechtenstein, and the United States
- GEA002 – export of certain dual-use items to certain destinations
- GEA003 – export after repair/replacement
- GEA004 – temporary export for exhibition or fair
- GEA005 – telecommunications
- GEA006 – chemicals
- GEA 2019/125

The Union General Export Authorisations are as follows:

- EU001 – export of most dual-use items to Australia, Canada, Japan, New Zealand, Norway, Switzerland, Liechtenstein, and the United States
- 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
- EU007 – intra-group export of software and technology
- EU008 – encryption
- EU GEA 2019/125

Section 3:

United Kingdom legislation and licensing assessment criteria

3.1 Changes in United Kingdom and EU legislation in force relating to export licensing

Firearms

The retained Regulation (EU) No 258/2012²⁵ establishes export, import and transit measures for firearms, their parts and components and ammunition. It applies to exports from the customs territory of Great Britain. There were no changes to the Regulation in 2021.

In Northern Ireland, Regulation (EU) No 258/2012²⁶ establishes export, import and transit measures for firearms, their parts and components and ammunition. It applies to exports from Northern Ireland to non-EU Member States and goods moving to Great Britain. The EU made no changes to the Regulation in 2021.

Council Directive 91/477/EEC²⁷ (the Firearms Directive) sets out the simplified procedures for transfers of civilian firearms by sport shooters in possession of a European Firearms Pass and for transfers between authorised dealers in different Member States via “dealer-to-dealer” licences. It was repealed by Directive (EU) 2021/555²⁸ of the European Parliament and of the Council of 24th March 2021 on control of the acquisition and possession of weapons (codification) on 26th April 2021. Directive (EU) 2021/555 applies in Northern Ireland.

Dual-Use Regulation

The retained Council Regulation (EC) No 428/2009²⁹ provides the legislative framework of controls on dual-use items (goods, including software and technology which can have both civil and military applications) and controls their export, transfer, brokering and transit in Great Britain.

25 <https://www.legislation.gov.uk/eur/2012/258/contents>

26 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012R0258>

27 <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A31991L0477>

28 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021L0555>

29 <https://www.legislation.gov.uk/eur/2009/428/contents>

In May 2021 the European Union introduced a new dual-use Regulation (EU) 2021/821³⁰. This Regulation updated and consolidated the earlier EU regulation. It applies in Northern Ireland.

The Torture Regulation

The retained Regulation (EU) 2019/125³¹ applies to the trade in certain goods which could be used for capital punishment, torture or other cruel and inhuman or degrading treatment or punishment.

In Northern Ireland, Regulation (EU) 2019/125³² continues to apply, meaning exports from Northern Ireland to EU Member States do not require a licence (except in specific circumstances set out in the regulation). Movement of these goods from Northern Ireland to Great Britain requires a licence. The EU regulation was amended by Commission Delegated Regulation (EU) 2021/139³³ of 4th December 2020 to take into account UK withdrawal from the EU.

3.2 Changes in United Kingdom and EU legislation in force

The following amendments were made to export control legislation in 2021:

Title	Reference	Description
The Export Control (Amendment) Order 2021 ³⁴	2021 No. 586	This Order updated the list of military items that require a licence to be exported from the United Kingdom. It amends Schedule 2 to the Export Control Order 2008 which lists the military goods, software and technology subject to export controls and Schedule 3 to the 2008 Order, which lists United Kingdom controlled dual-use goods, software and technology. The military list was updated to reflect changes to the Wassenaar Arrangement munitions list, as well as to address minor drafting errors. The amendments to Schedule 3 of the 2008 Order provided further clarity relating to the interpretation of national controls.
Commission Delegated Regulation (EU) 2021/139 of 4 th December 2020		The United Kingdom was added as a permitted destination on Union General Export Authorisation EU GEA 2019/125

For exports from Northern Ireland, EU legislation governing firearms, dual-use and torture exports continue to apply under the terms of the Northern Ireland Protocol. However, there were changes to the NI Protocol (Annex 2) listed export control Regulations and Directives.

- The EU dual-use goods Council Regulation (EC) No 428/2009 was replaced with Regulation (EU) 2021/821 of 20th May 2021 and amended by Commission Delegated Regulation (EU) 2022/1 of 20th October 2021
- Council Directive 91/477/EEC has been replaced by Directive (EU) 2021/555 of 24th March 2021

30 <https://eur-lex.europa.eu/eli/reg/2021/821>

31 <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019R0125>

32 <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019R0125>

33 <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32021R0139>

34 <https://www.legislation.gov.uk/ukxi/2021/586/contents/made>

The Open General Export Licence (Export of Dual-Use Items to EU Member States³⁵) can be used to export most controlled items from Northern Ireland to the Channel Islands and Isle of Man

3.3 Licensing assessment criteria

In a written statement to Parliament on 8th December 2021 the Secretary of State for International Trade announced a revised version of the licensing criteria for strategic export controls, to be known as the Strategic Export Licensing Criteria (see Annex A). This statement of the Criteria was guidance given under section 9 of the Export Control Act 2002. It replaced the Consolidated EU and National Arms Export Licensing Criteria³⁶ announced to Parliament on 25th March 2014.

Following the launch of the updated Criteria, all applications still under assessment were re-assessed to make sure that the advice remained consistent with the Criteria.

3.4 Parliamentary relations

United Kingdom export licensing is accountable to Parliament. Parliamentary oversight is provided through the Committees on Arms Export Controls (CAEC), with members from the Foreign Affairs, Defence and International Trade Committees and members of the International Development Committee. This arrangement ensures that appropriate scrutiny can be applied to arms exports.

On 9th February 2021 the CAEC launched an inquiry entitled “UK arms exports in 2019” and on 29th July 2021 issued a further call for evidence seeking comments on the Strategic Export Controls Annual Report 2020³⁷.

This inquiry is yet to conclude.

35 <https://www.gov.uk/government/publications/open-general-export-licence-export-of-dual-use-items-to-eu-member-states>

36 <https://hansard.parliament.uk/commons/2014-03-25/debates/14032566000018/ConsolidatedEUAndNationalArmsExportLicensingCriteria>

37 <https://www.gov.uk/government/publications/uk-strategic-export-controls-annual-report-2020>

Section 4:

Outreach to industry and stakeholders

4.1 Raising awareness of export licensing with industry

During the first half of 2021, HM Government maintained a programme of engagement with industry to raise awareness of export controls and ensure their compliance. Due to COVID-19 restrictions on engagement, activities were delivered online. ECJU worked with trade associations and other industry groups to highlight messages to industry about United Kingdom legislation in relation to trade with the EU, post EU exit. The messages included:

- signposting the existence of the GOV.UK guidance on controlled items after exiting the EU³⁸
- raising awareness of the Open General Export Licence (Export of Dual-Use Items to EU Member States)
- raising awareness of GEA licences

A revised approach to business engagement during this period resulted in online participation in trade events; meetings; and dedicated training sessions. The main online event was Security and Policing organised by the Home Office and hosted by JSaRC at which ECJU had a virtual stand presence.

Fifteen Notice to Exporters³⁹ were published to alert exporters to changes in legislation and actions they needed to take, including:

- Guidance on exporting to EU countries post EU-Exit
- Updated guidance on definition and scope of controlled technology
- “Low risk” information security items deploying encryption – OGEL changes
- Amendments to Export Control Order 2008
- Correct licence information on shipping documentation
- Trade sanctions on Belarus
- OGELs amended to exclude Afghanistan

38 <https://www.gov.uk/guidance/exporting-controlled-goods-after-eu-exit>

39 <https://www.gov.uk/government/collections/notices-to-exporters>

- New dual-use Regulation (EU) 2021/821
- Changes to the Strategic Export Licensing Criteria and forthcoming changes to military end-use controls
- Resumption of licensing for export of all controlled items to Turkey

National Defence and Security Exhibitions recommenced in the third quarter of 2021. ECJU had significant exhibition stand presence at Defence and Security Equipment International (DSEI) in London; Defence Procurement, Research, Technology & Exportability (DPRTE) in Farnborough and Three Counties Defence & Security Expo in Malvern (3CDSE).

Three new online training webinars were delivered to cover: Introduction to Export Controls; Making Better Licences and Technology. The one-hour webinars attracted between 500-1000 participants at each live event. Recordings can be accessed on GOV.UK⁴⁰.

