

United Kingdom Strategic Export Controls Annual Report 2010

Presented to the House of Commons pursuant to article (10),
Section (1) (a) (b) and (2) of the Export Control Act 2002
Ordered by the House of Commons to be printed 18 July 2011

© Crown Copyright 2011

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at webmaster@fco.gov.uk

This publication is available for download at www.official-documents.gov.uk.

ISBN: 9780102973662

Printed in the UK by The Stationery Office Limited

on behalf of the Controller of Her Majesty's Stationery Office

ID: 2438439

07/11

Printed on paper containing 75% recycled fibre content minimum.

Contents

Ministerial Foreword	1
Section 1: Domestic Policy	3
Section 2: International Policy	11
Section 3: Export Licensing Decisions during 2010	21
Section 4: Military Equipment	32
Annexes	
Annex A The Consolidated EU and National Arms Export Licensing Criteria	34
Annex B International Development Association Borrowers	38
Annex C Information required for the UN Register of Conventional Arms	39

Ministerial Foreword

This is the fourteenth Annual Report on Strategic Export Controls to be published by the United Kingdom. It describes UK export control policy and practice during the period January to December 2010, a period that covers arms export controls under the Coalition Government and its predecessor.

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

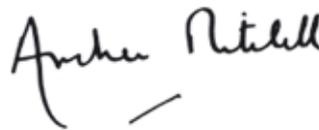
The UK Government is committed to maintaining and strengthening the effectiveness of its strategic export controls, and to improving the international system by taking a leading role in the UN negotiations for an Arms Trade Treaty.

While the events of the 'Arab Spring' are uppermost in the minds of the Government at this time they nevertheless fall outside the period covered in this report.

The UK Government has made clear its determination to extend transparency, including by making government data readily available so that those outside government can scrutinise its actions. This Annual Report demonstrates the Government's commitment to transparency in the area of strategic export controls. As in previous years, there has been strong public, media, parliamentary and NGO interest in strategic arms control issues during 2010. We hope, therefore, that the information contained in this Annual Report will be of interest to a wide range of UK and international stakeholders. We commend it to both Parliament and the public.



William Hague (FCO)



Andrew Mitchell (DFID)



Vince Cable (BIS)



Liam Fox (MOD)

Section 1

Domestic Policy

1.1 OVERVIEW

The UK system for the licensing of Strategic Export Controls is operated by a single Export Licensing Community. This Community comprises six Government Departments/agencies: Business, Innovation and Skills (BIS); the Foreign and Commonwealth Office (FCO); the Ministry of Defence (MOD); the Department for International Development (DFID); Her Majesty's Revenue and Customs (HMRC) and UK Border Agency (UKBA).

EXPORT LICENSING COMMUNITY JOINT MISSION STATEMENT

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

Guiding Principles

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

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

- within the framework of our case-by-case approach, ensure maximum predictability for exporters by taking decisions which are consistent with the Consolidated EU and National Arms Export Licensing Criteria and our policy statements;
- aim to meet our published performance indicators, which set us challenging targets for processing applications in a timely manner;

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

Strategic export controls relate to:

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

BIS's Export Control Organisation (ECO) is the licensing authority for strategic exports in the UK. It sets out the regulatory framework under which licence applications are considered, and the Secretary of State for BIS takes the formal decision to issue or refuse export licence applications, and where necessary, to suspend or revoke

extant licences, in accordance with the applicable legislation and announced policy.

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

HMRC is responsible for the enforcement of export controls, including investigating potential breaches that may result in a prosecution being brought through the Revenue and Customs Division within the Crown Prosecution Service (RCD CPS) (see sections 1.7 and 1.8 below).

1.2 Strategic Export Licence Application Process

Applications for Export, Trade (“brokering”) or Transshipment Licences for strategically controlled goods are submitted electronically to BIS’s Export Control Organisation (ECO) as the UK’s competent licensing authority. Partners across Government are then consulted as appropriate before a decision is reached on whether to issue or refuse a licence. Generally, the same advisers that consider export licence applications assess MOD Form 680 applications.

FCO provides advice about the current political situation in a destination and guidance about international commitments and obligations. The Export Licensing Team (ELT), is part of the Counter Proliferation Department in the FCO, and carries out an initial assessment of all applications sent to them. Depending on an application’s complexity, ELT may then pass them on for further consideration to one of several other Departments within the FCO, and to our post in the country concerned. This process often involves consultations with the FCO’s International Organisations Department, to ensure that the potential export is not in contravention of our international commitments (Criterion 1). All licence applications to countries where we have concerns about human rights issues (Criterion 2) are referred to the Human Rights and Democracy Department. The FCO’s network of overseas posts make a valuable contribution to assessing applications, especially when assessing licences against Criteria 2 and 3 (which address the internal situation of a recipient country) and 4, (which is concerned with the impact on regional stability of a proposed export). Only after completion of this detailed risk assessment is a recommendation then passed back from the FCO to the ECO. Finely balanced applications are referred to FCO Ministers for a final recommendation.

MOD advice on Export Licence Applications similarly reflects the results of an internal process that brings together advice from a number of areas. This routinely involves seeking the views of those responsible for protecting the capability of the UK’s Armed Forces, and specialists from the security and intelligence fields. Separately, MOD coordinates a procedure for the

Government (the Form 680 process) to ensure that companies seek clearance to use classified information they hold for the purposes of marketing their products overseas. Companies must also seek such clearance for the supply of classified goods. The F680 process benefits the licensing process, because it gives exporters an indication of whether a licence would be approved if the relevant circumstances remained the same. Generally, the same advisers that consider export licence applications assess MOD Form 680 applications.

DFID provide specific expertise and advice in considering applications to those developing countries eligible for concessional loans from the World Bank’s International Development Association. DFID considers export licence applications destined to all International Development Association (IDA) eligible countries against Criterion 8 and specifically, whether the proposed export would seriously undermine the recipient country’s economy, and whether the export would seriously hamper the sustainable development of the recipient country. DFID’s export licensing team carries out an initial assessment of applications passed to them. Depending on any concerns identified, the applications may then be circulated to DFID country offices for further consideration. DFID may ask to see applications in respect of other countries of concern, as the Department has a significant interest in exports that might contribute to conflict or human rights abuses.

Table 1.1 Estimated Government Resources 2010

For BIS, FCO, MOD and DFID the table below shows the cost of staff directly involved in implementing export licensing policy and processing export licence applications in 2010. The resource figure for HMRC/RCD/UKBA, is calculated on man hours’ effort, given the multifunctional nature of the roles in these organisations. In all cases, it is not a complete picture of all resources devoted to Strategic Export Controls by the UK Government in 2010

BIS	£3,611,000
FCO	£854,000*
MOD	£746,000
DFID	£60,000
HMRC/RCD CFG CPS/UKBA	£3,372,500

* FEC figure includes F680s which represent 20% of this figure

1.3 Legislation

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

The main Order is the Export Control Order 2008 which came into force on 6 April 2009 and consolidated and

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

The Export Control Order was amended three times during 2010, as follows:

- The Export Control (Amendment) Order 2010 which came into force on 27 January 2010. The Order imposed controls on the export to Iraq and Afghanistan of electrostatically-powered explosives detectors. This followed allegations that such devices are ineffective and that their use could put lives at risk. (Note: We already controlled detectors specially designed for military use and electronic devices for detecting explosives, but the devices in question contain no functioning electronics and are not “military” since it is claimed they can detect anything the user wishes them to). The control was limited to Iraq and Afghanistan where we judged this risk to be greatest. Use was made of used a power in the Export Control Act 2002 which allows for the imposition of controls on items that may have an adverse impact on the security of the armed forces of the UK or another friendly state.
- The Export Control (Amendment)(No 2) Order 2010 which came into force on 31 August 2010. The Order amended the UK Military List in line with changes made in the international export control regimes in 2009, principally the Wassenaar Arrangement; added anti-vehicle landmines to Category B of the trade controls so that trade in these items by UK persons anywhere in the world is subject to control; relaxed the UK's national controls on explosives-related items to bring them into line with EU controls on such items; amended the list of civil aircraft-related items that are controlled for export to Iran; added Eritrea to the list of embargoed destinations following the imposition of an EU arms embargo; and made a number of minor drafting changes.
- The Export Control (Amendment) (No 3) Order 2010 which came into force on 30 November 2010. The Order introduced a control on the export to the USA of sodium thiopental. This is an anaesthetic which has legitimate medical uses particularly in the developing world where it is widely used because, as a generic drug, it is cheaper than the more modern proprietary drugs used in the USA and elsewhere. However it is also used in some states of the USA in the process of execution by lethal injection, either by itself or as part of a three-drug cocktail. There was at the time – and was likely to be for the foreseeable future – a shortage of thiopental in the USA and there was evidence that at least two States

acquired supplies used in executions from the UK. The Order was made under section of the Export Control Act 2002 meaning it remains in force for a maximum of 12 months. At the same time we requested that the European Commission amend Regulation 1236/2005 (the so-called “torture Regulation”) to add thiopental to the list of items in Annex III for which export authorisation is required. At the time of writing, discussions with the Commission and with other Member States are continuing.

The principal piece of export control legislation applying to dual-use goods is Council Regulation (EC) 428/2009 of 5th May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (the so-called “Dual-Use Regulation”) which entered into force on 27th August 2009. There were no significant developments in relation to the Dual-Use Regulation in 2010.

On 27 October 2010 a new EU Regulation imposing restrictive measures against Iran came into force – Council Regulation (EU) 961/2010 of 25 October 2010. This followed the adoption on 9 June 2010 by the UN Security Council of Resolution 1929 and the adoption by the European Council of Decision 2010/413/CFSP of 26 July 2010. The Regulation imposed a range of trade and financial sanctions, restrictions on investment, insurance, and provision of transportation services, as well as extending the list of persons subject to asset freeze. In particular the Regulation:

- prohibited the sale, supply, transfer or export to Iran or to an “Iranian person” of items listed in Annexes I, II, and III of Council Regulation (EU) 961/2010 and the provision of technical and financial assistance and brokering services related to the supply of those goods;
- imposed a licensing requirement on items listed in Annex IV of Council Regulation (EU) 961/2010; and
- prohibited the sale, supply, transfer or export of “key equipment and technology” for the oil and gas industry as listed in Annex VI of Council Regulation (EU) 961/2010, as well as the provision of related technical and financial assistance or brokering services related to the supply of these goods, with a limited exemption for transactions required by a contract that was in place before the Regulation came into force.

