

Update on EU Export Control Laws

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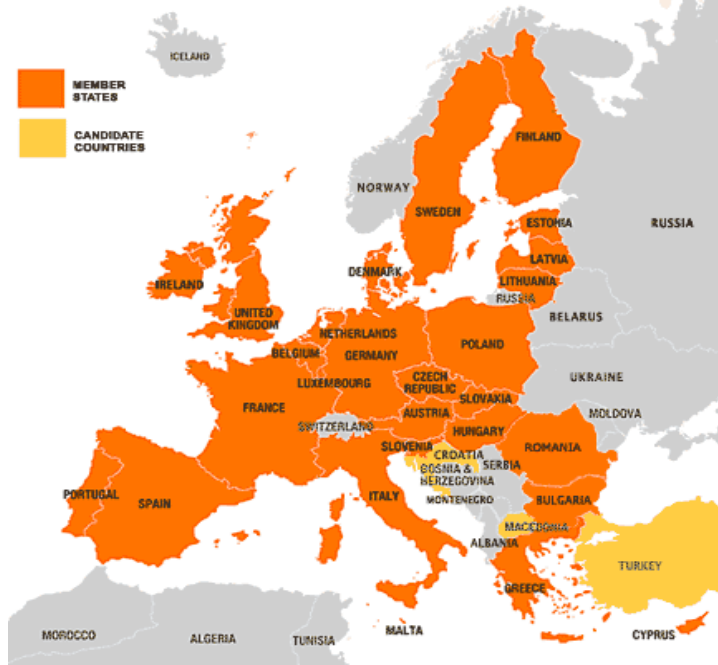
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Last Year - 50 Years of European Union

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Score Card – 07/08

- EU 1334/2000 updated control lists (Sep 07)
- Debate continues in Council of Ministers on Commission's substantive proposals to amend 1334/2000
- Commission proposals for reforms to EU Defence industry (Dec 07)
- Update to EU Iran Sanctions List (Mar 08)
- Conference in Moscow to pursue EU Russia joint cooperation on arms and trade controls (Jan 08)

EU Defence Sector

Commission Proposals Defence

- December 2007 Communication for a Stronger and More Competitive defence sector
- Currently no distinction between intra-EU exports and those to third countries
- Member State justification Article 296
- Commission Proposal based on Article 95 – Single Market measure

Limits on EU Action - Defence

- Article 296 (1) EU Treaty

'a Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material'.

The Defence Proposals

- Communication - objectives
- Directive - intra EU movements
- Procurement – harmonised rules and transparency

The Proposed Directive

- Scope - Intra EU movements only
- Control primarily through use of general or global licences - individual licences the exception
- Member States still retain full control of exports to third countries

EU Customs - Authorised Economic Operator

Authorised Economic Operator

- AEO status was introduced by Council Regulation 648/2005 and implemented by Commission Regulation 1875/2006 and entered into force on 1 January 2008.

AEO Implementation in the EU

- In April the European Commission provided an update on implementation in Member States.
- As at 3 April - 900 applications made in EU majority being made in the Netherlands, Sweden, UK and Germany. 12 certificates have been issued in three Member States - UK, Germany and Denmark.
- Based on the available information, the Commission projects around 4600-5300 applications during 2008.

AEO in the UK

- HMRC have received > 100 applications. Vast majority are for a combined customs simplification and safety and security AEO certificate from a wide range of businesses, including importers, exporters and freight agents.
- The first applications have completed the authorisation process and AEO certificates have been issued to (successful) applicants.
- HMRC expect the number of applications to grow during the course of 2008 particularly once the first successful applicants are published on the AEO database.
- HMRC estimate no more than 2000 applications being submitted in the UK during the course of the 2008/9 financial year.

AEO and Mutual Recognition

- Benefits of AEO should substantially increase once EU mutual recognition agreements are in place.
- European Commission is currently negotiating with the United States and China.
- Norway and Switzerland are also taking priority due to their shared borders with the EC.
- The European Commission expects the first mutual recognition agreements to be in place during 2009

AEO and EORI

- Effective from 1 July 2009 the EORI scheme will establish one unique identification number for each Economic Operator that should be recognised by all EU customs authorities.
- Such an identification number will be a common reference to identify economic operators in their relations with the Community customs authorities.
- EORI will be mandatory for AEO applicants, anyone using simplified clearance or involved in the import, export or movement of goods under a transit procedure.

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