From September 2021, training in regional locations resumed. ECJU delivered twelve classroom-based courses aimed at improving industry compliance in export and trade controls. These were held in Southampton; Manchester; Edinburgh and London. The courses were at Foundation; Intermediate levels and Licensing. These three courses were held over a two-day period in each location. In total 237 delegates attended from 104 businesses. The recorded webinars on GOV.UK, were employed as pre-course work for these classroom-based courses. The training bulletin⁴¹ is published on the home page of ECJU on GOV.UK⁴². The homepage provides access to all detailed guides; licensing tools; and notices to exporters.

ECJU has representation on the board of the Export Control Profession⁴³ as a founding board member. The Profession has been developed in association with the Institute of Export and International Trade and promotes excellence in compliance with export and import controls and trade sanctions in the United Kingdom and globally.

ECJU continued throughout 2021 to chair the quarterly Export Group for Aerospace, Defence & Dual-Use (EGADD) Awareness sub-committee meetings; accessed via webinar platform. Members of the committee provide guidance and support to ECJU events and publications and ensure the companies and trade organisations they represent are briefed about changes to export control policies.

4.2 Internet-based guides and licensing tools

Information about export controls is hosted on GOV.UK⁴⁴. The ECJU home page includes links to all key guidance and tools to make applications and check control list entries. It also provides accessible links to the Notice to Exporters collection and statistical data.

Exporters can make use of the two web-based search tools which help to identify which products need a licence (the 'goods checker') and, if licensable, whether an Open General Export Licence (OGEL) potentially covers the proposed exports (the 'OGEL checker').

40 <https://www.gov.uk/government/publications/export-control-training-bulletin/export-control-joint-unit-webinars#catch-up>

41 <https://www.gov.uk/government/publications/export-control-training-bulletin>

42 <https://www.gov.uk/government/organisations/export-control-joint-unit>

43 <https://www.exportcontrolprofession.co.uk/who-we-are/>

44 <https://www.gov.uk/government/organisations/export-control-joint-unit>

The goods checker tool provides an internet-based search function across the Consolidated United Kingdom Strategic Export Control List⁴⁵.

The OGEL checker assists users who know the rating (control list classification) of their goods and the destination for the proposed export to find out which OGEL(s) may cover the export, provided all the conditions can be met. Both tools can be accessed on SPIRE.

4.3 Advisory Services

The End-User Advisory Service

Exporters can use this service to request advice on whether ECJU has concerns related to WMD or Military End-Use concerns related to specific organisations or persons with whom they wish to do business.

As it is a non-statutory advisory service there are no published targets for End-User Advice enquiries. However, during 2021 ECJU received 13,308 enquiries, with 89% completed within 5 working days and 100% completed within 20 working days⁴⁶.

4.4 Replacement of SPIRE (LITE)

In May 2021 we began to transition to a new export control licensing system called LITE (Licensing for International Trade and Enterprise). This new system will provide a modern online service that streamlines the application process, automates where possible and supports decision-making through effective use of data. It will also have better inter-operability with other government systems such as HMRC's CDS system.

So far, a small number of exporters have been submitting their applications via LITE for firearm goods for SIEL licences whilst we improve functionality internally and externally. We plan to add more of the exporter community as the service improves.

The transition to LITE will be carefully phased to ensure we are confident LITE can operationally support the array of services currently managed through SPIRE.

As we improve the functionality, we will continue to call upon the exporter community to test and transition to the new service for their export licensing needs.

45 <https://www.gov.uk/government/publications/uk-strategic-export-control-lists-the-consolidated-list-of-strategic-military-and-dual-use-items-that-require-export-authorisation>

46 Data taken from SPIRE as of 4th January 2022.

Section 5:

HM Government support to Allies and Partners

5.1 Gifting

The term 'gifting' is applied to the donation of any controlled equipment by HM Government to a foreign government in support of its wider security and foreign policy aims. For financial and accounting purposes the donation might be classed as a gift, a grant-in-aid, or grant-in-kind. This depends on whether the export is a surplus asset or has been purchased specifically to achieve a strategic aim or has been funded from a departmental budget or centrally held funds. In the context of this report however, the generic term 'gifting' is applied to all donations by HM Government of controlled equipment.

Three applications to gift equipment in 2021 were approved. These are set out in Table 5.1 below. One of the applications was in pursuit of common aims established by the Conflict, Stability and Security Fund (CSSF). The CSSF provides development and security support to countries which are at risk of conflict or instability, using both Official Development Assistance (ODA) and non-ODA spend to deliver and support security, defence, peacekeeping, peacebuilding and stability activity. Through the CSSF, the United Kingdom and our international partners are more secure from threats such as terrorism, corruption and illegal migration or trafficking. All proposals to gift controlled military equipment and dual-use equipment, including gifts through the CSSF, are assessed on a case-by-case basis against the Strategic Export Licensing Criteria in the same way as commercial applications and with the same degree of rigour. The MOD manages the assessment process and seeks advice on gifting proposals from advisers in the MOD and the FCDO.

Where gifts of controlled military equipment are approved these are exported under a Crown Exemption letter. As a result, they do not require an export or trade licence. In the case of gifts of dual-use items (including software and technology), export licence coverage must be in place using the open licence for the export of dual-use goods by the Crown.

Gifts exceeding £300,000 in value are notified to Parliament before the gift is made.

Table 5.1* Gifted controlled equipment

Country	End-User	Goods Description*	Sponsoring Department	Approx. Value £
Australia	Aviation Heritage Museum	RAF Tornado Jet	MOD	20,000
Colombia	Colombian Navy	2 x Handheld thermal cameras	FCDO	5,400
Somalia	Somalian National Police	75 x Ballistic Helmets; 128 x Ballistic Plates; 44 x Red Dot reflex sight with mounts; 44 x Headsets	FCDO	78,944**

* This table refers to equipment assessed and approved to be gifted by HM Government. It does not contain definitive information on equipment delivered. Data is based on Management Information records as of 22nd March 2022.

** Indicates equipment purchased under the Conflict, Stability and Security Fund (CSSF). £62,099.80 (CSSF) and £16,844.50 (Counter Terrorism Programmes Fund).

5.2 Government to Government Exports

The Defence Equipment Sales Authority of the MOD may dispose of certain military equipment that is surplus to the requirements of the United Kingdom Armed Forces. These disposals are subject to licensing controls. Table 5.2 lists these exports delivered in 2021 by destination, the equipment type and quantity.

Table 5.2* Disposals to foreign armed forces

Country	Type of Equipment	Quantity
Chile	Headsets and Switch Mag (detects specific actions for electrical circuit control used in alarm systems)	13 Headsets 1 Switch Mag
Chile	Microphone Circuit and Frequency Reference (instrument used to providing a stable frequency)	2 Circuits 1 Frequency Reference
Republic of Korea	Lynx Helicopter spares for engine and airframe	7,421
Latvia	Combat Vehicle Reconnaissance (Tracked)	21
Chile	Bearing Sleeve for the propulsion shaft of Type 22/23	4
USA	E3-D Sentry Aircraft	1
Singapore	Apache AH64D Main Rotor Blades	31
Falklands	Land Rover RWMIK	4
Finland	DAF DROPS Vehicle Spares	4 x 40 loads
Estonia	Ammunition of two types (Round 7.62 Ball HP and Cartridge 5.56 Blank Linked ADAC)	1,874,600 rounds

* Data is based on Management Information records as of 28th March 2022.

5.3 Government to Government Projects

The United Kingdom has a longstanding government-to-government defence cooperation programme with the Kingdom of Saudi Arabia (KSA), under which the United Kingdom has provided Typhoon, Tornado, and Hawk aircraft, mine countermeasure vessels, and associated munitions, infrastructure, logistics and manpower support packages.

During 2021, the United Kingdom continued to provide substantial support for in-service aircraft, naval vessels and their associated systems. Between 1st January and 31st December 2021, 139 missiles were delivered to KSA under projects supported by the Ministry of Defence Saudi Armed Forces Projects (MODSAP)⁴⁷. All goods were exported under export licences obtained by industry. Where a SIEL was issued, the data is included in the corresponding DIT Strategic Export Controls Quarterly Report.