On 9 November 2010 Mark Prisk MP, Minister for Business, announced to Parliament that the Government would only issue licences for Annex IV items in the most exceptional circumstances.

1.4 Policy Changes

In April 2010 the Export Control Organisation announced a revised policy regarding the End-User Undertakings

(EUUs) that are routinely required in support of applications for Standard Individual Export Licences (SIELs). From 1 July 2010 all such Undertakings must contain a declaration by the end-user that the goods will not be re-exported or otherwise re-sold or transferred to a destination subject to UN, EU or OSCE embargo where to do so would be a breach of the terms of that embargo.

1.5 Transparency and Accountability

The Parliamentary Committees on Arms Export Controls (CAEC) continued to scrutinise export licensing decisions and policy throughout 2010. The Government continued to provide the Committees with as much information as possible in response to requests, including classified information relating to the Government's Quarterly Reports. While the Government sought to make as much information as possible available to the public it was obliged to protect some information, much of which is commercially sensitive, which it received as part of the licensing process.

In addition, the previous Government continued to make Ministers available to give oral evidence to the CAEC. Ivan Lewis, the then Minister of State at the Foreign and Commonwealth Office, gave oral evidence to the CAEC on 24 January 2010 in order that they could produce their Annual Report before the General Election in May 2010. The transcript of this session is available on the CAEC pages of the Parliamentary website (<http://www.parliament.uk/business/committees/committees-a-z/other-committees/committee-on-arms-export-controls/>).

The Government continued to publish export licensing data on a quarterly basis on the Strategic Export Controls: Reports and Statistics website. This provides a user-friendly searchable database of data published from 1 January 2008 onwards and also provides access to historic and current Quarterly and Annual Reports in pdf format. The Strategic Export Controls: Reports and Statistics website can be accessed at <https://www.exportcontroldb.berr.gov.uk>. Users must register in order to make use of the full functionality of the site but this only takes a few minutes. Comprehensive help and guidance on using the site is also available from the home page.

1.6 Awareness

As part of the Government's extensive awareness campaign on export controls for industry around the UK, 40 seminars and training courses were held nationwide during 2010, attended by over 820 people representing around 350 organisations. These training sessions are provided throughout the year and focus on providing specific information to companies who have some knowledge about the existence of export controls and require further information about their responsibilities, and on strategic control lists and how to apply for export licenses. The monthly courses include:

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

In addition we held specific seminars aimed at key topics i.e.

- Open General Export Licences and Compliance
- Exporting Cryptographic Items;

On-site training was delivered to 36 companies located in all regions of the UK. These companies had requested bespoke training for their companies to address their specific market issues. The minimum number of people trained on site was 10 and maximum numbers were dependent on company requirements.

In terms of general wider awareness raising with companies not aware of their export control responsibilities, the Export Control Organisation (ECO) staff worked closely with other Government Departments such as HM Revenue and Customs, Ministry of Defence and UKBA. ECO also recognised the importance of spreading export control messages to wider audiences, particularly amongst the dual use sector and worked closely with UKTI, Trade Associations and other intermediaries (in the form of joint seminars and trade journal articles).

In addition to these general awareness-raising activities, the Government seeks to provide updates on specific countries of concern. The Government continues to publish, on the ECO website, a list of Iranian entities of potential WMD concern. The list is intended to help exporters judge which exports might potentially be of concern on WMD end-use grounds, based on previous licensing decisions, and when they should contact the ECO for advice. Inclusion of an entity on the list does not necessarily indicate that an export licence would be refused, nor does non-inclusion mean that there are no end-use concerns. Exporters are encouraged to contact the ECO whenever they have any suspicions regarding possible WMD end-use.

Following full consultation with industry members, the export control pages of the Department for Business website were merged with the International Trade theme pages of the Business Link website in March 2010. Since then, the export control pages have become the sixth

most visited on the Business Link International Trade theme pages. The Department for Business website continues to host details about relevant training courses; export control policy and consultations and a back catalogue of Notices to Exporters.

Exporters continue to make good use of ECO's two web-based search tools which help to identify which products need a licence ("Goods Checker") and, if licensable, whether an Open General Export Licence (OGEL) potentially covers the proposed exports ("OGEL¹ Checker"). "Goods Checker" provides a web-based search function across the Consolidated UK Strategic Export Control List. "OGEL Checker" assists users who know the rating (control list classification) of their goods and the destination country for the proposed export to find out which OGEL(s) may cover the export, provided all the conditions can be complied with.

In 2010, over 3,600 individuals from more than 50 countries registered to use the Checker Tools. There was an average of 217 visits per day to the website, an increase of 41% on the number of visits in 2009.

1.7 Compliance

ECO's Compliance Inspectors continued to visit companies and individuals holding Open Individual Export Licences (OIELs) and OGELs, both for exports and trade activity. The purpose of the visits was to establish whether the terms and conditions of the licences were being adhered to.

The following table shows the instances of non-compliance found at scheduled Compliance visits between 2008 and 2010. In most cases these errors, and their causes, had been rectified by the time of the revisit 3-6 months later.

Since May 2008, ECO has had formalised procedures for suspending a company's use of OGELs, where non-compliance on the same issue was found on consecutive visits. During 2010, 46 warning letters were issued informing Company Directors of the errors which had been found during visits and the steps necessary to ensure compliance at revisit. On two occasions, companies had shown little or no improvement when they were revisited and some of the OGELs the companies were using were suspended for a period of three months. Both of these companies had improved their procedures following this suspension and their licences were re-instated. In all other cases, the companies were found to be fully compliant with the terms of their licences when revisited.

1.8 HM Revenue and Customs, UK Border Agency and Crown Prosecution Service Resources on enforcement and outreach

HM Revenue and Customs (HMRC), the UK Border Agency (UKBA) and the Crown Prosecution Service (CPS) work together to enforce the UK's strategic export controls.

HMRC has a Policy Unit which develops and manages strategic export control, trade control and sanctions enforcement policy as well as liaising with the wider cross-government Counter Proliferation community. In addition, HMRC has two specialist operational teams carrying out criminal investigations and intelligence management in this field. Staff at HMRC's National Clearance Hub undertake checks on customs export declarations and supporting documentation for exports from the UK, including checking BIS export licences. Staff within HMRC's Large Business Service and Local Compliance functions audit UK exporters and also carry out pre-export licence checks on intra-EU transfers of controlled goods.²

Table 1.2 Details of Compliance Visits to Open Individual and Open General Licence Holders

Year	Number of Companies and sites holding open licences	Number of visits undertaken	Number of misuses identified in a year	Categories of misuse found		
				Administrative errors	Unlicensed shipments ²	General lack of knowledge leading to errors
2008	1600 (approx)	675	219	179	40	59
2009	1800 (approx)	836	290	235	55	39
2010	1900 (approx)	821	273	174	27	71

¹ These are cases where the company had no valid licence to cover the goods at the time of the shipment, but did not imply a licence would not have been granted e.g. the company had sent goods to its parent company in an EU country under a licence which only allowed sales to Governments.

¹ A full explanation of the different UK export licences currently available is included in Section 3 of this report

² These are cases where the company had no valid licence to cover the goods at the time of the shipment, but did not imply a licence would not have been granted e.g. the company had sent goods to its parent company in an EU country under a licence which only allowed sales to Governments.

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

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

HMRC, UKBA and CPS continue to strengthen links with other enforcement agencies in the field of strategic export control to improve our international partner's capabilities. All three departments have participated in EU export control outreach and capacity-building events with a number of key partner countries and organisations, including: United Arab Emirates, Malaysia, Montenegro and Ukraine.

1.9 Enforcement actions taken by HMRC, UKBA and CPS

HMRC, UKBA and CPS have continued to undertake a wide range of enforcement activity through 2010-2011. This activity includes:

- Five successful prosecutions on export control and trafficking and brokering offences (see table 1.4).
- 134 seizures of strategic goods in breach of licensing requirements. (see table 1.3)
- In addition to these prosecutions and seizures a further 82 disruptions took place in 2010-11, where strategic goods without the necessary licence have been stopped from leaving the UK.
- HMRC has also made use of its power to issue compound penalties, with 11 issued in 2010-11, totalling £359,000.

HMRC also continues to receive voluntary disclosures from exporters. These voluntary disclosures are assessed by HMRC and appropriate action taken. This can range from criminal investigation to the issuing of a warning letter, depending on the specific details of the disclosure. HMRC, UKBA and CPS have also worked with BIS to contribute to raising awareness of strategic export controls in the UK through educational trade events and conferences.

Table 1.3 HMRC Seizures

Financial Year	Number of Seizures
2005-06	34
2006-07	44
2007-08	55
2008-09	50
2009-10	115
2010-11	134

CPS Prosecutions of strategic export and trade control cases

Table 1.4 HMRC Prosecutions for strategic exports offences					
Financial Year	Goods	Destination	Individual or company	Offence	Penalty
2009-2010	15 Military personnel carriers	Sudan	Andrew Jackson and Steven Smithey	Exportation of goods Contrary to the Customs & Excise Management Act 1979 Section 68	2 years 8 months Imprisonment. 8 month suspended sentence Confiscation Order £369,000 Costs £5000
2009-2010	Military equipment including parts for F14 Tomcat fighters, military helicopters etc.	Iran	Mohsen Akhavan Nik, Mohammad Akaven Nik & Nithish Jaitha	Export of military goods contrary to Customs and Excise Management Act 1979 – section 68(2) Trade in Military goods contrary to Trade in Goods Control Order 2004 – article 9(2)	Total of 10 years imprisonment. Confiscation Order £878,774
2009-2010	Supply of bombs, armour piercing ammunition and other weapons to Sri Lanka and Israel.	Sri Lanka and Israel	Gideon Sarig and Howard Freckleton	Trading in controlled goods with intent to Evade prohibition contrary to Trade in Goods Control Order 2004 – article 9(2).	Total of 16 years imprisonment Confiscation ongoing
2010-2011	Tasers	New Zealand	Caroline Egley-Turner	Trading in controlled goods with intent to evade prohibition contrary to Trade in Goods Control Order 2004 – article 9(2)	6 months sentence suspended for 12 months Confiscation order £24,802 Costs £36,197
2010-2011	Radiation detection equipment	Iran	Philip Bisgrove	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2)	Sentenced to 8 months imprisonment Confiscation ongoing Costs £25,000
2010-2011	Armoured vehicles, Body Armour and Helmets	Jordan and Iraq	Teal and Jones	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2) and trade in controlled goods contrary to Trade in Goods (Control) Order 2004 article 9(2)	Sentenced to 2.5 years and suspended. Sentenced to 50 weeks suspended for 2 years Confiscation Order £9,000 Costs £39,000

