

CHANGES IN LITHUANIA'S EXPORT, IMPORT AND TRANSIT CONTROL SYSTEM

**To the Fourth International Conference on Export Controls
(Warsaw, Poland, September 30 – October 3, 2002)**

Lithuania condemns terrorism as a serious threat to peace and security and will contribute by all means to the efforts of the United States, NATO and the international community in the fight against terrorism. The tragedy of September 11 and the subsequent events have sharpened our thinking and our attitude to global security and to the challenges that follow.

Lithuania has prepared a National Programme for Combating Terrorism, which envisages comprehensive measures in fighting terrorism, in accordance with Lithuanian domestic and international obligations. Implementing this Program, Lithuania has to develop further means and measures in the export, import and transit control area to ensure security and stability for the whole international community.

Lithuania is now close to accomplishing its two most important goals -- full integration into the European Union and NATO. With that, Lithuania will turn a new page of its history, a page that promises new challenges and new opportunities.

Legal and regulatory framework development

Up to the year 2002 the Lithuanian export control system has been operating under the umbrella of Law No I-1022 On Control of Import, Transit and Export of Strategic Goods and Technologies adopted on 5 July 1995 and several pieces of secondary legislation. At least sixteen legal acts apply to the licensing procedures and control of strategic goods and technologies.

An efficient export control system needs permanent improvement of the legal basis. It has to be harmonized and made more flexible, in order to ensure competitiveness in the global market with parallel protection of national security interests.

This year attention was focused on the revision and amendment procedure of the legal basis of the export control system in Lithuania. The main legal acts have been revised pursuant to the EU legislation and taking into account the changing philosophy of export control, international tendencies in export control developments as well as new export control tasks.

During the year 2002 two substantial legal documents have been prepared and approved:

- **Law No IX-1051 On Amendment to the Law On Control of Import, Transit and Export of Strategic Goods and Technologies** (approved on 5th of July 2002).
- **Government Resolution No 1390 on Approval of Lists of Controlled Strategic Goods and Technologies** (approved on 20 of November 2001).

The amended legal acts comply with the main requirements of the international export control system and the EU Council Regulation No 1334/2000 of 22 June 2000 setting up a Community regime for the control of exports of dual-use items and technology.

In accordance with the amended Law, the Ministry of Economy is primarily responsible for export controls over dual-use goods and military equipment. Export, import and transit licensing decisions are made by the Group of Experts, which consists of the representatives of state institutions.

Law No IX-1051 On Amendment to the Law On Control of Import, Transit and Export of Strategic Goods and Technologies has been supplemented with the following major elements:

Control of services

- The definition of “strategic goods” includes dual - use goods and military equipment as well as **services related to these goods**. “Dual - use goods” refer to goods, software and technology, which can be used for both civil and military purposes;

Control of intangible transfers

- The definition of “export” also covers the re- export of strategic goods and transmission of software or technology by electronic media, fax or telephone.

Control of brokering activities

- The application scope of the Law has been extended, if compared to that of the former Law. The Law shall also be applied to natural and legal persons who are engaged in such activity as brokerage in carrying out export, import and transit contracts.

Catch – all provisions

- A “**catch – all**” clause is included in the amended Law. It provides that the exporter has to obtain a licence for goods not included on the List of strategic goods:
 - if the competent authority (Ministry of Economy) has informed the exporter that the goods are or may be intended for use in connection with the WMD;
 - or if the purchasing country or the country of destination is subject to the arms embargo adopted by a decision of the EU or the Security Council of the UN, and the goods are or may be intended for use in production of goods listed in the military equipment list;

- the exporter is obliged to notify the competent authority when he has grounds for suspecting that the goods are intended for military purposes as referred to in the above paragraphs.

Countries subject to embargo

- The list of states, into which export or transit of strategic goods shall be prohibited, and the list of states from which import or transit of strategic goods shall be prohibited, will be prepared and approved by the Ministry of Foreign Affairs taking into account:
 - sanctions imposed by decisions of the Security Council of the UN;
 - sanctions imposed by decisions of the EU and OSCE;
 - ratified relevant international treaties of the Republic of Lithuania; and
 - national foreign policy, national security, national defence and economic interests.

Controlled strategic goods

- The Lists of strategic goods will be developed and approved by the Government or an authorised institution with taking into account:
 - the EU lists of controlled goods;
 - the international non-proliferation regime lists of controlled goods;
 - issues related to foreign policy and national security of the Republic of Lithuania.

Restrictions in granting licences

- To decide whether or not to grant an export licence, the competent authority shall take into account:
 - obligations and commitments that the Republic of Lithuania has assumed by ratifying relevant international treaties;
 - the national foreign policy and national security interests;
 - requirements of the European Union Code of Conduct on arms exports;
 - international non-proliferation regimes and export control arrangements;
 - considerations about intended end-use and the risk of diversion.

Government Resolution No 1390 on Approval of Lists of Controlled Strategic Goods and Technologies entered into force on 20 June 2002. The approved lists of controlled strategic goods consist of two lists:

- The **List of dual-use goods and technologies**, which is close translation of the Annex I of the EU Council Regulation No 1334/2000 of 22 June 2000 setting up a Community regime for the control of exports of dual-use items and technology;
- The **List of military equipment**, which is close translation of the EU Common list of military equipment covered by the European Union Code of conduct on arms control.

By now Lithuania's legislation has been sufficiently approximated to the EU *acquis*. Plans are made to supplement and amend the secondary legislation in accordance with the requirements of the recently adopted Law, i.e. the licensing procedure, introduce new forms of licences, etc.

Co-operation and information exchange

Development of effective export control system is closely linked with co-operation with foreign institutions executing and enforcing the export control of strategic goods.

The Lithuanian export control experts participate in international conferences, during which the progress made in the area is generalised, the most urgent issues common to all the countries are emphasized.

Success in the export control area depends markedly on regional co-operation among export control officials. Nordic – Baltic meetings on export control issues could serve as an example of such co-operation. Participation in these forums helps us to follow the export control development trends and problems that may arise.

The number of foreign states, those Lithuania has established contacts with, has become considerably greater over recent years.

We are grateful to the United States, Denmark, Germany, Sweden, the Netherlands and other countries for the arranged topic-based seminars, both financial and technical assistance provided, exchange of information between colleagues from Latvia, Estonia, Poland and many other countries.

The technical assistance rendered by the USA – establishment of the Tracker automated export control system – is considered to be a step of major importance while improving efficiency of the export control system in Lithuania.

Lithuania is a member to many international treaties and conventions. It has also assumed non-proliferation commitments both with regard to international and national legislation. Any support from Member States regarding membership in export control regimes would be highly appreciated.

While making export control more stringent, it is essential to have in place an efficient mechanism for information exchange among licensing and enforcement institutions and making use of available information. This is important both for information exchange and use among domestic institutions and with foreign export control institutions. In this regard Lithuania's membership in international non-proliferation regimes is of a special importance.

It is a great pleasure for us to extend sincere thanks to the organisers of the Fourth International Conference of Export Control and to the Government of the United States for the provided opportunity to participate in the Conference as well as to the Government of Poland for kind hospitality.