⁴⁷ Data is based on Management Information records as of 29th March 2022.

Section 6:

International policy developments

6.1 Arms Trade Treaty

The Arms Trade Treaty (ATT) is the only legally-binding, international, conventional arms control treaty. It seeks to establish the highest possible common international standards for regulating the global trade in conventional arms. The United Kingdom ratified the ATT on 2nd April 2014; it entered into force on 24th December 2014. On 31st December 2021, the Treaty had 110 States Parties.

In 2021, the United Kingdom continued to play a leading role in the ATT. As a large donor to the Voluntary Trust Fund (VTF)⁴⁸ and member of its Selection Committee, the United Kingdom was closely involved in the approval of ten projects for funding in the 2021 project cycle, aimed at supporting effective Treaty implementation.

In August 2021 the Seventh Conference of States Parties (CSP7) to the Arms Trade Treaty took place in a hybrid conference format due to the COVID-19 pandemic. The Conference adopted a number of procedural decisions presented by the Sierra Leonean Presidency, including concluding unfinished business from CSP6 and discussed a Sierra Leonean paper on Small Arms and Light Weapons. Ambassador Thomas Göbel of Germany was elected as President of the Eighth Conference of States Parties.

At CSP7 the United Kingdom was elected to serve a two-year term on the Management Committee and will use this position to support the effective functioning of the Treaty. This will include working on the financial sustainability of the Treaty, where late or non-payment of mandatory subscriptions continues to pose a challenge. We will continue to press States Parties to settle arrears and pay contributions on time and in full, including through payment plans where appropriate.

While we did not welcome any new States Parties to the Treaty during 2021, the United Kingdom continued to lobby potential States Parties and during CSP7 The Gambia announced its intention to accede. We also encouraged major arms exporters and importers to align with important principles of the Treaty, expanding the positive influence of the Treaty beyond its immediate membership. The United Kingdom submitted its Annual Report to the Secretariat in accordance with Article 13 (3) of the Treaty. This report covers authorised or actual exports of conventional arms covered under

48 <https://thearmstradetreaty.org/voluntary.html>

Article 2(1) of the Treaty during the calendar year 2020. The United Kingdom does not collate comprehensive data relating to the import of all goods covered by the ATT.

6.2 Small arms and light weapons

Preventing small arms and light weapons (SALW) falling into the hands of terrorists, organised criminals and other unintended recipients, including through strong and effective multilateral instruments, remains a United Kingdom priority. Throughout 2021, the United Kingdom remained active in international efforts to prevent the illicit trade and diversion of SALW and their ammunition.

The United Kingdom remains a strong supporter of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects (UNPoA) and the International Tracing Instrument (ITI). As the only globally accepted politically-binding agreements on SALW, they provide a common set of standards for establishing effective national controls over the full lifecycle of small arms and light weapons, from production, transfer, possession and storage, to eventual disposal. In addition, they promote law enforcement cooperation in order to disrupt illicit trafficking networks. The United Kingdom also supports implementation of relevant technical guidelines in the management of SALW and their ammunition, including the Modular Small Arms Control Implementation Compendium (MOSAIC), the International Ammunition Technical Guidelines (IATG) and through the Organisation for Security and Co-operation in Europe (OSCE).

The Seventh Biennial Meeting of States to Consider the Implementation of the Programme of Action (PoA) to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects (BMS7), was held from 26th to 30th July 2021. Due to the pandemic, PoA meetings had fallen out of their normal (biennial) pattern and, to restore this, the next PoA meeting (BMS8) will be held in 2022.

The United Kingdom spoke in a UN Security Council meeting in November 2021, noting the threat of SALW proliferation, including in conflict zones, stressing the importance of the Council mandating capacity-building support and implementing and maintaining embargoes until states were sufficiently able to prevent small arms misuse. In December, the United Kingdom co-sponsored UN Security Council Resolution 2616 highlighting the threat to international peace and security posed by the illicit transfer, destabilising accumulation and misuse of small arms and light weapons in many regions of the world.

HM Government regularly reports on the United Kingdom's implementation of international instruments to promote transparency and for confidence-building. Previous and current United Kingdom national reports are published and available at:

<https://smallarms.un-arm.org/national-reports/>

<https://www.unroca.org/>

<https://thearmstradetreaty.org/annual-reports.html>

HM Government has funded capacity-building projects⁴⁹ to support the universalisation and implementation of global arms control and counter-proliferation norms, treaties and obligations.

⁴⁹ <https://www.gov.uk/government/publications/official-development-assistance-oda-fcdo-international-programme-spend-objectives-2020-to-2021>

The United Kingdom also supports projects to reduce illicit flows and the destabilising accumulation of SALW and their ammunition. These projects have been funded through the Counter-Proliferation Programme Fund⁵⁰ and the Conflict, Stability and Security Fund (CSSF), both bilaterally and through multilateral trust funds such as the NATO Partnership for Peace Trust Fund and the Organisation for Security and Cooperation in Europe (OSCE) SALW Assistance Mechanism.

6.3 Group of Governmental Experts (GGE) on Problems Arising from Accumulation of Conventional Ammunition Stockpiles in Surplus:

Following Resolution 72/55 “Problems arising from the accumulation of conventional ammunition stockpiles in surplus” in 2017, a group of governmental experts was established in 2020. The United Kingdom actively participated as one of 18 GGE members. The Group considered matters relevant to problems arising from the accumulation of conventional ammunition stockpiles in surplus, taking into account the exchanges in the open, informal consultations held in 2018 and 2019.

The Group met, in a hybrid format, from 17th to 21st May and 7th to 10th September 2021. Discussions concluded that, in order to prevent both unplanned ammunition explosions and the diversion of ammunition, a comprehensive framework should be established to support safe, secure and sustainable through-life ammunition management at the national, sub-regional, regional and global levels, building upon and complementing existing frameworks. In response to the GGE’s report UN General Assembly Resolution 76/233 established an open-ended working group to elaborate a set of political commitments in this area.

6.4 Convention on Certain Conventional Weapons

The Convention on Certain Conventional Weapons (CCW) aims to prohibit or restrict the use of conventional weapons deemed to cause unnecessary suffering or to have indiscriminate effects, including weapons with non-detectable fragments, mines, booby-traps, incendiary weapons, and blinding laser weapons.

The Convention itself contains only general provisions, with annexed Protocols – a structure adopted to allow flexibility and the inclusion of other types of conventional weapon in the future. Prohibitions or restrictions on the use of specific weapons or weapon systems are contained in five Protocols, which cover:

- Protocol I – Non-Detectable Fragments
- Protocol II – Mines, Booby Traps and Other Devices (Amended)
- Protocol III – Incendiary Weapons
- Protocol IV – Blinding Laser Weapons
- Protocol V – Explosive Remnants of War

The Convention with three annexed Protocols (I, II and III) was adopted on 10th October 1980 and entered into force on 2nd December 1983. Protocol IV and Amended Protocol II entered into force in 1998. Protocol V entered into force in 2006. The United Kingdom ratified Protocols I, II and III on 13th February 1995, and Amended Protocol II and Protocol IV on 11th February 1999. The United Kingdom has not ratified Protocol V; a review of the implications of ratification is ongoing.

50 <https://www.gov.uk/government/publications/counter-proliferation-programme>

Due to COVID-19 related restrictions and a lack of consensus among Participating States on proceeding without in-person meetings, the following 2020 annual conferences were postponed until 2021: 14th Conference of the High Contracting Parties to Protocol V; the 22nd Conference of the High Contracting Parties to (Amended) Protocol II; and the 2020 Meeting of High Contracting Parties. It was later agreed these meetings would not take place.

The CCW Amended Protocol II Group of Experts meeting took place on 16th to 17th August 2021, in a hybrid format.

The CCW Group of Governmental Experts (GGE) on Emerging Technologies in the area of Lethal Autonomous Weapons Systems (LAWS) continued its discussions for twenty days in 2021, fulfilling the existing mandate. The United Kingdom was closely engaged with the Group's work, seeking to make substantive progress despite Russian obstructionism. A final report (including a Chair's paper annexed to the report that included recommendations and conclusions) was submitted to the CCW Review Conference in December 2021. The CCW Review Conference agreed to renew the GGE's mandate for a further ten days in 2022 to consider proposals and elaborate possible measures related to the normative and operational framework on emerging technologies in the area of LAWS, building upon the recommendations and conclusions contained in the reports of the previous GGE, and bringing in expertise on legal, military, and technological aspects.