Table 1.4 HMRC Prosecutions for strategic exports offences (*continued*)

Financial Year	Goods	Destination	Individual or company	Offence	Penalty
2010-2011	Machine guns	Nigeria	Farid Butt	Trade in military goods contrary to Trade in Goods (Control) Order 2004 article 9(1)	Conditional discharge for 12 months Costs £1,000
2010-2011	Chemicals	Iran	Avocet Dye Chemical	Export of controlled goods contrary to Customs and Excise Management Act 1979 section 68(2)	Fine £5,000 Confiscation Order £18,818
2010-2011	Rifle scopes	Dubai	Stewart Faulkner	Export of military goods contrary to Customs and Excise Management Act 1979 section 68(2)	Sentenced to 30 months imprisonment
2010-2011	Chemicals	China	Avocado Research Chemicals	Export of controlled chemicals contrary to Customs and Excise Management Act section 68(1)	Fine £300 Costs £100
2010-2011	Body Armour	Thailand	Mr. Varunprabha	Export of military goods contrary to section Customs and Excise Management Act 1979 section 68(2)	Conditional discharge for 12 months

Section 2

International Policy

2.1 Non Proliferation Treaties and Export Control Regimes

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

2.2 Export Control Commitments in 2010

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

Table 2.1 Export control regimes	
Areas of coverage	Commitment
Nuclear:	<ul style="list-style-type: none"> • Treaty on the non-proliferation of Nuclear Weapons (NPT) • The Zangger Committee • Nuclear Suppliers Group (NSG)

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

Table 2.2

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

Table 2.2 Export restrictions by country		
Country	Source	Instrument
Armenia & Azerbaijan	OSCE	Decision of the Committee of Senior Officials of the OSCE 28/02/92.
Burma	EU	Council Decision 2010/232/CFSP. Council Regulation (EU) 194/2008, as amended.
China	EU	Declaration by the Madrid European Council 27/06/89.
Cote d'Ivoire	UN EU	Most recently amended by UNSCR 1946 (2010). Implemented by Council Decision 2010/656/CFSP. Council Regulation (EU) 174/2005, as amended.
Democratic Republic of Congo	UN EU	Most recently amended by UNSCR 1952 (2010). Implemented by Council Decision 2010/788/CFSP. Council Regulation (EC) No 889/2005, as amended. Council Regulation (EC) No 1183/2005, as amended.
Eritrea	UN EU	UNSCR 1907 (2009) on Somalia and Eritrea. Implemented by Council Decision 2010/127/CFSP, as amended. Council Regulation (EU) 667/2010.

Table 2.2 (continued)		
Country	Source	Instrument
Guinea	EU	Council Decision 2010/638/CFSP. Council Regulation (EU) 1284/2009, as amended.
Iran	UN EU	Most recently amended by UNSCR 1929. Implemented by Council Decision 2010/413/CFSP, as amended. Council Regulation (EU) No 961/2010.
Iraq	UN EU	UNSCR 1546 (2004) UNSCR 1483 (2003) UNSCR 661 (1990) UNSCR 1905 (2009) Common Position 2003/495/CFSP most recently amended by 2010/128/CFSP
Lebanon	UN EU	UNSCR 1701 (2006). Implemented by Common Position 2006/625/CFSP. Council Regulation (EC) 1412/ 2006.
Liberia	UN EU	Last amended by UNSCR 1903 (2010). Common Position 2004/487/CFSP. Last updated by 2010/129/CFSP EC Reg 234/2004 (10/2/2004) last amended by 496/2009

Table 2.2 (continued)		
Country	Source	Instrument
North Korea	UN EU	UNSCR 1718 (2006) and 1874 (2009). Implemented by Common Position 2006/795/CFSP, as amended. Council Regulation (EC) No. 329/2007, as amended.
Somalia	UN EU	Most recently amended by UNSCR1916 (2010). Implemented by Council Decision 2010/231. Council Regulation (EU) No 356/2010. Council Regulation (EC) No 147/2003, as amended.
Sudan	UN EU	Most recently amended by UNSCR1891(2009). Implemented by Common Position 2005/411/CFSP, as amended by 2006/386/CFSP Council Regulation (EC) No 1184/2005, as amended. Council Regulation EC) No 131/2004, as amended.
Zimbabwe	EU	Common Position 2004/161/CFSP, as amended. Council Regulation (EC) No 314/2004, as amended.
Footnote – Sierra Leone UN Repealed by UNSCR 1940 (2010) and EU Repealed by Council Decision 2010/677/CFSP.		

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

2.3 Assessment of Export Licence Applications

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

Table 2.3 Consultation requirements

Criterion One

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

Criterion Two

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

Criterion Three

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

Criterion Four

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

Table 2.3 (continued)

Criterion Five

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

Criterion Six

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

Criterion Seven

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

Criterion Eight

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

2.4 Case Studies

AFGHANISTAN

There have been a number of export licence applications for body armour and night vision goggles that were to be used by Private Security Companies (PSCs) in Afghanistan to provide security for humanitarian and NGO staff, static guarding and protecting supply convoys.

AFGHANISTAN (continued)

An unexpected announcement by President Karzai in August 2010 raised concerns that equipment that was being exported for use by PSCs would have to remain in Afghanistan. President Karzai decreed that all PSCs would be required to end their operations in Afghanistan by November 2010 with an exemption of those PSCs which were employed by foreign embassies, international businesses and aid and charitable organisations. The announcement also stated that weapons and equipment owned by PSCs would either have to be sold to the Government of Afghanistan or taken with PSCs when they left Afghanistan as long as the PSCs were properly registered. This raised Consolidated Criteria concerns particularly Criteria 2 (internal repression) and 7 (diversion).

The FCO consulted the British Embassy in Kabul and its Human Rights and Democracy Department (HRDD). The Embassy in Kabul advised that there was a lot of uncertainty around the implications and timing of the President's decree banning PSCs, including within the Afghan Government. The Embassy decided to consult the relevant Afghan Ministries to try to clarify the terms of the original announcement and advised the FCO to wait for further instructions before completing recommendations for the relevant export licence applications.

The deadline for PSCs to end operations in Afghanistan was extended by 2 months in October 2010. Following consultations between the Government of Afghanistan and the International Community a further modification to the announcement was made in December 2010 allowing some PSCs with development company contracts as well as those working for foreign embassies, UN and NATO to continue to work until their contracts expired.

The British Embassy in Kabul advised that this modification would mitigate Consolidated Criteria concerns that equipment and weapons used by PSCs could have been left in Afghanistan and possibly diverted or used for internal repression. The British Embassy also had discussions with representatives of the companies in Kabul to discuss their plans and need for the equipment in Afghanistan, and their disposal strategies should their contracts be terminated. As a result it was assessed that the export licence applications for body armour were not in contravention of the Consolidated Criteria, and therefore the UK was able to grant the relevant export licences.

AFGHANISTAN *(continued)*

Arms embargo sanctions in place for Afghanistan apply to those individuals designated under the UN's "Consolidated List" under 'UNSCR 1267 designated individuals'. All exports for Afghanistan are assessed in accordance with the sanctions in place.

NIGERIA

An export licence application for an armoured personnel carrier (APC) for demonstration/evaluation to the Nigerian Police Force (NPF) was received. The FCO asked for further information as such vehicles do raise Consolidated Criteria concerns particularly Criterion 2 (Internal Repression), as this type of equipment is recognised as having a possible role in facilitating internal repression. The FCO was informed that the APC was to be used for demonstration/evaluation purposes by the NPF with a view to further sales. An export licence for armoured vehicles for Nigeria was refused in 2009.

The UN, the US State Department, and NGOs such as Amnesty International and Human Rights Watch had released a number of reports in 2009 and 2010 that linked the use of armoured vehicles for human rights abuses by the NPF. These reports included police officers shooting into peaceful crowds, the use of violence and lethal force at unauthorised police and military roadblocks and checkpoints. There were also reports of bribery and corruption by the NPF at roadblocks and checkpoints.

Given Consolidated Criteria concerns the FCO consulted the High Commission in Abuja, the geographical desk at the FCO and FCO's Human Rights and Democracy Department (HRDD). It was agreed that although the vehicle was to be used for demonstration purposes, the application was for a permanent licence, not a temporary one, and there would be no control over who it might be sold onto. Also since a previous export licence application for armoured vehicles had been refused and there had been no improvement in human rights situation in Nigeria or the use of unauthorised road blocks by the NPF, there was a clear risk that such a vehicle might be used to support internal repression.

As a result the FCO assessed that concerns under the Consolidated Criteria were sufficient to warrant refusal of the application under Criterion 2.

KYRGYZSTAN

The FCO received an export licence application for shields and body armour for use by the Ministry of Internal Affairs in Kyrgyzstan. Such equipment is predominantly used for protective or defensive purposes but Criterion 2 of the Consolidated Criteria recognises that such defensive equipment can also be used to facilitate human rights abuses.

The application was received in October, at a time of heightened concerns about the human rights situation in Kyrgyzstan and shortly before Parliamentary elections were due.

2010 was a difficult year for Kyrgyzstan. A popular uprising, which started on 6/7 April, forced then President Kurmanbek Bakiev from power. A State of Emergency was declared as violence spread to a number of areas and 85 people were killed and many others injured. The April upheaval was followed in June by serious inter-ethnic unrest between Kyrgyz and Uzbeks in the southern cities of Osh and Jalal-Abad. Official figures indicate that some 470 people were killed and many more displaced. The UN High Commission for Human Rights (UNHCHR) reported in July 2010 that the Kyrgyz security forces were responsible for some human rights violations during this period. A recent international enquiry into June events also supports this view.

In July, President Otunbayeva approached the US for help with reforming the Kyrgyz police to avoid a repetition of the poor police handling of the disturbances in April or the violence in the south in June. The US response was to concentrate on civil disorder management training in time for the October elections. The United States undertook this training, which included UK-supplied shields and body armour.

