

## Information Note<sup>1</sup>

- Event:** Update on Export Controls 2016
- Organizers:** AWA Aussenwirtschafts-Akademie GmbH (Foreign Trade Academy)
- Date and venue:** 19 -20 January 2016, Frankfurt, Germany
- Participants:** Government: Germany (Ministry of Economy, Ministry of Finance and Federal Public Prosecutor's Office)
- International Organisations: 1540 Committee (1540 Committee Expert)
- Civil Society: Stockholm International Peace Research Institute (SIPRI), University of Innsbruck (Austria), Chamber of Commerce and Foreign Trade (Germany – Iran), Deutsche Bundesbank and from law firms, industrial enterprises and private companies.

### 1. Background

The role of industry in the effective implementation of resolution 1540 (2004) has been referred to in operative paragraph 8 of resolution 1540 (2004) and operative paragraph 12 of resolution 1977 (2011) which, respectively, call upon all States to develop appropriate ways to cooperate, work with and inform industry and the public regarding their obligations under the laws relating to the resolution.

The fourteenth programme of work of the 1540 Committee calls on the Committee to consider and seize opportunities, as appropriate, “for direct interaction ... with relevant industries and industry groups ....” (Programme of Work, 2015, paragraph 12, g).

On 26 October 2015, the AWA- Aussenwirtschaftsakademie GmbH in Münster, Germany, sent an invitation to the 1540 Committee Chair, requesting a 1540 Committee expert to participate in a conference called “Update on Export Controls”. The organizers asked for a presentation on resolution 1540 (2004) as well as on the Committee’s Comprehensive Review in order to facilitate more understanding of existing laws and controls. Most of the obligations industry and private companies are obliged to implement in the field of export control are addressed in resolution 1540 (2004) and its follow up resolutions.

### 2. Highlights and Discussions

The conference “Update on Export Controls 2016”, held in Frankfurt, was designed for representatives of European businesses that act globally and whose transactions are subject to export controls and related sanctions. The objective of the seminar was to inform and educate participating company representatives on news and trends in German and European export control laws and legislation as well as give them up dates on international sanctions and administrative matters. More than 150 participants, representing over 100 companies from mostly Germany but as well as from France, Japan, Switzerland and the US were present. The companies

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<sup>1</sup> For information - not an official report. The views expressed here do not necessarily represent those of the 1540 Committee or of the organizers or participants in the event.

are operating not only in Europe and US but also in Africa, Asia, Latin America, Middle East, and Russia..

Ten Speakers, including the 1540 expert, representatives of the German government and civil society, informed the participants of upcoming news, changes and challenges in the field of export control.

The conference was divided into 4 units, each unit dealing with different focuses related to export control issues.

The 1540 expert delivered her presentation in unit 1, in the opening sessions of the conference, that gave the bigger picture of the necessity of export controls and its underlying aim of preventing proliferation. She briefed the participants on the background of resolution 1540 (2004) as well as on all its core obligations, focusing especially on border and export control obligations. The important role of industry, as recognized by the 1540 Committee, as well as the achievements of the “Wiesbaden Process” was highlighted, too. Further, she gave an overview of the work of the 1540 Committee, its working tools and explained the ongoing Comprehensive Review.

Representatives of SIPRI and of the German Ministry of Economy delivered presentations focusing on news and trends in the German export control system and on the on-going review of the EU dual-use export control regulation (Regulation (EC) No 428/2009). With regard to the preparations of amendments to the EU dual use Regulation the various review options were outlined and the challenges the industry would be facing, if all the possible changes were adopted by the EU, were explained.

Changes discussed at the EU level were: finding better ways to harmonize the implementation of EU law at the national level by, *inter alia*, minimizing divergent control decisions, harmonizing implementation rules of catch all and technical assistance clauses, introducing more EU general licences ( e.g. for low value shipments, intra-company intangible technology transfers (ITT) transfers, large projects, Annex IV items ) and reacting better to new challenges and trends, for example to emerging technologies such as cloud computing, additive manufacturing (3-D printing) and nanotechnology. Furthermore, finding ways to better control ITT were discussed, as well as the possibility of introducing a human security approach and the need of convergence of administration of export control applications by introducing EU-wide capacity-building programmes and training for relevant officials.

Unit 3 focussed mainly on the impact of certain international sanctions on industries and highlighted the expected changes with regard to certain export markets. Unit 4 delivered interesting information on how industry can best meet their obligations with payment transfers and capital flows. The main notification requirements in this respect were highlighted. A presentation was also made on the best ways for companies to prepare for audits. Content, procedure and consequences of an audit were explained in detail.

### **3. Additional Comments**

For further information, please contact the 1540 Committee experts by e-mail at [1540experts@un.org](mailto:1540experts@un.org).