The United Kingdom virtually attended the Preparatory Committee for the Sixth Review Conference held from 6th to 8th September 2021, and then attended the Review Conference held from 13th to 17th December 2021, in person. The United Kingdom updated the forum on its commitments regarding use of mines other than anti-personnel mines (MOTAPM), after the expiry of a transition period of 15 years following the signing of the 2006 political declaration on MOTAPM. The Review Conference addressed the Convention's ongoing financial crisis, primarily caused by chronic late- and non-payment by several states. Existing financial measures were updated and consolidated, with the aim to bring the Convention back onto a predictable and sustainable financial footing.

6.5 Anti-Personnel Mine Ban Convention (the 'Ottawa Convention')

Anti-personnel mines (APMs) continue to cause death, injury and wider suffering in many parts of the world and hamper efforts to achieve sustainable development goals.

The Ottawa Convention was adopted on 18th September 1997⁵¹. It entered into force for signatory states, including the United Kingdom, on 1st March 1999. There are 164 States Parties to the Convention that ban the use, stockpiling, production and transfer of APMs.

Due to COVID-19 restrictions, the Convention's annual meetings were held in both hybrid (a mixture of in-person and virtual) and virtual formats. The United Kingdom took part in the Intersessional meeting between 22nd to 24th June 2021, during which the Conference reviewed the operation and status of the Convention against the goals set out in the 2019 Oslo Action Plan. The Oslo Action Plan's goals include universalisation of the Convention, stockpile destruction, mine clearance, mine risk education, victim assistance, and international cooperation and assistance.

At the Intersessional meeting, the United Kingdom reported that an anti-vehicle mine had washed up on a beach in the Falkland Islands and provided information to the Convention on how the

⁵¹ <https://www.apminebanconvention.org/overview-and-convention-text/>

residual risk of landmines found following the 2020 completion of the Falkland Islands Demining Programme was being managed.

The 19th Meeting of States Parties was held in virtual format from 15th to 19th November. Ahead of the meeting, the United Kingdom submitted a formal Declaration of Completion of mine clearance operations in the Falkland Islands, which gave an overview of the programme from inception to completion.

In 2021, the United Kingdom's Global Mine Action Programme 2 commissioned a study by Social Finance and the HALO Trust to explore the potential for innovative finance solutions to address funding shortfalls faced by countries with contamination, and to improve the efficiency and effectiveness of all stages of mine action. The research identified three key possible models for innovative mine action finance: outcomes finance (including impact bonds), public-private partnerships, and front-loaded funding. The findings of the report were shared with donors at the Intersessional meeting and the 19th Meeting of States Parties of the Anti-Personnel Mine Ban Convention.

In November 2021, the United Kingdom hosted a workshop in Cambodia to explore the potential for piloting alternative financing models. The Ministry of Economy and Finance, the Cambodia Mine Action Authority (CMAA), interested sector Ministries, key donors, and private sector mine clearance organisations attended. The United Kingdom will use the outcomes of the workshop to improve the approach to mine action innovative financing to facilitate more effective programming. The United Kingdom will hold a Wilton Park conference in 2022 to raise awareness of the mine action sector's desire to explore innovative finance models, using the findings from the Cambodia workshop.

The United Kingdom remains committed to mine action through its support to countries where the clearance of landmines, cluster munitions and other explosive remnants of war contributes significantly to relieving the suffering of some of the world's most disadvantaged communities.

In April 2018, the (then) Department for International Development launched its second Global Mine Action Programme (GMAP2)⁵², which expanded the geographic scope of the programme, increasing support to the most heavily contaminated countries around the world. The United Kingdom has invested £146 million since 2018 in demining projects in Africa, the Middle East and Asia. In 2021, this programme provided survey and clearance, mine risk education, and support to mine action authorities and organisations working in Afghanistan, Angola, Cambodia, Laos, Lebanon, Myanmar, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Yemen, Vietnam and Zimbabwe. As of December 2021, GMAP2 through its lifespan had cleared and confirmed safe 464.9 million m² of land.

6.6 Convention on Cluster Munitions (the 'Oslo Convention')

Cluster munitions can have a devastating humanitarian impact on civilian populations, both at the time of use and subsequently. Unexploded sub-munitions can threaten the lives of civilians and hamper post-conflict reconstruction and development for years afterwards.

In 2008, several governments, including the United Kingdom, established the Convention on Cluster Munitions (CCM), which prohibits the use, development, production, acquisition, stockpiling and

52 <https://devtracker.fcdo.gov.uk/projects/GB-GOV-1-300544/documents>

transfer of cluster munitions⁵³. The United Kingdom became the 32nd State Party to the CCM in 2010. The Convention now has 110 full States Parties and 13 signatories.

The Convention's Second Review Conference was due to be held from 23rd to 27th November 2020. Due to COVID-19 restrictions, it was decided to split the meeting into two parts, with the first part taking place in November 2020, and the second part from 20th to 21st September 2021. The Review Conference produced three main outcome documents: a Review Document of the 2015 Dubrovnik Action Plan; the Lausanne Action Plan, which sets out 50 actions for the Convention's work over the next five years, and the Lausanne Political Declaration, which reaffirmed States' commitment to the Convention.

At the September meeting, the United Kingdom assumed the Presidency of the Convention on Cluster Munitions and will chair the 10th Meeting of States Parties taking place from 30th August to 2nd September 2022. The United Kingdom outlined its objectives for its Presidency, including encouraging universalisation of the Convention, exploring alternative financing for mine action, as well as upholding the Presidency's mandate, as agreed by States Parties.

On universalisation, the United Kingdom committed to working with others to implement regional approaches to promote the Convention and encourage ratification, using our diplomatic and military relationships to identify and help states overcome barriers to joining the Convention. On alternative financing, we raised concerns about funding shortfalls that limit progress on mine action and noted our ongoing work on innovative sources of funding to supplement investment from traditional donors (as detailed above in Section 8.5). We also agreed to organise an intersessional meeting in 2022; develop a selection procedure for the recruitment of future Implementation Support Unit Directors; and to engage closely with States Parties with outstanding obligations.

6.7 UN Register of Conventional Arms

The UN Register of Conventional Arms (UNRoCA) is a voluntary reporting instrument, intended to create greater transparency in international arms transfers and help identify excessive build-up of arms in countries or regions. The Register was established in 1991; the United Kingdom has reported to the UNRoCA since its inception. The UN Register currently covers seven categories of conventional weapons:

- battle tanks
- armoured combat vehicles
- large-calibre artillery systems
- combat aircraft
- attack helicopters
- warships (including submarines)
- missiles and missile-launchers (including Man-Portable Air Defence Systems)

It also includes an additional '+1' category covering small arms and light weapons. The United Kingdom submits an annual report to the UN Register on all exports of military equipment in these categories, including small arms and light weapons. The United Kingdom report also includes information on procurement through national production and military holdings. HM Government

⁵³ <https://www.clusterconvention.org/>

actively encourages all UN Member States to make reports with similar levels of transparency. Transparent systems, underpinned by strict export controls, are less vulnerable to exploitation and manipulation. Previous and current United Kingdom national reports are available here:

<https://www.unroca.org/>

6.8 Nuclear Suppliers Group

The Nuclear Suppliers Group (NSG)⁵⁴, which was established in 1974, seeks to prevent the proliferation of nuclear weapons through the adoption into national export controls guidelines on the transfer of nuclear and nuclear-related material, dual-use material, equipment, software and technology. The NSG Guidelines are not intended to hinder international cooperation on peaceful uses of nuclear energy and instead allow states to trade with confidence; the NSG also promotes effective safeguards and the physical protection of existing nuclear materials. The NSG in 1994 adopted into the Guidelines the “Non-proliferation Principles” whereby a supplying country, notwithstanding any other provisions in the NSG Guidelines, will only authorise a transfer when satisfied that the transfer would not contribute to the proliferation of nuclear weapons.