Consolidated Criteria concerns for Kyrgyzstan centre around Criterion 2 (internal repression), Criterion 3 (internal situation of the country) and Criterion 4 (regional stability) given that any deterioration in the stability of Kyrgyzstan would have had an impact on the security of the region as a whole.

KYRGYZSTAN *(continued)*

The FCO consulted the British Embassy in Astana, its geographical desk and Human Rights and Democracy Department (HRDD) for advice. The Embassy confirmed that the Organisation for Security and Co-operation in Europe (OSCE) Centre in Bishkek had worked closely with the US on the police assistance programme. The OSCE's assessment was that the training programme would better enable the police to deal with disturbances in a more human rights-compliant manner. After senior level discussions direct reassurances were sought from the US State Department that the risks had been properly assessed. This was provided before the licence was approved.

The Parliamentary elections on 10 October passed peacefully. The OSCE's Office for Democratic Institutions & Human Rights noted on 20 December 2010 in its final report that the elections "constituted a further consolidation of the democratic process". The State Department confirmed that US instructors monitored police patrol arrangements on election day and afterwards, and reported that police behaviour was restrained thereby contributing to the calm that prevailed country-wide.

2.5 Arms Trade Treaty

The UK acknowledges that states have an inherent right of self-defence and therefore that responsible trade in arms is legitimate. But the UK is committed to helping to prevent the unregulated and irresponsible trade in conventional arms by securing a robust and effective, legally binding international Arms Trade Treaty (ATT).

The UK wants an ATT to introduce common international standards for the arms trade to prevent weapons ending up in the wrong hands where they can be used for undesirable ends including exacerbating conflict, external aggression and the violation of human rights and international humanitarian law.

Why do we need an Arms Trade Treaty?

An ATT would help to regulate the international trade in conventional arms, setting global, legally binding standards for the arms trade and ensuring greater respect for human rights, international humanitarian law and sustainable development.

It would also close the gaps and address the inconsistencies that exist between the current range of national and regional arms export control mechanisms, helping to stem the flow of weapons to the illicit market and into the hands of terrorists, insurgents and human rights abusers.

The introduction of common international standards for the conventional arms trade would also provide greater certainty for the defence industry because they would have one, globally agreed set of standards to work to.

What has the UK done to take forward an ATT in 2010?

In 2010, the UK continued to play a lead role in international efforts to secure an ATT. Negotiations on the Treaty began at the first UN Preparatory Committee meetings (PrepComs) in New York, in July. The UK played a full and active role in the meetings, which proved a successful start to the negotiations with positive engagement from the majority of UN Member States.

The UK attended a dedicated EU sub-group created to co-ordinate EU Member States' efforts to secure an ATT and continued to hold a range of bilateral and multilateral meetings with key international partners to help achieve the goal of a robust and effective ATT.

Engagement with civil society and industry remained a priority for the UK Government. In 2010, we continued to work with NGOs, faith communities and UK defence industry on ATT. We held a number of meetings with NGO and industry representatives to discuss strategy and technical issues related to the ATT. We also funded a range of NGO activities on the ATT, including research into implementation issues and capacity building to ensure effective engagement by developing states.

We continued our engagement with representatives from the UK's faith communities, hosting meetings and attending the Gothenburg Process in London to discuss progress towards an ATT. We also attended ATT events held by the Geneva Forum and the International Committee of the Red Cross.

2.6 Small Arms and Light Weapons (SALW)

The uncontrolled spread and accumulation of Small Arms and Light Weapons, together with illicit trade in these and other conventional arms, provides no shortage of evidence of the problems the proliferation of these weapons cause.

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

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

The UK also supports the work carried out by the EU as part of their SALW Strategy to combat illicit accumulation and trafficking of SALW and their ammunition. The EU produces six monthly and annual reporting to illustrate the work being done to implement the Strategy (<http://www.consilium.europa.eu/showPage.aspx?id=718&lang=en#Bookmark12>).

At the Fourth Biennial Meeting of States (BMS) in June 2010, States considered the national, regional and global implementation of the UN PoA. The UK attended the 4th BMS having been represented at all three previous BMS's and the UNPoA Review Conference. At the Fourth BMS, the UK called on States to consider the impact that the UNPoA implementation has had on the humanitarian and socio-economic consequences of the illicit trade in SALW, and for States to consider the integration of SALW control programmes into broader conflict prevention, armed violence reduction and development strategies and interventions.

Transparency, which the UK firmly supports, is another component in the overall effort to curb the illicit trade in conventional weapons. Transparent systems are less vulnerable to manipulation by groups that view rigorous export controls as an impediment to their often self-serving goals. To promote transparency, the UK provides details of UK imports and exports of conventional arms annually to the UN Conventional Arms Register (http://disarmament.un.org/UN_REGISTER.NSF) (Annex C).

The UK is working closely with NGOs and international partners and organisations, including the EU and the OSCE, to contribute further to reducing the destabilising effect of SALW. Additionally the FCO is working closely with DFID and MOD partners to; address the long term structural causes of conflict; manage regional and national tension and violence; and support post-conflict reconstruction.

2.7 Cluster Munitions

In December 2008, the UK signed the Convention on Cluster Munitions (CCM), which is recognised as one of the most significant arms control agreements of recent years. It prohibits the use, production, stockpiling and transfer of cluster munitions. The simultaneous ratification by Burkina Faso and Moldova on 16 February 2009 brought the number of ratifications to 30, triggering the Convention's entry into force on 1 August 2010.

On 4 May 2010 the UK became the 32nd country to ratify the Convention. The Convention entered into force for the UK on 1 November 2010. In compliance with Article 9 of the Convention the UK has put in place legislation to give effect in domestic law to the Convention's prohibitions: the Cluster Munitions (Prohibitions) Act received Royal Assent on 25 March 2010, entering into force with immediate effect.

This legislation operates alongside the Export Control Order 2008, under which cluster munitions will remain in Category A. On the Bill's introduction, guidance for industry was issued, which is available on the Department for Business, Innovation and Skills website <http://www.bis.gov.uk/assets/biscore/eco/docs/notices-to-exporters/2010/nte201015.doc>.

2.8 Wassenaar Arrangement (WA)

The 16th Plenary Meeting of the WA was held in Vienna in December 2010. Delegates discussed the issue of the forthcoming WA Assessment Year, the continuing issue of "Destabilising Accumulation of Conventional Weapons", the new Best Practice Guide on Controlling the Transfer of Man Portable Air Defence Systems, and outreach activities.

The Plenary discussed the structure of the 2011 Assessment Year and the four specific Task Force areas of Strategic Issues, Control Lists, Best Practice and Outreach/Membership/Industry. The Assessment Year aims to assess the strengths as weaknesses of the Wassenaar Arrangement with the aim of working towards making sure the Regime is best placed to take on future challenges to regional and international security and stability posed by the Destabilising Accumulation of Conventional Weapons.

The UK plans to play a full and leading role in the Assessment Year process. The UK will particularly focus on key areas such as regional information exchange, the Destabilising Accumulation of conventional arms, Expert Group's work on Control Lists, dissemination of best practice through Outreach and future membership of the regime.

The WA continues to place a high priority on transparency and outreach to non-participating states and international organisations, with the aim of promoting robust export controls throughout the world.

The Plenary also agreed to a number of changes to the WA control lists. These included changes to entries for cryptographic equipment. UK experts continue to play a leading part in the Technical Working Groups.

WA General Working Group Meetings will take place in February, May and October 2011, ahead of the next WA Plenary meeting in Vienna in December 2011. For further information see <http://www.wassenaar.org/>.

2.9 UN Register of Conventional Arms

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

The UK reports annually to the UN on all exports of military equipment in these categories and will again provide this information by June 2011 (Annex C). Whilst all reporting to the UN Register is voluntary, the UK continues to view regular and comprehensive reporting as important, and actively encourages all UN member states to participate with similar levels of transparency.

2.10 Nuclear Suppliers Group (NSG)

Since its foundation in 1975, the NSG has sought to reduce global nuclear proliferation by controlling the export and re-transfer of materials that may be applicable to nuclear weapons development. It also promotes effective safeguards and the protection of existing nuclear materials. The NSG has 46 members.

The 20th Plenary meeting of the NSG took place in Christchurch on 24 and 25 June 2010. The Plenary took stock of developments since the last meeting in Budapest in 2009. Participating Governments emphasized that challenges remain to the international nuclear non-proliferation regime.

Within the framework of the NSG's mandate, concerns were shared about the proliferation implications of the nuclear tests announced by the Democratic People's Republic of Korea (DPRK) and the implications of Iran's nuclear programme. The NSG reiterated its long-standing support for diplomatic efforts for the solution to the Iranian nuclear issue and for the solution to the DPRK nuclear issue in a peaceful manner.

Participating Governments agreed to continue considering ways to further strengthen guidelines dealing with the transfer of enrichment and reprocessing technologies.

The NSG emphasised the importance of keeping its lists up to date with technological developments and agreed to establish a technical group for a fundamental review of these lists.

The NSG continued to consider the implementation of the Statement on Civil Nuclear Cooperation with India. It noted actions taken to adhere to the NSG guidelines and the voluntary commitments made by India.

The 24th Consultative Group (CG) meeting of the NSG was held in Vienna in November 2010. The CG conducted further discussions on the Guidelines covering special controls on sensitive exports and controls on exports of enrichment facilities, equipment and technology. The CG also received updates from members on their engagement with India and updates from technical working groups. UK experts continue to support the work of technical working groups to ensure that the NSG Trigger and Dual-Use Lists are kept up to date.

The 2011 Plenary will be held in Noordwijk, Holland from the 20th-24th of June.

2.11 Academic Technology Approval Scheme

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

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

The scheme makes a small but significant contribution to UK counter proliferation efforts. Since the introduction of the scheme in 2007 there have been over 32,000 applications processed, of which 343 have had to be refused.

2.12 Australia Group

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

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

The UK is one of the most active participating governments within the Group and a major contributor to technical proposals, adopted by consensus, that ensure that the Group's control lists are kept up to date. Cooperation under the CWC and BTWC is the key to defeating the threat of chemical and biological weapons. By working through the Australia Group, the export of materials that could be used to produce chemical and biological weapons are monitored and better controlled, helping to prevent them from falling into the hands of proliferators and terrorists.

2.13 Missile Technology Control Regime (MTCR)

MTCR is a voluntary association of countries who work together through the coordination of export licensing efforts to prevent the proliferation of WMD capable unmanned delivery systems. The UK continues to provide leadership at the MTCR Technical Working Group.

