



Department for
International Trade

Exporter Awareness, Compliance and Due Diligence

Shainila Pradhan
Director, Export Control Joint Unit

1



Department for
International Trade

2

The Export Control Joint Unit

- Established in 2016 following the 2015 Strategic Defence Spending Review
- Sits within the Department for International Trade
- Brings together operational and policy expertise from DIT, FCDO and MOD.
- Staff totalling 116 (95 DIT, 10 MOD 11 FCDO)
- We regulate both military and dual-use transfers, trade in goods usable for torture, and implement trade sanctions.
- DIT is responsible for the statutory and regulatory framework

2



Departments involved in export control

Licence Assessment

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

Licence Enforcement

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

3



How are licensing decisions made?

- Each export control application is assessed on a case by case basis against the Strategic Export Licensing Criteria.
- The principal advisory departments and their areas of interest are:
 - FCDO – human rights issues, conflict and security in the recipient country or region, and whether the export would be consistent with our international obligations.
 - MOD – whether the export would impact on national security. They also give technical advice on how the goods might be diverted or misused.
- Although other departments make recommendations based on the Strategic Export Licensing Criteria, the final decision to issue or refuse a licence rests with DIT.

4

The Strategic Export Licensing Criteria

Criterion 1. Respect for the UK's international obligations and relevant commitments, in particular sanctions adopted by the UN Security Council, agreements on non-proliferation and other subjects, as well as other international obligations. **FCDO**

Criterion 2. Respect for human rights and fundamental freedoms in the country of final destination as well as respect by that country for international humanitarian law. **FCDO**

Criterion 3. Preservation of internal peace and security. **FCDO**

Criterion 4. Preservation of peace and stability. **FCDO**

Criterion 5. The national security of the UK and territories whose external relations are the UK's responsibility, as well as that of friendly and allied countries. **MOD**

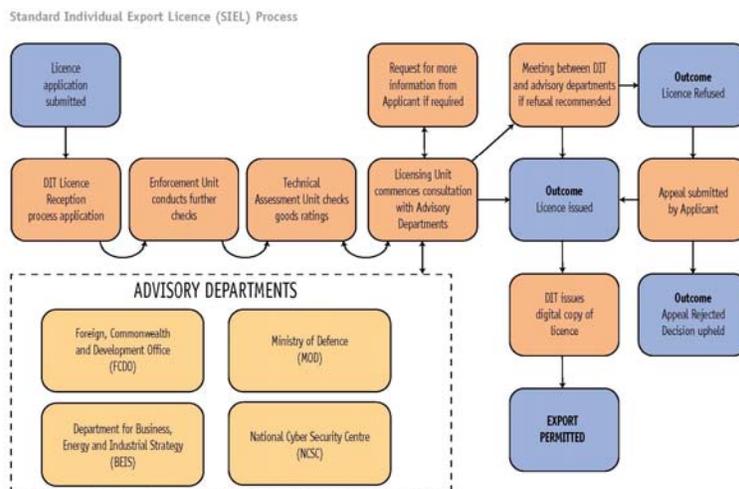
Criterion 6. The behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism and transnational organised crime, the nature of its alliances and respect for international law. **FCDO**

Criterion 7. The existence of a risk that the items will be diverted to an undesirable end-user or for an undesirable end-use. **FCDO and MOD**

Criterion 8. The compatibility of the transfer with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources. **FCDO**

5

The licence assessment process



6



Exporter Outreach

ECJU provides outreach to exporters in a number of ways

- Business Awareness Unit – a dedicated contact point to reach out to exporters and industry to raise awareness of UK export controls and facilitate responsible exports
- Internet-based Guidance
- Notices to Exporters to raise awareness of updated information related to export controls,
- We provide an email alert service about newly published notices, and we encourage industry to sign up to receive them.
- Exporter Checker tools

7



Exporter Compliance

- The ECJU's Compliance Team conduct inspections on sites of companies and individuals that hold Open Individual or Open General Licences, and Standard Individual Licences where electronic transfers arise.
- They inspect the companies records seeking assurance that the licence holders are meeting the terms and conditions of their licences.
- The visits serve to raise awareness of export controls within businesses, and ensure that companies/individuals holding relevant licences can demonstrate to Compliance Inspectors:
- The Compliance Team have a published code of practice to help exporters comply with UK export controls.

8



Due Diligence

- The ECJU compliance code of practice includes within its scope some basic guidance about knowing your customer.
- The code of practice also provides guidance on handling of suspicious enquiries or orders and points that might arouse suspicions.
- ECJU cannot direct a business on how to conduct their affairs. We can and we do provide services to help them take informed decisions.

9



Services we offer to help with due diligence

- ECJU operate Goods Classification Service where exporters can submit technical details on their goods for a determination of whether or not they are specified by any of the export control lists.
- ECJU operate an End User Enquiry Service. This allows an exporter to enquire about an end user and whether or not HMG has any concerns, relating to WMD or Military end use, with that end user.
- The service does not assess goods or a combination of end user and goods – as that is the purpose of an export licence application.

10



Thank you.

Contact: Shainila.Pradhan@trade.gov.uk