The NSG Guidelines are consistent with, and complement, the various international, legally binding nuclear non-proliferation instruments. These include the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco), the South Pacific Nuclear-Free-Zone Treaty (Treaty of Rarotonga), the African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba), the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (Treaty of Bangkok), and the Central Asian Nuclear-Weapon-Free Zone Treaty (Treaty of Semipalatinsk).

As of December 2020, there are 48 Participating Governments (PGs) with the European Commission and the Chair of the Zangger Committee participating as observers.

Due to the COVID-19 pandemic there were no formal meetings during 2020. Despite this, the Group maintained its work on technical issues important to the implementation of the Control Lists and updating the NSG Guidelines to keep pace with the evolving global security landscape and a fast-paced nuclear and nuclear related industry. In 2021, the NSG held its Consultative Group meetings in Vienna (22nd to 23rd June) and Plenary in Brussels (24th to 25th June). No technical meetings took place. The work of the Group has been helped greatly by the rollout in 2020 of an update to the electronic information exchange system, the Nuclear Supplier Group Information Sharing System (NISS).

The Group continued to exchange information on global proliferation and reiterated its firm support for the full, complete, and effective implementation of the Treaty on Non-Proliferation of Nuclear Weapons (NPT) as the cornerstone of the international non-proliferation regime. The Group reconfirmed its commitment to UN Security Council Resolutions, including UNSCR1540 in respect to the establishment of effective export control as an international obligation under the resolution.

6.9 Zangger Committee

The Zangger Committee⁵⁵, also known as the NPT Exporters Committee, consists of 39 states, which, since 1971, has the remit to serve as the “faithful interpreter” of Article III, paragraph 2, of the

54 <https://www.nuclearsuppliersgroup.org/en/about-nsg>

55 <http://zanggercommittee.org/>

Nuclear Non-Proliferation Treaty (NPT) to harmonise the interpretation of nuclear export control policies for NPT Parties regarding what is meant in the article by “especially designed or prepared equipment or material for the processing, use or production of special fissionable material”. The Zangger Committee maintains a trigger list (triggering safeguards as a condition of supply) of nuclear-related strategic goods to assist NPT Parties in identifying equipment and materials subject to export controls. The Zangger Committee trigger list forms the basis of the NSG Trigger List.

The United Kingdom, through the United Kingdom Permanent Mission to the United Nations in Vienna, acts as the secretariat for the Zangger Committee.

6.10 Australia Group

The Australia Group (AG)⁵⁶ is an informal forum of 42 states and the European Union which seeks to ensure, through the harmonisation of export controls, that exports do not contribute to the development or proliferation of chemical and biological weapons. Co-ordination of national export control measures assists AG participants in fulfilling their obligations under the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC).

Due to the COVID-19 pandemic it was not possible to meet in person during 2021. However, the AG held some virtual meetings, which the United Kingdom attended. The meetings comprised the New & Evolving Technologies Technical Experts’ Meeting (NETTEM), Enforcement Exchange (EE) meeting, and the Implementation Meeting (IM) – all of which took place in May 2021. During the virtual meetings members exchanged information on enforcement activities; reviewed implementation and enforcement; discussed potential changes to the Human and Animal Pathogens and Toxins List; discussed Peptide Synthesis Equipment and Services; discussed how AG members control toxic gas monitors and monitoring Systems; were updated on export control enhancements in the EU; discussed the addition of further Novichok nerve agent precursors to the control list; and had presentations on synthetic biology and development in production equipment and technology.

6.11 Missile Technology Control Regime

The Missile Technology Control Regime (MTCR) is a politically binding instrument, formed in 1987⁵⁷. As of 31st December 2021, the MTCR had 35 Partner countries, working together to prevent the proliferation of unmanned delivery systems capable of delivering weapons of mass destruction by coordinating national export licensing efforts. The United Kingdom is a founding member and plays a leading role, including as part of the MTCR’s Technical and Law Enforcement Experts Groups.

The MTCR guidelines and lists of controlled items form an international benchmark for controlling exports of missile-related items and technologies.

While the COVID-19 pandemic continued to block meetings in 2021, the main October plenary meeting hosted by Russia went ahead in person. Outside the disrupted meeting schedule, member States discussed proliferation concerns and trends through the point of contact in Paris. HM Government has also conducted bilateral and multilateral engagement on MTCR policy with international partners. Switzerland will host the next meeting of the MTCR in autumn 2022.

56 <https://www.dfat.gov.au/publications/minisite/theaustraliagroupnet/site/en/index.html>

57 <https://mtcr.info/>

6.12 Wassenaar Arrangement

The Wassenaar Arrangement (WA) was established to contribute to regional and international security and stability by promoting transparency and helping to prevent destabilising accumulations of conventional arms and associated sensitive dual-use goods and technologies⁵⁸. The WA was established on 18th to 19th December 1995 by 28 Participating States, including the United Kingdom. As of 31st December 2021, the WA had 42 Participating States.

WA Control Lists, which underpin the arms export control regimes of all Participating States (as well as many non-participating states), are the WA's most important contribution to global security. The WA produces two Control Lists – one for conventional weapons (the Munitions List) and one for dual-use goods and technologies. Participating States report exports of controlled arms, goods, or technology to non-members every six months.

Due to ongoing COVID-19 related restrictions, and the difficulties of holding virtual meetings in this forum, only a small number of meetings took place. Experts Group proposals have been rolled over to 2022. Technical Working Groups continued to study complex proposals submitted for the 2020 list review. 2021 was an Assessment Year for the Wassenaar Arrangement. The United Kingdom acted as co-coordinator of the Strategic Issues Task Force (one of four) with Poland, considering proposals to strengthen the regime.

6.13 The Global Partnership Against the Spread of Weapons and Materials of Mass Destruction

The Global Partnership (GP)⁵⁹ was created to address and mitigate the regional and global threat from chemical, biological, radiological and nuclear (CBRN) weapons and related materials. Established at the 2002 Kananaskis G7 Summit, the G7-led GP has proven itself to be the primary international WMD threat reduction coordination mechanism. Currently there are 30 member states, plus the EU, active within the GP. The GP CBRN Working Group (CBRN WG), one of four working groups, covers activities relating to UNSCR 1540⁶⁰ and other export control relevant mechanism to prevent the access to WMD technology and materials by non-state actors and terrorists.

The United Kingdom chaired the GP as part of its 2021 presidency of the G7. The presidency drove action to develop the international adoption of effective export controls as a key part of the work of the CBRN WG. The United Kingdom presidency led a range of initiatives, such as a GP Export Control Information Hub and a panel of international experts to look at the development of international standards for the implementation of UNSCR 1540. The United Kingdom also highlighted the importance of raising greater awareness of the issue of Proliferation Finance through the working group.

6.14 Academic Technology Approval Scheme (ATAS)

The United Kingdom's ATAS student vetting scheme was introduced in November 2007. It seeks to protect sensitive scientific and engineering-based technologies relating to advanced conventional military technology, weapons of mass destruction and their means of delivery from misappropriation.

58 <https://www.wassenaar.org/genesis-of-the-wassenaar-arrangement/>

59 <http://www.gpwmd.com/>

60 <https://www.un.org/disarmament/wmd/sc1540/>

ATAS operates with the cooperation of United Kingdom higher education institutions. Overseas student from outside the European Economic Area, Switzerland, the United States, Australia, Canada, New Zealand, Singapore, the Republic of Korea and Japan wishing to study an established set of sensitive subjects must first obtain an ATAS certificate before applying for a visa. The applicant makes an application online at no cost.

Following on from the expansion of scope in 2020 to include all advanced conventional military technologies, ATAS was further expanded in May 2021 to vet researchers in addition to students. These enhancements have led to a noticeable increase in applications and denials, increasing the security of the United Kingdom academic sector. In 2021, ATAS approved 25,919 applications and denied clearance on 951 occasions, a significant increase from previous years⁶¹.

6.15 International outreach

The continuing COVID-19 pandemic limited international outreach during 2021, for example the annual Asian Export Control Seminar planned for Tokyo in February 2021 was cancelled.

The primary focus of the United Kingdom's international outreach effort in 2021 was through the Global Partnership's CBRN Security Working Group, which includes export controls under its remit. In addition to chairing of the Working Group's virtual meetings the United Kingdom presented on several topics relating to proliferation finance, development of international standards for export controls, and UK based non-proliferation technical training in missile technology.