The last MTCR Plenary was held in Rio de Janeiro in November 2009. At this meeting, the 34 Partners discussed the threat posed by the Iranian and North Korean missile programs and re-affirmed their commitment to conduct outreach visits to key technology holders outside of the regime. Additional materials and systems were added to the controlled goods list as a response to developments in the use of relevant technology.

Since the Plenary, the UK has hosted an intersessional technical meeting that updated the list of controlled technologies and materials in order to keep the regime relevant and effective. The next Plenary will be held in Buenos Aires in Argentina in April 2011.

2.14 Export Control Outreach

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

In 2010, we undertook significant outreach work with Pakistan in the field of export and trade controls. This included hosting an outreach event in London to work with customs and licensing officials on identifying controlled goods. This work complements ongoing work to advise Pakistan on improving their export control legislation.

We also worked closely with the EU on outreach to China. This multilateral effort allows us to make use of experts across the EU who can bring their own national perspectives to the discussions. This included jointly hosting an outreach event in London with the EU, to work with Chinese customs and licensing officials on export and trade controls. Initial plans have also been put in place to run similar events in Malaysia, UAE and the Balkans in 2011.

The UK's focus on export licensing outreach is designed to demonstrate the counter proliferation benefits of export controls and the positive effects they can have on domestic industry. Establishing a strong international reputation for export controls allows a country greater access to world markets and contributes significantly to counter-proliferation efforts. The UK sees outreach as a key step in halting the spread of proliferation networks and we continue to work closely with international partners on such programmes.

2.15 Gifted Equipment

The UK may agree to gift new and surplus equipment to overseas governments in support of wider security and foreign policy aims. All gifting proposals are assessed against the Consolidated EU and National Arms Export Licensing Criteria by relevant Government departments. Where gifts are approved, the transfer of the equipment from the UK takes place under Crown immunity. The list of gifts approved by the Government in 2010 is set out below in Table [2.4].

Table 2.4 Equipment gifted by the Government in 2010

Country	Recipient	Total cost	Description
Algeria	Group d'Intervention Special	£32,976.85	EOD Equipment
Bangladesh	Government of Bangladesh	Under £100,000.00	Two Judgemental Video Training Suites
Brazil	Aerospace Museum	£7,000.00	One Jaguar Aircraft
Guinea-Bissau	Cleared Ground Demining	£55,533.00	One Personnel Carrier and Mine Detector Equipment
Iraq	Ministry of Interior	£242,857.30	Laboratory Equipment
Morocco	Moroccan Air Force	£20,000.00	Fuel Supply Equipment
Pakistan	Government of Pakistan	£3,200,000.00	Bespoke CIED Cabins
	Military College of Engineering	£49,246.15	EOD, Photographic and Communications Equipment
Palestinian National Authority	Palestinian Civil Defence	£130,000.00	Mobile Communications and Rescue Equipment
Poland	Polish Aviation Museum	£5,000.00	One Harrier GR3 Aircraft
Rwanda	Rwandan Army	£18,000.00	Equipment for the destruction of small arms and light weapons
Sierra Leone	Sierra Leone Police	£44,260.00	Body Armour
Somalia	AMISOM	£15,250.00	Demining Equipment
Somaliland ¹	Ministry of Interior	£83,300.00	Vehicles and Spares Vehicle Fits Mobile Phone Handsets and Chargers 450 AK47s and 180,000 Rounds of Ammunition
Uganda	Ministry of Internal Affairs	£12,000.00	Equipment for the destruction of small arms and light weapons
	Ugandan Peoples Defence Force	£178,6000.00	Body Armour and Health and Safety Equipment
Uruguay	ADES	£10,000.00	One Life Boat
	Ministry of Defence	£100,000.00	One Small Arms Trainer
Yemen ²	Government of Yemen	£250,000.00	Law Enforcement Equipment

1 The gifting of weapons and ammunition forms part of our support to Security Sector Reform in Somaliland and was approved by the sanctions committee.

2 This gifting of security equipment forms part of our normal defence relationship with Yemen. This focuses on providing assistance that is compliant with the Laws of Armed Conflict and promotes the non-lethal use of force.

Section 3

Export Licensing Decisions During 2010

3.1 Background to export licence decisions

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

- Exports of items listed in Schedule 2 of the Export Control Order 2008 (the UK Military List).
- Exports of items listed in Schedule 3 of the Export Control Order 2008 (UK Dual-Use List).
- Trade activities as specified in Articles 20 – 25 of the Export Control Order 2008. The three risk-based categories of goods (A, B and C) are specified in Article 2 and Schedule 1 of the Export Control Order 2008, and “embargoed destinations” are specified in Parts 1 and 2 of Schedule 4 of the Export Control Order 2008.
- The provision of technical assistance is controlled where the provider knows or has been made aware that the technical assistance will be used for “WMD Purposes”³ outside the EU.
- Items that the exporter has been told, knows or suspects are or may be intended for “WMD Purposes”. This is the “WMD end-use” or “catch-all” control and goods controlled for these reasons are given the rating “End-Use”.
- The transfer of technology by any means is controlled where the person making the transfer knows or has been made aware that the technology is for “WMD Purposes” outside the EU.
- Exports of items listed in Council Regulation (EC) 428/2009 (The Dual-Use Regulation) setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.
- Brokering services or items listed in Annex I of the Dual-Use Regulation where the broker has been informed by the competent authorities of the Member State where he is established that the items are or may be intended for “WMD Purposes”. If the broker is aware of such an end use the broker must contact the relevant national authorities who will decide whether or not it is expedient to make the transaction subject to a licence.
- Exports of items entered in Council Regulation (EC) 1236/2005 (the “torture” Regulation) setting up a Community Regime concerning trade in certain equipment and products which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment.
- Components or production equipment that the exporter has been told, knows or suspects are or may be intended for a military end-use⁴ in a country subject to certain types of arms embargo, or for use as parts or components of military list items which have been exported in breach of United Kingdom export controls. This is the “Military End-Use” control.
- Transit or transshipment of controlled items through the UK as set out in Article 17 of the Export Control Order 2008.

³ “WMD Purposes” means use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or the development, production, maintenance or storage of missiles capable of delivering such weapons.

⁴ i.e. a: incorporation into military items listed in the military list;
b: use of production, test or analytical equipment and components therefore, for the development, production or maintenance of military list items; or
c: use of any unfinished products in a plant for the production of military list items.

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

Notes on Refusals Data

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

General Note on Licensing Data

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

Data about the SIELs, SITLs, OIELs, SITCLs, and OITCLs, granted, refused and revoked during 2010 is available via the new Strategic Export Controls: Reports and Statistics Website <https://www.exportcontroldb.berr.gov.uk/>.

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

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

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

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

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

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

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

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

Information on licences processed during 2010:

Table 3.1 Number of SIELs:	2010
Issued	12933
Revoked	0
Refused	295
NLR*	1519
Withdrawn/Stopped**	2188

* No Licence Required

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

Table 3.2 Number of SITLs:	2010
Issued	12
Revoked	0
Refused	1
NLR	0
Withdrawn/Stopped	8

Table 3.3 Number of OIELs***:	2010
Issued	242
Revoked/Reduced	0
Rejected/Removed****	27
NLR	4
Withdrawn, Stopped or Unsuitable (where an exporter does not meet the criteria for an OIEL)	144

*** includes Dealer to Dealer OIELs

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

Table 3.4 Number of SITCLs:	2010
Issued	101
Revoked	0
Refused	4
NLTR*****	3
Withdrawn/Stopped	97

***** No Trade Licence Required

Table 3.5 Number of OITCLs:	2010
Issued	14
Revoked	0
Refused	3
NLTR	0
Withdrawn/Stopped	24

3.3 Information on SIELS, SITLS, OIELS, SITCLs and OITCLs

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

For SIELs:

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

For Incorporation:

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

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

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

For SITLs:

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

For OIELs:

- The number of licences issued, refused or revoked. A (T) indicates a Temporary export licence.
- As OIELs cover multiple shipments of specified goods to specified destinations or specified consignees,

exporters holding OIELs are not asked to provide details of the value of goods they propose to ship and it is therefore not possible to provide information on the total value of goods licensed under OIELs issued.

For SITCLs:

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

For OITCLs:

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

Special OIELs:

There are four special categories of OIELs:

Media OIELs

Media OIELs authorise the export of protective clothing and equipment, mainly for the protection of aid agency workers and journalists, in areas of conflict. In addition to military helmets and body armour, the OIELs include NBC protective items, non-military 4WD civilian vehicles with ballistic protection and specially designed components for any of these items. The OIELs permit these items to be exported to all destinations on a temporary basis only, i.e. the items must be returned to the United Kingdom when no longer required. None were issued in 2010.

Continental Shelf OIELs

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

Cryptographic OIELs

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

Global Project Licences

Global Project Licences (GPLs) are a form of licence introduced by Framework Agreement (FA) partners (France, Germany, Italy, Spain, Sweden and the UK) to streamline the arrangements for licensing military goods and technologies between FA Partners where these transfers relate to their participation in specific collaborative defence projects. In relation to the collaborative project, each Partner State will, as appropriate, issue their own GPLs to permit transfers of specified goods and technology where these are required for that programme. The GPLs operate on a similar basis to UK Open Individual Export Licences, and applications for GPLs are assessed against the Consolidated Criteria in the UK, and against the EU Common Position in other Framework Partner countries. None were issued in 2010.

3.4 Transfer of Technology and Technical Assistance Licences

OIELs and SIELs:

These licences are issued for the transfer of technology and provision of technical assistance under Articles 19 of the Export Control Order 2008, as amended. During this reporting period nine such OIELs were issued, none were refused, revoked, or rated as no licence required. Three such SIELs were issued, one refused and none were revoked or rated as no licence required.

3.5 Refusals and revocations

There were 299 refusals or revocations of SIELs and SITCLs in 2010. Within the information relating to each destination, refusals and revocations for both Military and Dual Use goods are grouped by reference to the Rating (control entry) and, where applicable, the Consolidated EU and National Arms Export Licensing Criteria (attached at Annex A) which justified their refusal. In addition, table 3.6 gives a consolidated overview of the number of times each Criterion was used to refuse an export licence application to all destination countries. In a number of cases, the refusals/revocations were made for more than one reason; therefore the Criteria that are quoted may exceed the number of refused cases.

