NOTICE TO EXPORTERS – 2010/40

Iran - Change to export licensing policy of Annex IV listed items

1. Overview

On 9 November 2010, Mark Prisk, the Minister of State for Business and Enterprise, announced a change in policy for the export licensing of items listed in Annex IV of <u>Council Regulation (EU)</u> <u>961/2010 (the 'Iran Regulation').</u>

The Iran Regulation allows Member States to exercise discretion, on a case-by-case basis, in deciding whether or not to grant licences for the export of Annex IV items to Iran.

In the past, we have refused licences where we consider there is an unacceptable risk that the items may contribute to Iran's nuclear activities. However, the UK Government considers that the risk of diversion to such activities is so great that we need to go further.

Therefore **with immediate effect**, we will no longer issue any licences for the export of goods and technology listed in Annex IV of Council Regulation (EU) 961/2010 or for the provision of brokering services or technical or financial assistance related to those goods and technology. This is apart from the most exceptional cases – such as supplies for humanitarian purposes – where there is manifestly no risk that the goods will be used in connection with Iran's nuclear programme. Furthermore, we will not issue licences for investment in an Iranian person, entity or body engaged in the manufacture of goods listed in Annex IV.

Read the Written Ministerial Statement:

http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101109/wmstext/101109m0001.htm#10110947000011

2. Questions and Answers

Q1. What's changed?

A: Previously we have considered export licence applications for these items on a case-bycase basis, refusing those licences where we concluded there was an unacceptable risk that they may contribute to Iran's nuclear activities. Now we consider all such exports to pose an unacceptable risk of contributing to Iran's nuclear activities. As a result all licences will be refused except in cases where there is manifestly no risk.

Q2. What items are listed in Annex IV?

A: Annex IV is a list of dual-use items which may have potential utility to Iran's nuclear programmes and that are not controlled elsewhere. Annex IV includes items that were previously listed in Annex II of Council Regulation (EC) 423/2007 which was repealed and replaced by Council Regulation (EU) 961/2010. Annex IV includes:

- Nickel and nickel alloy pipes with diameter greater than 100mm;
- Certain vacuum pumps and corrosion resistant pumps;
- Ring-shaped seals and gaskets made from certain materials;
- Personal equipment for detecting radiation of nuclear origin, including personal dosimeters:
- Certain controlled atmosphere heat furnaces;
- Liquid processing equipment and heat exchangers;
- Certain spectrometers and diffractometers

This list is not exhaustive. Please refer to Annex IV for a complete description of the items. (NOTE: Annex IV starts on page 41 of Council Regulation 961/2010).

Q3. In what circumstances will you issue a licence?

A: We will only issue a licence where there is manifestly no risk that the items will not contribute to Iran's nuclear activities. We expect that such circumstances will be few and far between but may include, for example, supply for a humanitarian end-use. It will not normally include circumstances where the end-user is an industrial, technical or academic entity.

Q4, What about existing licences? Will these be revoked?

A: We are not revoking existing licences, therefore any exports for which you already have a licence may proceed. However it is unlikely that we will issue similar licences in future.

Q5. I recently submitted a licence application for Annex IV goods. What will happen?

A. The applications will be considered in line with the revised policy.

Q6. I've recently shipped some of these goods under an export licence. Will I still get paid?

A: This announcement does not affect the transfer of funds to or from Iran. For information on financial sanctions against Iran, including asset freezes against designated persons and restrictions on the transfer of funds to and from Iran, please see the webpages of the Asset Freezing Unit of HM Treasury. The unit is contactable by email at AFU@hmtreasury.gsi.gov.uk and telephone at: 020 7270 5454.

3. Further Details

For further details of current sanctions on Iran, read the Businesslink Guide on "Sanctions on Iran" http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.l1=1079717544&r.lc=en&r.l3=1084100 http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.l1=1079717544&r.lc=en&r.l3=1084100

For further details of strategic export controls please contact:

Export Control Organisation
Department for Business, Innovation and Skills
3rd Floor, 1 Victoria Street, London, SW1H 0ET

Tel: 020 7215 4594 Fax: 020 7215 2635

E-mail: eco.help@bis.gsi.gov.uk

Website: http://www.bis.gov.uk/exportcontrol or http://www.businesslink.gov.uk/exportcontrol

SPIRE (Export Licensing Database): https://www.spire.bis.gov.uk

This notice is for information purposes only and has no force in law. Please note that where legal advice is required exporters should make their own arrangements.

Export Control Organisation 10 November 2010 NTE201040