The United Kingdom also took part in MTCR outreach under the Austrian Chair to Mexico to update Mexican officials involved in export control licensing of changes to the control lists.

⁶¹ Data is based on management information records as of 31st December 2021.

Section 7:

Compliance and enforcement

7.1 Compliance

ECJU carry out thorough compliance inspections at the sites of companies and individuals that hold Open Individual or Open General Licences, and Standard Individual Licences where electronic transfers arise. The aims of this activity are to:

- provide assurance to HM Government that all licence holders are meeting the terms and conditions of their licences
- raise awareness of export controls within businesses (including on wider controlled activities, such as employees accessing technology while overseas, or undertaking activities under trafficking and brokering legislation). This is particularly important for those new to export controls

ECJU undertakes three types of compliance inspections:

- 1) first compliance inspections: with the aim to conduct this within six months of the first use of the licence(s)
- 2) routine compliance inspections: Follow-up checks at a frequency determined by risk assessment and/or changes in circumstances, such as a business take-over or change in key staff
- 3) revisits: where a company has been found non-compliant at a previous compliance inspection. ECJU aims to revisit these sites within six to eight months of the previous visit

The Compliance Team use four predefined criteria, agreed with Her Majesty's Revenue & Customs (HMRC), to determine the level of compliance and to ensure a consistent approach.

The four pre-defined criteria are:

- 1) compliant: where all documentation is fully in order. Compliant sites are issued with a Compliance Certificate if they also have no follow-up actions or recommendations to implement. We issued one Compliance Certificate in 2021.
- 2) generally compliant: where minor (for example, typographical) errors are identified on undertakings and/or licence identifiers on documentation.

- 3) not fully compliant: where repeated minor administrative errors are identified or a substantive error is identified in one of multiple shipments; and/or an incorrect licence was quoted, where another extant licence held by the exporter permitted the export.
- 4) non-compliant: where significant errors have been identified such as incorrect use of licences; goods or destinations not permitted; or a failure to obtain prerequisite permissions and/or undertaking prior to export/transfer. Serious or repeated non-compliance may lead to open licences being withdrawn. All instances of non-compliance are reported to HMRC.

United Kingdom-based businesses are usually subject to on-site compliance inspections.

During the COVID-19 pandemic the Compliance Team adapted their ways of working by undertaking remote inspections, ensuring businesses continued to adhere to their licence conditions. The latter part of 2021 saw the return of on-site inspections, that followed government guidelines. By returning to onsite inspections, greater efficiency and scrutiny at inspections was ensured. Where onsite inspections were not viable, remote inspections continued to be undertaken via video calls.

Businesses whose operations are based overseas continued to be subject to remote compliance inspections for trade or trafficking and brokering activities. Such licence holders do not usually export tangible exports. In these cases, the business is required to send to the ECJU Compliance Inspector for review a log of its activities and any supporting information or documentation required by the licence utilised.

In 2021, the Team carried out an internal review, which focused on sites that had not had an inspection for a number of years. The Team identified and successfully carried out 235 priority inspections by the end of 2021.

The operating model is being amended to better help in the prioritisation of site inspections. This is a significant step change for how the team operates and further assists in determining when inspections should take place. The additional parameters to be used are as follows:

- 1) Businesses process and procedures
- 2) Management and Oversight
- 3) Knowledge
- 4) Licences held

The number of compliance inspections undertaken in 2021 increased despite the challenges faced due to the COVID-19 pandemic. This was due to an increase in the number of trained Compliance Inspectors.

The Compliance Team carried out 13 first time contact engagements with those new to exporting, and 506 site checks (including revisits) in 2021. Tables 7.1 to 7.3 show compliance levels for sites inspected in 2021. Information for 2019 and 2020 is also provided for comparative purposes.

Table 7.1* Compliance check outcomes

Outcomes	2021	2020	2019
Number of compliance checks undertaken	519	385	554
Number of compliance checks during which no audit was undertaken, or the outcome was inconclusive	0	0	1

Table 7.2* Compliance checks – substantive infractions

Outcomes	2021	2020	2019
Number of warning letters	81	51	97
Number of suspensions	5	3	2

Table 7.3* Compliance checks – compliance

% of first compliance checks	2021	2020	2019
compliant	55%	48%	51%
generally compliant	13%	18%	11%
not fully compliant	12%	16%	22%
non-compliant	20%	18%	16%
% of routine compliance checks			
compliant	48%	33%	33%
generally compliant	18%	28%	24%
not fully compliant	15%	18%	22%
non-compliant	19%	21%	21%
% of revisits			
compliant	65%	50%	63%
generally compliant	11%	35%	15%
not fully compliant	10%	3%	8%
non-compliant	14%	12%	14%

* Data is based on management information records as of 30th April 2022.

The Compliance Team issued 81 warning letters to company directors during 2021, where breaches of licence conditions were identified. Two exporters surrendered licences which did not cover their goods. Surrendering licences helps avoid repeat offences. Five exporters had a licence suspended due to repeat infractions.

7.2 Enforcement activity undertaken by HMRC, Border Force and the Crown Prosecution Service

HMRC continued to work with Border Force and the Crown Prosecution Service (CPS) to undertake a wide range of enforcement activity throughout 2021. This activity included:

- 202 seizures of strategic goods. These are cases where goods were presented for export and found to be in breach of licensing requirements or sanctions and embargoes (see Table 7.5)
- 122 end-use cases, where non-listed items were stopped from leaving the United Kingdom and brought within export controls. This control is used if there is a risk that the goods would be put to an illicit military or WMD end-use
- 12 compound settlements paid totalling £226,701.18. HMRC issued 12 companies with compound settlement offers ranging from £1,000.00 to £54,000.00 for unlicensed exports of military goods, dual-use goods and related activity controlled by The Export Control Order 2008
- 46 HMRC warning letters issued as a result of voluntary disclosures
- There were no strategic exports or sanctions prosecutions in 2021

A compound settlement is an offer made by HMRC in lieu of a referral to the CPS for the consideration of a charge. A compound settlement offer can only be made once a case has been assessed as suitable for referral to CPS with each case thoroughly researched by specialist Fraud Investigation Service criminal investigators. There is no obligation on an exporter to accept an offer and they are free to decline or make a counteroffer.

There were five ongoing criminal investigations throughout the period although no prosecutions were finalised in the courts in 2021. HMRC assesses all breaches of arms export controls and sanctions. Where serious and/or deliberate breaches of export controls are identified, or where there are aggravating features, cases will be adopted for criminal investigation. These cases will be investigated and, if appropriate, referred to the CPS to determine: a) whether there is sufficient evidence to prosecute; and b) whether that prosecution is in the public interest.

HMRC continues to receive and process voluntary disclosures made by exporters. These disclosures are assessed by HMRC and appropriate action taken. This ranges from educational visits or the issuing of written warnings, through to compound settlements and, in the most serious cases, an investigation with a view to criminal prosecution. Table 7.4 shows voluntary disclosures that were disposed of in 2021.

Table 7.4* Voluntary disclosures disposed in 2021

Disposal	Total
Voluntary Disclosures received	212
Warning Letters issued as a result of voluntary disclosures	46
No Further Action (NFA)	23
Compound settlement offers issued as a result of voluntary disclosures	12 Offers, totalling £226,701.18

* This represents 2021 activity only. This means some outcomes may originate from voluntary disclosures received in 2020 as some will not be recorded until the following period. The warning letters and compound settlement offers recorded here form part of the totals for this period and are not additional to those presented at the opening of this section. Data is based on Management Information records as of 16th March 2022.

HMRC works with DIT and other agencies to contribute to raising awareness of strategic export controls through educational outreach to business.

HMRC also participates in outreach and capability-building events. This activity strengthens links with other enforcement agencies in the field of strategic export control and improves the capabilities of our international partners. HMRC supports the international export control commitments of HM Government through its contributions to international operational expert groups. These groups help improve international arms controls and aim to improve processes by sharing expertise and best practice.

This work includes supporting and contributing to the enforcement expert meetings of the Missile Technology Control Regime (MTCR), Nuclear Suppliers Group (NSG), Australia Group (AG) and Wassenaar Arrangement (WA) (see Section 6). HMRC contributes to the Proliferation Security Initiative (PSI), working alongside international partners to strengthen capabilities to prevent the smuggling of illicit goods.