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

Reason*	Number
Criterion 1 – UK’s international obligations and commitments under non-proliferation Treaties and Conventions and export control regimes, particularly with regard to proliferation of weapons of mass destruction or ballistic missiles.	156
Criterion 1 – UK’s commitments and obligations to observe UN, EU or OSCE arms embargoes.	5
Criterion 1 – Existence of national embargoes or policy commitments.	64
Criterion 1 – UK’s obligations under the Ottawa Convention and the 1998 Land Mines Act.	0
Criterion 2 – Risk of use for internal repression.	26
Criterion 3 – Risk of contributing to internal tensions or conflict in the recipient country.	14
Criterion 4 – Preservation of regional stability.	0
Criterion 5 – National security of the UK, of allies, EU Member States and other friendly countries.	10
Criterion 6 – Behaviour of the buyer country with regard to the international community.	1
Criterion 7 – Risk of diversion or re-export to undesirable end-users.	50
Criterion 8 – Compatibility of the arms exports with the technical and economic capacity of the recipient country.	1

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

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

3.6 Appeals

This section provides information on all appeals against a decision to refuse an application for a SIEL or SITCL, or against a decision to revoke a SIEL or SITCL. An appeal is featured based upon the date of the appeal, not the date of the original licence application. During 2010, the government processed 51% of appeals within 20 working days from receipt of all relevant information from the appellant and 93% in 60 working days. Decisions to refuse licences are not taken lightly, and only in those cases where refusal is clearly justified is a decision taken to refuse. In this context, appeals against refusals will often raise difficult and complex issues. Appeals are considered at an independent and more senior level than the original licence application, and any new information not available at the time of the application will be taken into account. Every effort is made to deal with all appeals as expeditiously as possible. However, the time taken to decide an appeal can be lengthy due to the need to examine afresh all relevant information.

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

In total, there were 59 appeals against the original decision to refuse an application for a SIEL, and none against the decision to refuse a SITCL, completed in 2010. The appeals against the original decisions on 57 applications were refused; the appeals against the original decisions on two applications were upheld.

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

3.7 Open General Export Licences (OGELs)

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

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

Table 3.7 List of Open General Export Licence

	Name	Made	Into Force	Revoked
1.	Military Goods: Government or Nato End-Use	11.06.08 18.03.09 22.03.10 06.10.10	20.06.08 06.04.09 26.03.10 15.10.10	06.04.09 26.03.10 15.10.10
2.	Military Components	11.06.08 18.03.09 22.03.10	20.06.08 06.04.09 26.03.10	06.04.09 26.03.10
3.	Technology for Military Goods	11.06.08 18.03.09 20.11.09 08.01.10 22.03.10	20.06.08 06.04.09 30.11.09 15.01.10 26.03.10	06.04.09 30.11.09 15.01.10 26.03.10
4.	Export After Repair/replacement under warranty: Military Goods	11.06.08 11.12.08 18.03.09 20.11.09 08.01.10 22.03.10	20.06.08 02.01.09 06.04.09 30.11.09 15.01.10 26.03.10	02.01.09 06.04.09 30.11.09 15.01.10 26.03.10
5.	Export After Exhibition or Demonstration: Military Goods	11.06.08 11.12.08 18.03.09 20.11.09 08.01.10 22.03.10	20.06.08 02.01.09 06.04.09 30.11.09 15.01.10 26.03.10	02.01.09 06.04.09 30.11.09 15.01.10 26.03.10
6.	Export for Exhibition: Military Goods	11.06.08 18.03.09 22.03.10	20.06.08 06.04.09 26.03.10	06.04.09 26.03.10
7.	Military Surplus Vehicles	29.09.06 18.03.09 20.11.09 08.01.10 21.05.10	02.10.06 06.04.09 30.11.09 15.01.10 04.06.10	06.04.09 30.11.09 15.01.10 04.06.10
8.	Export For Repair/Replacement Under Warranty: Military Goods	11.06.08 18.03.09 20.11.09 08.01.10 22.03.10	20.06.08 06.04.09 30.11.09 15.01.10 26.03.10	06.04.09 30.11.09 15.01.10 26.03.10
9.	Historic Military Goods	11.06.08 18.03.09	20.06.08 06.04.09	06.04.09
10.	Vintage Aircraft	01.05.04 18.03.09	01.05.04 06.04.09	06.04.09
11.	Accompanied Personal Effects: Sporting Firearms	01.05.04 18.03.09	01.05.04 06.04.09	06.04.09
12.	Military Goods: For Demonstration	24.05.07 18.03.09 20.11.09 08.01.10 22.03.10	11.06.07 06.04.09 30.11.09 15.01.10 26.03.10	06.04.09 30.11.09 15.01.10 26.03.10

Table 3.7 List of Open General Export Licence (continued)

	Name	Made	Into Force	Revoked
13.	Exports or transfers in support of UK Government Defence contracts	11.06.08 18.03.09 22.03.10	20.06.08 06.04.09 26.03.10	06.04.09 26.03.10
14.	Access overseas to Software and Technology for Military Goods: Individual Use Only	11.06.08 18.03.09 20.11.09 22.03.10	20.06.08 06.04.09 30.11.09 26.03.10	06.04.09 30.11.09 26.03.10
15.	Military and dual-use Goods: UK Forces Deployed in non-embargoed destinations	11.06.08 30.03.09 20.11.09 22.03.10	20.06.08 06.04.09 30.11.09 26.03.10	06.04.09 30.11.09 26.03.10
16.	Military and dual-use Goods: UK Forces Deployed in embargoed destinations	11.06.08 31.03.09 22.03.10	20.06.08 06.04.09 26.03.10	06.04.09 26.03.10
17.	Turkey	01.05.04 11.12.08 18.03.09 12.08.09	01.05.04 02.01.09 06.04.09 27.08.09	02.01.09 06.04.09 27.08.09
18.	Computers	04.04.07 18.03.09	23.04.07 06.04.09	06.04.09 30.09.09
19.	Technology for Dual-Use Items	01.05.04 11.12.08 18.03.09 12.08.09 08.01.10	01.05.04 02.01.09 06.04.09 27.08.09 15.01.10	02.01.09 06.04.09 27.08.09 15.01.10
20.	Export After Repair/replacement Under warranty: Dual-Use Items	01.05.04 11.12.08 18.03.09 12.08.09 08.01.10 21.04.10	01.05.04 02.01.09 06.04.09 27.08.09 15.01.10 30.04.10	02.01.09 06.04.09 27.08.09 15.01.10 30.04.10
21.	Export After Exhibition: Dual-Use Items	04.04.07 11.12.08 18.03.09 12.08.09 08.01.10 21.04.10	23.04.07 02.01.09 06.04.09 27.08.09 15.01.10 30.04.10	02.01.09 06.04.09 27.08.09 15.01.10 30.04.10
22.	Low Value Shipments	01.05.04 11.12.08 18.03.09 12.08.09 08.01.10	01.05.04 02.01.09 06.04.09 27.08.09 15.01.10	02.01.09 06.04.09 27.08.09 15.01.10
23.	Specified dual-use items	11.06.08 18.03.09 12.08.09 08.01.10	20.06.08 06.04.09 27.08.09 15.01.10	06.04.09 27.08.09 15.01.10

Table 3.7 List of Open General Export Licence (continued)

	Name	Made	Into Force	Revoked
24.	Chemicals	11.06.08 18.03.09 12.08.09	20.06.08 06.04.09 27.08.09	06.04.09 27.08.09
25.	Export For Repair/Replacement under Warranty: Dual-Use Items	04.04.07 11.12.08 18.03.09 12.08.09 08.01.10 21.04.10	23.04.07 02.01.09 06.04.09 27.08.09 15.01.10 30.04.10	02.01.09 06.04.09 27.08.09 15.01.10 30.04.10
26.	Cryptographic Development	04.04.07 11.12.08 18.03.09 12.08.09 21.04.10	23.04.07 02.01.09 06.04.09 27.08.09 30.04.10	02.01.09 06.04.09 27.08.09 30.04.10
27.	Dual-Use Items: Hong Kong Special Administrative Region (HKSAR)	07.03.05 11.12.08 18.03.09 12.08.09	11.03.05 02.01.09 06.04.09 27.08.09	02.01.09 06.04.09 27.08.09
28.	Oil and Gas Exploration: Dual-Use Items	04.04.07 11.12.08 18.03.09 12.08.09 21.04.10	23.04.07 02.01.09 06.04.09 27.08.09 30.04.10	02.01.09 06.04.09 27.08.09 30.04.10
29.	OGTL (Dual-Use Goods: HKSAR)	04.04.07 11.12.08 18.03.09	23.04.07 02.01.09 06.04.09	02.01.09 06.04.09
30.	Open General Transshipment Licence	11.06.08 11.12.08 18.03.09 20.11.09 22.03.10	20.06.08 02.01.09 06.04.09 30.11.09 26.03.10	02.01.09 06.04.09 30.11.09 26.03.10
31.	Open General Transshipment Licence (Sporting Guns)	04.04.07 18.03.09 20.11.09	23.04.07 06.04.09 30.11.09	06.04.09 30.11.09
32.	Open General Transshipment Licence (Postal Packets)	04.04.07 18.03.09	23.04.07 06.04.09	06.04.09
33.	Open General Trade Control Licence (Category C Goods)	25.09.08 26.03.09 08.01.10	01.10.08 06.04.09 15.01.10	06.04.09 15.01.10
34.	Software and Source Code for Military Goods	11.06.08 18.03.09 20.11.09 22.03.10	20.06.08 06.04.09 30.11.09 26.03.10	06.04.09 30.11.09 26.03.10
35.	Exports of non-lethal military and Dual-use goods: To UK Diplomatic Missions or Consular Posts	11.06.08 11.12.08 18.03.09 12.10.10	20.06.08 02.01.09 06.04.09 22.10.10	02.01.09 06.04.09 22.10.10

Table 3.7 List of Open General Export Licence (continued)

	Name	Made	Into Force	Revoked
36.	Open General Trade Control Licence (Small Arms)	25.09.08 26.03.09	01.10.08 06.04.09	06.04.09
37.	Historic Military Vehicles and Artillery Pieces (Named 'Vintage Military Vehicles' until amended on 01.11.09)	26.05.09 26.10.09	26.05.09 01.11.09	01.11.09
38.	Cryptography	14.10.10	22.10.10	
39.	Military Goods	06.10.10	15.10.10	
40.	Military Goods: Collaborative Project Typhoon	11.08.10	27.08.10	

3.8 Performance in processing licence applications

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

Table 3.8

SIELs Processing Performance	2010	2009	2008
Number Finalised (with % increase on previous year)	16,723 (+18%)	14,187 (+11%)	12,729 (+32%)
Finalised within 20 working days	63%	73%	73%
Finalised within 60 working days	94%	94%	95%

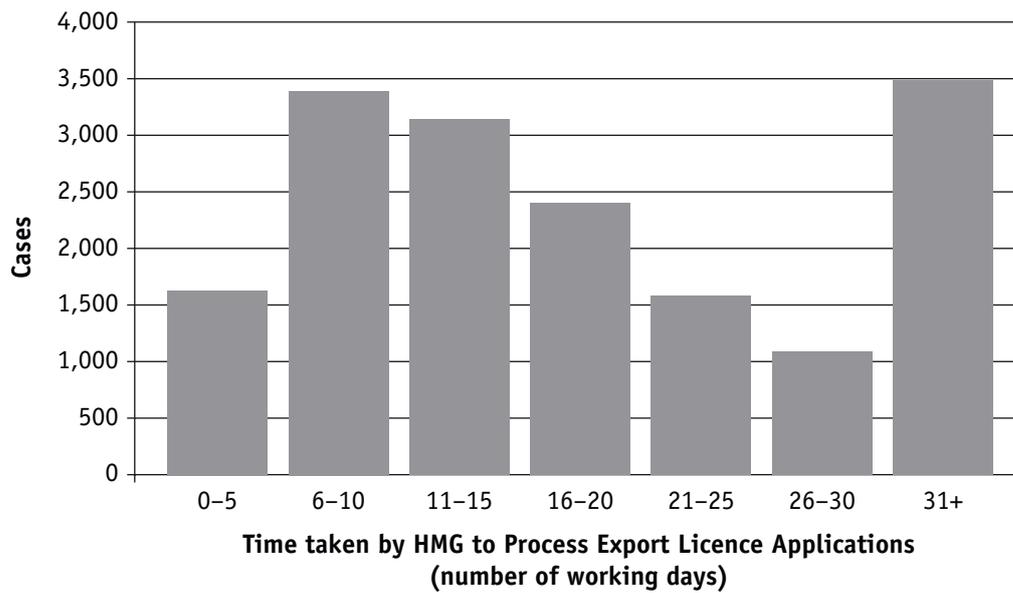
The performance target for SITCLs is to provide a response within 20 working days, and 60% of all SITCL applications were dealt with within this target.

The targets do not apply to applications for:

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

Rating requests

Where full technical specifications are provided, the Export Control Organisation also responds to requests from exporters for advice on whether or not a licence is required to export specific goods. During 2010, 3,270 such requests were received. 34% of these were completed within our published target time of ten working days or twenty in cases where consultation with colleagues in other Government Departments is necessary.

Table 3.9 Time taken by HMG to process export licence applications**Table 3.10 Appeals performance**

Appeals Performance	2010	2009	2008
Appeals finalised within 20 working days	51%	68%	69%
Appeals finalised within 60 working days	93%	91%	90%

The Government has a target of processing 60% of appeals within 20 working days from receipt of all relevant information from the appellant and 95% in 60 working days. These targets do not apply to appeals concerning goods that are controlled solely because of UN Sanctions. Of the 59 appeals decided in 2010, none fell into this category.

Section 4

Military Equipment

4.1 Government to Government Exports Disposals

The Government disposes of certain military equipment that is surplus to the requirements of the UK Armed Forces. Such disposals are arranged by the Ministry of Defence's (MOD) Disposal Services Authority (DSA). UK export licensing coverage for these is obtained either by industry or by the customer. Tables 4.1 and 4.2 give, by destination, the equipment type and quantity of such exports in 2010.

Table 4.1 Disposals

Country	Type of Equipment	Quantity
Belgium	Military helicopter spares	-
Brazil	Naval spares	-
Bangladesh	HMS Dumbarton	1
	HMS Leeds Castle	1
	HMS Roebuck	1
Denmark	Military helicopter spares	-
Chile	Naval spares	-
Germany	Military helicopter spares	-
Jordan	Saxon vehicles	12
Netherlands	Military helicopter and ground support spares	-
Norway	Military helicopter spares	-
Romania	Naval spares	-
Saudi Arabia	Military aircraft spares	-

Other Overseas Transfers

Table 4.2 Other Overseas Transfers

Country	Type of Equipment	Quantity
Turkey	Royal Fleet Auxiliary Oakleaf sold to Leyal Ship Recycling, Turkey (for recycling)	1

Government-to-Government projects

The Government has an agreement with the Government of Saudi Arabia for the supply of equipment and services.

Saudi Arabia – The UK's main Government-to-Government supply agreement is with the Kingdom of Saudi Arabia. This has provided for the supply of Typhoon, Tornado, Hawk and PC-9 aircraft and mine countermeasure vessels with their associated weapons, in-service support and facilities. During 2010, the UK has continued to provide substantial support for equipment already in service. Deliveries of Typhoon aircraft to the Royal Saudi Air Force have continued under arrangements for the eventual supply of 72 Typhoon to Saudi Arabia.

Kuwait – There was also a Government-to-Government supply agreement in place with Kuwait. It covered refurbished and repaired Hawk engines and modules, support to the Starburst and Sea Skua missile systems and Wargame Support Services. The supply agreement completed and the project office closed in March 2010.

Table 4.3 is a summary of exports that arose in 2010 from activity by the MOD project offices for Saudi Arabia and Kuwait. All goods were exported under export licence obtained by industry. Where a Standard Individual Export Licence (SIEL) was issued that information is included in Section 3 of this Report and the corresponding Quarterly Report.

Government-to-Government transfers of equipment between 1 January and 31 December 2010

Government-to-Government projects

Table 4.3 Government-to-Government Projects		
Country	Type of Equipment	Quantity
Kuwait	Refurbished and repaired Hawk engines and modules, Starburst and Sea Skua missile system support and Wargame Support Services	-
Saudi Arabia	Typhoon aircraft and initial in-service support.	10
	Components, repair and re-provisioning for aircraft and their systems.	-
	Components, repair and provisioning for naval vessels and their systems.	-

Annex A

The Consolidated EU and National Arms Export Licensing Criteria

26 Oct 2000 : Column: 200W

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

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

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

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

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

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

not be applied mechanistically but on a case-by-case basis, using judgment and commonsense. Neither the fact of this consolidation, nor any minor additions or amendments to the wording of the two sets of criteria used before, should be taken to imply any change in policy or in its application.

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

CRITERION ONE

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

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

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

CRITERION TWO

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

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

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

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

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

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

CRITERION THREE

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

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

CRITERION FOUR

Preservation of regional peace, security and stability.

The Government will not issue an export licence if there is a clear risk that the intended recipient would use the proposed export aggressively against another country, or

to assert by force a territorial claim. However, a purely theoretical possibility that the items concerned might be used in the future against another state will not of itself lead to a licence being refused.

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

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

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

CRITERION FIVE

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

The Government will take into account:

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

CRITERION SIX

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

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

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

CRITERION SEVEN

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

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

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

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

CRITERION EIGHT

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

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

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

OTHER FACTORS

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

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

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

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

Annex B

International Development Association Borrowers

Africa

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

East Asia

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

Europe and Central Asia

Armenia
Azerbaijan
Bosnia-Herzegovina
Georgia
Kosovo
Kyrgyz Republic
Moldova
Tajikistan
Uzbekistan

Latin America and Caribbean

Bolivia
Guyana
Haiti
Honduras
Nicaragua
Dominica
Grenada
St Lucia
St Vincent

Middle East and North Africa

Djibouti
Yemen, Republic of

South Asia

Afghanistan
Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

Annex C

Information Required for the UN Register of Conventional Arms

Standardized form for reporting international transfers of conventional arms (exports)^a



EXPORTS

Report of international conventional arms transfers

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

Reporting country: United Kingdom

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

Calendar year: 2010

A		B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
Category (I-VII)		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
I.	Battle tanks	Finland	1			T55AM2	Demilitarised
		France	1			Chieftain	
		Netherlands	1			Charioteer	

A		B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
Category (I-VII)		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
II.	Armoured combat vehicles	Australia	1			Ferret	
		Greece	1			Fv433	
		Greece	1			Fv439	
		Netherlands	3			FV439	
		Sweden	5			CV90	
		USA	4			Ferret	
		USA	1			Scorpion	
		USA	2			Sabre CVR(T)	
		USA	1			Morris Recce	
III.	Large-calibre artillery systems						
IV.	Combat aircraft	Malta	1			Canberra T4	
		Greece	1			Sea Harrier	
		USA	1			Spitfire	
		Canada	1			Hawk Hunter	
V.	Attack helicopters	Algeria	4			Lynx 300	
		Algeria	6			EH101	
		Greece	1			Westland Wessex	
		Netherlands	1			Mi-24D	
		New Zealand	1			Westland Scout	
		New Zealand	1			Sauders Roe	
VI.	Warships						
VII.	Missiles and missile launchers ^d	Germany	1			Alarm	
		France	3			Storm Shadow	
		South Africa	49			Starstreak	

National criteria on transfers: _____

^{a b c d} See explanatory notes.

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

Statistics on exports of weapons and small arms in 2010.