Table 7.5* Number of HMRC Strategic Exports and Sanctions Seizures

Year	Total
2021	202
2020	160
2019	194

* Data is based on Management Information records as of 16th March 2022.

Section 8:

Case Studies

This section provides case studies to illustrate how the Export Control Joint Unit applies HM Government's policy on export controls.

The example covering Myanmar details issues in relation to licensing, including where there is a change in circumstances. The example of Maritime Anti-Piracy looks at the risks considered against the criteria in relation to licensing to vessel-based platforms in international waters.

8.1 Myanmar (Burma)

In preparation for exiting the European Union, HM Government passed the Sanctions and Anti-Money Laundering Act (2018). This provided the legal framework to transfer all EU Sanctions regimes into UK domestic law. We laid the Burma (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/136) ("the Burma sanctions regulations") on 31st January 2019. This fully came into force at the end of the Transition Period on 31st December 2020. Following the coup in February 2021, these regulations were replaced by the Myanmar (Sanctions) Regulations 2021, which came into force on 29th April 2021.

In line with Criterion 1 of the Criteria, HM Government will not grant an export licence for Myanmar if to do so would be inconsistent with United Kingdom Sanctions. In addition to sanctions, the FCDO carefully considers Criterion 2, the risk of the goods being used to commit or facilitate internal repression (if not already caught under Myanmar Sanctions) and Criterion 7, the risk of diversion. This is in line with a key United Kingdom policy priority, to prevent the flow of arms and dual-use equipment to Myanmar.

On 1st February 2021 there was a military coup d'état following the November 2020 general election, which saw a clear victory for Aung San Suu Kyi's NLD party. The military junta created the State Administration Council, comprised mostly of senior military officials, to take effective control of the country and state institutions. Military-aligned officials were subsequently appointed to head government ministries, including civil ministries. Following the coup, the military has launched multiple offensives against peaceful protestors, resulting in grave human rights violations. Given the sanctions restrictions already in place before the coup, there were no relevant extant licences to reassess in light of the new circumstances. However, there were several new applications that required in depth consideration, given the new circumstances, where the military were leading and in some cases staffing civilian agencies or ministries.

The Myanmar (Sanctions) Regulations 2021 were updated in April 2021⁶² following the coup. The UK designated additional individuals, entities and organisations under the new Regulations. In addition, we imposed further trade restrictions on military and dual-use goods and technology, and publicly specified goods and technology, which may be used to repress the civilian population of Myanmar. We also imposed further trade restrictions in respect of the provision of interception and monitoring services to, or for the benefit of, the Government of Myanmar, or the provision of certain services, funds or armed personnel to, or for the benefit of, the Tatmadaw (i.e. the Myanmar Armed Forces).

ECJU continued to assess applications in relation to the revised sanctions, in addition to considering risks around internal repression and diversion.

8.2 Maritime Anti-Piracy

HM Government plays a leading role in international operations aimed at combating piracy and armed robbery in the Indian Ocean High Risk Area (HRA) and has a dedicated team to manage related licensing, including a specific open export licence tailored to the requirements of anti-piracy operations - the Open General Trade Control Licence (maritime anti-piracy) – OGTCCL MAP.

HM Government carefully assessed all licence applications for weapons, ammunition, and related equipment for end-use by Private Maritime Security Companies (PMSCs) operating on board client vessels against the Criteria. While all Criteria are taken into account, the main concerns when assessing these applications are whether the items might be used to commit or facilitate internal repression (Criterion 2), and whether there is a risk that the items could be diverted or re-exported to undesirable end-users (Criterion 7).

In considering Criteria 2 and 7, the type of evidence we look for includes:

- That PMSCs have signed the International Code of Conduct for Private Security Service Providers (ICoC) and/or have achieved ISO 28007 certification
- Confirmation that PMSCs and armouries have a credible track record of providing maritime security services and robust procedures for tracking and accounting for equipment
- Confirmation that the goods will not be used by anyone other than authorised persons on board the vessel and will not be sold or otherwise transferred to third parties
- Confirmation that the goods will be stored securely when not in use, either in registered armouries on land or on-board vessels; the use of which has previously been licensed by HM Government

In addition, there are sanctions against countries in the HRA, which are given effect in licensing decisions (Criterion 1). The Foreign, Commonwealth & Development Office works closely with the Department for International Trade to ensure that UK companies operating in the sector are aware of Government policy. The conduct of OGTCCL MAP users is monitored through remote compliance inspections of the traders' transfer records.

62 <https://www.legislation.gov.uk/uksi/2021/496/made>

Annex A:

The Strategic Export Licensing Criteria

Statement to Parliament on 8th December 2021⁶³

Statement

HM Government is committed to a robust and transparent export control regime for military, dual-use and other sensitive goods and technologies. The purpose of these controls is to promote global security and facilitate responsible exports. They help ensure that goods exported from the United Kingdom do not contribute to the proliferation of weapons of mass destruction (WMD) or a destabilising accumulation of conventional weapons. They protect the United Kingdom's security and our expertise by restricting who has access to sensitive technologies and capabilities. Export controls also help ensure that controlled items are not used for internal repression or in the commission of serious violations of international humanitarian law. They are one of the means by which we implement a range of international legal commitments including the Arms Trade Treaty.

The controls also support the UK's defence and security industry. The legitimate international trade in military equipment and technology, as well as in dual-use items, enables governments to protect ordinary citizens, to preserve law and order against terrorists and criminals, and to defend against external threats. The Government therefore remains committed to supporting the UK's defence and security industry and to promoting the legitimate trade in items controlled for strategic reasons.

We keep our controls under regular review to ensure that they continue to properly address the threats we face, keep pace with new technologies, and adapt to changing circumstances such as our exit from the EU, while providing an efficient service which does not impose an unworkable administrative burden on the defence and security industry.

That is why today I am announcing a package of measures to update the export control regime.

First, I am laying before Parliament a revised version of the licensing criteria for strategic export controls, to be known as the Strategic Export Licensing Criteria, as set out at the end of this statement.

63 <https://questions-statements.parliament.uk/written-statements/detail/2021-12-08/hcws449>

These Criteria will be applied with immediate effect to all licence decisions (including decisions on appeals) for export, transfer, trade (brokering) and transit/transshipment of goods, software and technology subject to control for strategic reasons (referred to collectively as “items”); and to the extent that the following activities are subject to control, the provision of technical assistance or other services related to those items. Certain of the Criteria may also be applied to MOD Form 680 applications alongside other considerations and assessment of proposals to gift controlled equipment to other nations’ governments.

As before, they will not be applied mechanistically but on a case-by-case basis taking into account all relevant information available at the time the licence application is assessed. While the Government recognises that there are situations where transfers must not take place, as set out in the following Criteria, we will not refuse a licence on the grounds of a purely theoretical risk of a breach of one or more of those Criteria. In making licensing decisions I will continue to take into account advice received from FCDO, MOD, and other government departments and agencies as appropriate.

The application of these Criteria will be without prejudice to the application to specific cases of specific measures as may be announced to Parliament from time to time. This statement does not impact upon existing specific measures which remain extant until revoked.

Second, the Government will be taking steps to enhance the Military End-Use Control. Currently, the control can only be applied to the export of otherwise non-controlled items which are intended for use as components in, or production equipment for, military equipment in an embargoed destination. This does not allow us to fully address threats to national security, international peace and security, and human rights arising from the use of non-listed items by the military, police or security forces, or entities acting on their behalf, in an embargoed destination.

We will therefore be amending the definition of “military end-use” to remove this limitation. The control would only be applied where the Government informs the exporter that the proposed export is or may be intended for a military end-use in an embargoed destination. To minimise the impact on legitimate trade, there will be exemptions for medical supplies and equipment, food, clothing and other consumer goods.

The review also concluded that there were anomalies and inconsistencies within the UK’s export control regime. As a result of this review, China will be added to the list of those destinations subject to military end-use controls.

Taken together, these changes will also strengthen our ability to prevent exports that might be used directly or indirectly to facilitate human rights violations in all destinations subject to military end-use controls. It also completes the export control review announced to Parliament on 12 January 2021 by the then Foreign Secretary.