Information on international transfers of small arms and light weapons^{a,b} (exports)



EXPORTS

Reporting country: United Kingdom

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

Calendar year: 2010

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
	Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
SMALL ARMS						
1.	Revolvers and self-loading pistols	Australia Canada Chile Hong Kong Iraq Jordan Kenya Mauritius Netherlands New Zealand Norway Pakistan Spain Switzerland UAE – Abu Dhabi United States	11 1 1 2 50 500 6 25 1 8 10 1 3 1 10 81			Pistol

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
1.	Revolvers and self-loading pistols (continued)	Afghanistan	15			Semi-Automatic Pistol	
		Austria	1				
		Barbados	25				
		Belgium	40				
		Brazil	6				
		Bulgaria	1				
		Canada	2000				
		Djibouti	60				
		Finland	1				
		France	1				
		Ghana	500				
		Haiti	15				
		Hong Kong	8				
		India	1				
		Italy	1				
		Jordan	64				
		Kenya	27				
		Lesotho	55				
		Malta	30				
		New Zealand	11				
		Oman	20				
		Pakistan	4				
		Panama	5				
		Seychelles	28				
		Spain	1				
		Switzerland	29				
		Trinidad and Tobago	3				
		Turkey	7				
		United States	1301				
		Zambia	4				
		Malta	1			Sporting Pistol	
		New Zealand	1				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
1.	Revolvers and self-loading pistols (continued)	Barbados Belgium Canada France Italy Malta Netherlands New Zealand Norway Poland United States	30 128 1 4 2 26 1 2 4 1 1			Revolver	
2.	Rifles and carbines					Automatic rifles	
		Australia Canada Finland Italy New Zealand Portugal Serbia Spain USA	5 2 1 1 1 1 1 1 2			Combination rifle shotguns	

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
	Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2.	Rifles and carbines (continued)	Afghanistan 120 Australia 12 Bahrain 1 Belgium 43 Canada 16782 Denmark 2 Djibouti 10 Germany 2 Greece 5 Hong Kong 94 Indonesia 31 Ireland 6 Italy 2 Japan 202 Jordan 14 Kenya 3 Moldova 1 Netherlands 15 New Zealand 19 Norway 10 South Africa 1 Spain 38 Sweden 2 Tanzania 1 USA 6006			Rifles	

A		B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2.	Rifles and carbines (continued)	Argentina	1				
		Australia	29				
		Austria	3				
		Bahrain	6				
		Barbados	2				
		Belgium	5				
		Canada	19				
		Cayman Islands	1				
		Chile	1				
		Cyprus	41				
		Denmark	19				
		Dominican Republic	20				
		Estonia	1				
		Finland	7				
		France	1				
		Germany	65				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2.	Rifles and carbines (continued)	Greece	5			Shotguns	
		Haiti	15				
		Ireland	13				
		Italy	35				
		Jamaica	13				
		Jordan	50				
		Luxembourg	2				
		Mauritius	8				
		Moldova	4				
		Netherlands	30				
		New Zealand	7				
		Norway	130				
		Pakistan	70				
		Portugal	10				
		Qatar	2				
		Russia	13				
		San Marino	1				
		Serbia	56				
		Singapore	3				
		Slovakia	1				
		South Africa	31				
		Spain	7				
		St Helena	6				
		Sweden	9				
		Switzerland	14				
		Tanzania	4				
		Thailand	1				
		UAE	1				
		Ukraine	1				
		USA	68				
		Zambia	1				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2.	Rifles and carbines (continued)	Argentina	27				
		Australia	58				
		Austria	2				
		Bahrain	10				
		Barbados	3				
		Belarus	1				
		Belgium	4				
		Botswana	1				
		Brazil	8				
		Bulgaria	5				
		Canada	27				
		Cyprus	4				
		Czech Republic	2				
		Denmark	6				
		Djibouti	12				
		Finland	5				
		France	17				
		Georgia	14				
		Germany	164				
		India	5				
		Ireland	17				
		Italy	25				
		Kazakhstan	1				
		Kuwait	12				
		Luxembourg	2				
		Malawi	2				
		Moldova	6				
		Mozambique	3				
		Nepal	1				
		Netherlands	10				
		New Zealand	99				
		Norway	5				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
	Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer	
2.	Rifles and carbines (continued)	Oman Pakistan Paraguay Portugal Puerto Rico Qatar Russia Saudi Arabia Serbia Slovenia South Africa Spain St Helena Sweden Switzerland Tanzania Thailand UAE Ukraine United States Uzbekistan Zambia	4 1 35 7 1 2 530 1 46 1 1103 40 15 1 10 5 1 6 150 3545 2 3			Sporting Rifle	

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
2.	Rifles and carbines (continued)	Australia	6				
		Austria	3				
		Belgium	3				
		Brazil	1				
		Canada	110				
		Cyprus	1				
		Denmark	2				
		Djibouti	11				
		Falkland Islands	1				
		France	2				
		Germany	6				
		Ghana	10				
		Hong Kong	1				
		Indonesia	10				
		Ireland	60				
		Italy	1				
		Jordan	135				
		Libya	1				
		Mauritius	4				
		Mexico	8				
		Netherlands	67				
		New Zealand	257				
		Norway	4				
		Oman	94				
		Peru	139				
		Poland	12				
		Russia	15				
		Saudi Arabia	5				
		Slovakia	1				
		South Africa	6				
		Spain	18				
		Switzerland	1				
		Thailand	2			Sniper Rifle	
		Ukraine	6				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
3.	Sub-machine guns	Bahrain	5			Sub Machine Gun	
		Bermuda	20				
		Brazil	23				
		Brunei	255				
		Ghana	250				
		Hong Kong	9				
		Japan	114				
		Jordan	5				
		Malta	2				
		Mauritius	25				
		New Zealand	25				
		Oman	11				
		Panama	4				
		South Africa	600				
		Spain	39				
		UAE	26				
		USA	2				

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c	
		Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
4.	Assault rifles	Afghanistan Austria Bahrain Brazil Brunei Canada Czech Republic Djibouti Falkland Islands France Germany Hong Kong Ireland Jordan Kazakhstan Korea, South Lesotho Liberia Malta Netherlands New Zealand Oman Pakistan Peru Seychelles South Africa Spain Trinidad & Tobago UAE Ukraine USA	49 4 2 7 3 717 50 141 3 60 143 8 1 450 1 74 1 133 8 2 36 4 10 5 27 3 24 6 18 2 30003			Assault Rifles	
5.	Light machine guns					Light Machine Gun	

A	B	C	D ^b	E ^b	REMARKS ^c	REMARKS ^c
	Final importer State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
LIGHT WEAPONS						
1.	Heavy machine guns	Australia Belgium Brazil Canada Djibouti Finland Germany Hong Kong Israel Japan Kuwait Liberia Netherlands New Zealand Oman Pakistan Seychelles UAE United States	5 30 2 2 6 1 6 27 1 111 5 38 1 33 11 1 15 3 1500			General Purpose Machine Guns
		Ghana Liberia Malta Spain United States	3 20 1 13 1			Heavy Machine Guns

National criteria on transfers: _____

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

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

Standardized form for reporting international transfers of conventional arms (imports)^a



IMPORTS

Report of international conventional arms transfers

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

Reporting country: United Kingdom

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

Calendar year: 2010

A		B	C	D ^b	E ^b	REMARKS ^c	
Category (I-VII)		Exporter State(s)	Number of items	State of origin (if not exporter)	Intermediate location (if any)	Description of item	Comments on the transfer
I.	Battle tanks						
II.	Armoured combat vehicles	Italy	115		BAES Newcastle	Panther Cmd/Liaison Vehicle	
		Sweden	32		Depot	Viking Front car	
		Sweden	20		Depot	Viking Rear car (TCV)	
		Sweden	9		Depot	Viking Rear car (RRV)	
		Sweden	5		Depot	Viking Rear car (CV)	
III.	Large-calibre artillery systems						
IV.	Combat aircraft						
V.	Attack helicopters						
VI.	Warships						
VII.	Missiles and missile launchers ^d	a) USA	34				
		b)					

National criteria on transfers: _____

^{a b c d} See explanatory notes.

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

THE UN REGISTER OF CONVENTIONAL ARMS

MILITARY HOLDINGS

Reporting Country: United Kingdom

For reporting period: 2010

Category	Definition	Number
Category I Battle Tanks	Challenger 2	345
Category II Armoured Combat Vehicles	Viking Front car Viking TCV Rear Viking CV Rear Viking RRV Rear FV430 Series CVT(T) Scimitar CVR(T) Spartan CVR(T) Sultan CVR(T) Sturgeon CVR(T) Salamander Saxon Warrior Panther	117 75 (6 fitted with Ambulance modification) 31 (2 fitted with Ambulance modification) 14 1430 322 478 203 35 32 147 793 352
Category III Large Calibre Artillery Systems	105mm Light Gun AS90 SP Howitzer MLTR launchers MLRS RRV	126 145 36 4
Category IV Military Aircrafts	Harrier GR7/9 Tornado GR4 Tornado F3 Nimrod MR2 Nimrod R1 Sentry Typhoon Reaper	68 137 53 11 2 7 62 1
Category V Attack Helicopters	Gazelle ¹ Lynx AH7 Lynx AH9 Apache AH1 Sea King HC4 Sea King HAS 6 (CR) Puma HC1 ² Merlin HC3/3A Chinook HC2/2a Chinook HC3 Lynx Mk3 Lynx Mk8 Merlin Mk1 Sea King Mk7	39 64 22 67 37 5 34 28 38 8 27 33 42 13

Category	Definition	Number
Category VI Warships	Submarines ³	11
	Aircraft Carriers ⁴	2
	Frigates/Destroyers ⁵	25
	Amphibious Ships	3
	Survey Vessels	5
	Offshore Patrol Vessels	4
	Aviation Training Ship	1
	Repair and Maintenance Ship	1
	Tanker/Replenishment Ship	14
	Mine Countermeasures Vessels ⁶	16
Category VII Missiles and Missile Launchers	TOTAL	5893

¹ We cannot explain the lower figure last year for Gazelle

² The 43 quoted last year included 9 Puma Helicopters (currently held on Cat 4 & Cat 5) that are unlikely to be restored to HC1 standard

³ HMS TRAFALGAR removed from service in December 2009.

⁴ HMS INVINCIBLE has been held in a state of very low readiness since 2005 prior to final withdrawal from service in 2010 and is not counted here.

⁵ Two Type 45 Destroyers were delivered to the Ministry of Defence but are not yet in active service with the Royal Navy.

⁶ Corrects an error in last years return which should also have read 16 vessels.

THE UN REGISTER OF CONVENTIONAL ARMS

PROCUREMENT FROM NATIONAL PRODUCTION

Reporting Country: **United Kingdom**

For reporting period: **2010**

Category (I-VII)	Number of Items	Details of model, type, variant
I. Battle Tanks		
II. Armoured Combat Vehicles	24	Viking Mk2 (22 x TCV & 2 x CV)
III. Large Calibre Artillery Systems		
IV. Combat Aircraft		
V. Attack Helicopters		
VI. Warships		
VII. Missiles & Missile Launchers	191	Dual Mode Seeker Brimstone
	260	HVM Starstreak missiles

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

Government to Government transfers of equipment between 1 January and 31 December 2010

Country	Type of Equipment	Quantity*
Kingdom of Saudi Arabia	Combat Aircraft (1)	8
Kingdom of Saudi Arabia	Missiles & Missile Launchers	20