Both of these changes concerning military end-use controls require amendments to the Export Control Order 2008. We intend to lay the secondary legislation to implement these changes in the Spring of 2022.

The Strategic Export Licensing Criteria

This statement of the Criteria is guidance given under section 9 of the Export Control Act 2002. It replaces the Consolidated EU and National Arms Export Licensing Criteria announced to Parliament on 25 March 2014.

Criterion One

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

The Government will not grant a licence if to do so would be inconsistent with, inter alia:

- a. the UK's obligations and its commitments to enforce United Nations and Organisation for Security and Co-operation in Europe (OSCE) sanctions, as well as national sanctions observed by the UK and other relevant commitments regarding the application of strategic export controls;
- b. the UK's obligations under the United Nations Arms Trade Treaty;
- c. the UK's obligations under the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention and the Chemical Weapons Convention;
- d. the UK's obligations under the United Nations Convention on Certain Conventional Weapons, the Convention on Cluster Munitions (the Oslo convention), the Cluster Munitions (Prohibitions) Act 2010, and the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (the Ottawa convention) and the Land Mines Act 1998;
- e. the UK's commitments in the framework of the Australia Group, the Missile Technology Control Regime, the Zangger Committee, the Nuclear Suppliers Group, and the Wassenaar Arrangement;
- f. the OSCE principles governing conventional arms transfers.

Criterion Two

Respect for human rights and fundamental freedoms in the country of final destination as well as respect by that country for international humanitarian law.

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

- a. Not grant a licence if it determines there is a clear risk that the items might be used to commit or facilitate internal repression;

Internal repression includes, inter alia, torture and other cruel, inhuman and degrading treatment or punishment; summary or arbitrary executions; disappearances; arbitrary detentions; and other serious 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.

For these purposes items which might be used for internal repression will include, inter alia, items where there is evidence of the use of these or similar items for internal repression by the proposed end-user, or where there is reason to believe that the items will be diverted from their stated end-use or end-user and used for internal repression. The nature of the items to be transferred will be considered carefully, particularly if they are intended for internal security purposes.

- b. Exercise special caution and vigilance in granting 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 or the Council of Europe;

Having assessed the recipient country's attitude towards relevant principles established by instruments of international humanitarian law, the Government will:

- c. Not grant a licence if it determines there is a clear risk that the items might be used to commit or facilitate a serious violation of international humanitarian law.

In considering the risk that items might be used to commit or facilitate internal repression, or to commit or facilitate a serious violation of international humanitarian law, the Government will also take account of the risk that the items might be used to commit or facilitate gender-based violence or serious acts of violence against women or children.

Criterion Three

Preservation of internal peace and security

The Government will not grant a licence if, having assessed the potential that the items would either contribute to or undermine internal peace and security, it determines there is a clear risk that the items would, overall, undermine internal peace and security.

When assessing the potential that the items would contribute to or undermine internal peace and security, the Government will take into account, inter alia and where relevant:

- a. Whether the grant of the licence would provoke or prolong armed conflicts;
- b. Whether the items are likely to be used other than for the legitimate national security or defence of the recipient;
- c. Whether the items would be likely to cause, avert, increase or decrease conflict or instability in the country of final destination, taking into account (inter alia):
 - i) the balance of forces between states or actors concerned;
 - ii) the potential for the equipment to have a significant impact on the effectiveness of existing capabilities or force projection;
 - iii) humanitarian purposes or impacts;
 - iv) the nature of the conflict, including the conduct of all states or actors involved, and any involvement by the UK and allied states;
 - v) border stability and legitimate national security interests of the recipient.
- d. Whether the items might be used to commit or facilitate gender-based violence or serious acts of violence against women or children.

Criterion Four

Preservation of peace and security

The Government will not grant a licence if, having assessed the potential that the items would either contribute to or undermine peace and security, it determines there is a clear risk that the items would, overall, undermine peace and security.

When assessing the potential that the items would contribute to or undermine peace and security, the Government will take into account, inter alia and where relevant:

- a. The existence or likelihood of armed conflict in which the recipient would take part;
- b. Whether the recipient has in the past tried or threatened to pursue, by means of force, a claim against the territory of another country;
- c. The likelihood that the items would be used in the territory of another country other than for legitimate purposes, including national or collective self-defence;
- d. Whether the items would be likely to cause, avert, increase or decrease conflict or instability in the region, taking into account (inter alia):
 - i) the balance of forces between the states or actors in the region concerned;
 - ii) their approach to expenditure on defence;
 - iii) the potential for the equipment to have a significant impact on the effectiveness of existing capabilities or force projection;
 - iv) humanitarian purposes or impacts;
 - v) the nature of the conflict, including the conduct of all states or actors involved, and any involvement by the UK and allied states;
 - vi) border stability and legitimate national security interests of the recipient.
- e. Whether the items might be used to commit or facilitate gender-based violence or serious acts of violence against women or children.

Criterion Five

The national security of the UK and territories whose external relations are the UK's responsibility, as well as that of friendly and allied countries.

The Government will take into account:

- a. the risk of the items undermining or damaging the UK's national security or those of other territories and countries as described above;
- b. the risk of the items being used against UK forces or against those of other territories and countries as described above;
- c. the need to protect classified information and capabilities.

Criterion Six

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

- a. Having assessed the potential that the items could be used to commit or facilitate an act constituting an offence under international conventions or protocols to which the UK is a Party relating to terrorism or transnational organised crime, the Government will not grant a licence if it determines there is a clear risk that the items could be used to commit or facilitate such an act.

In making this assessment, the Government will also take account of the risk that the items might be used to commit or facilitate gender-based violence or serious acts of violence against women or children.

- b. The Government will also take into account, inter alia, the record of the buyer country with regard to:
 - i) its compliance with relevant international obligations, in particular on the non-use of force, including under international humanitarian law applicable to international and non-international conflicts;
 - ii) 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 instruments referred to in Criterion One.

Criterion Seven

The existence of a risk that the items will be diverted to an undesirable end-user or for an undesirable end-use

In assessing the risk that the items might be diverted to an undesirable end-user or for an undesirable end-use, the Government will take into account:

- a. the legitimate defence and domestic security interests of the recipient country, including any involvement in United Nations or other humanitarian or peace-keeping activity;
- b. the technical capability of the recipient country to use the items;
- c. the capability of the recipient country to exert effective export controls;
- d. the risk of re-export to undesirable destinations;
- e. the risk of diversion to terrorist organisations, individual terrorists or to transnational organised crime;
- f. the risk of reverse engineering or unintended technology transfer;
- g. the risk of an undesirable end-use either by the stated end-user or another party.

Criterion Eight

The compatibility of the transfer 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 transfer would seriously undermine the economy or seriously hamper the sustainable development of the recipient country.

The Government will consider in this context, amongst other factors, the recipient country's relative levels of military and social expenditure, taking into account also any bilateral or multilateral 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

In exceptional circumstances the government may decide not to grant a licence for reasons other than those set out in Criteria 1 to 8 where the items may have a significant negative impact on the UK's international relations.

Annex B:

A summary of key changes affecting Open General Export Licences (OGELs) in 2021

May – Revision of scope for Information Security OGELs. The following OGELs were revised:

- Information Security Items – from December 2019
- Information Security Items

June – The following eight OGELs were reissued following updates to the list of defence related products:

- Certified Companies
- Exports under the US-UK Defence Trade Cooperation Treaty
- Military Goods, Software and Technology: Government or NATO End-Use
- Military Goods, Software and Technology
- Software and Source Code for Military Goods
- Software and Source Code for Military Goods – from June 2019
- Technology for Military Goods
- Technology for Military Goods – from June 2019

The following two OGELs were reissued to correct an error in the list of goods covered by the licence:

- Export after Repair/Replacement Under Warranty: Military Goods
- Export After Repair/Replacement Under Warranty: Military Goods – from June 2019

August – The Export Control Joint Unit removed Afghanistan as a permitted destination from the following five OGELs:

- Export After Exhibition: Dual-Use Items
- Export for Repair/Replacement Under Warranty: Dual-Use Items – from December 2019
- Export for Repair/Replacement Under Warranty: Dual-Use Items
- X – from December 2019
- X

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