

9th INTERNATIONAL EXPORT CONTROL CONFERENCE

Cavtat, 20-22 October 2008

CROATIAN PERSPECTIVE ON STRATEGIC TRADE CONTROLS



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STRATEGIC TRADE CONTROLS

- **DUAL-USE EXPORT CONTROL**
- **ARMS CONTROL**





STRATEGIC TRADE CONTROLS

- The Republic of Croatia is a party and member of:
 - The Nuclear Non-Proliferation Treaty - NPT
 - The Chemical Weapons Convention - CWC
 - The Biological and Toxin Weapons Convention - BTWC
- The Republic of Croatia participates in the following international arrangements and regimes:
 - Wassenaar Arrangement – since 2005
 - Nuclear Suppliers Group – since 2005
 - Zangger Committee – since 2006
 - Australian Group – since 2007





DUAL-USE EXPORT CONTROL

Legal base

- Primary Legislation
Act on Export of Dual-Use Items (OG 100/2004 and 84/2008) – applied as of 1 January 2005
- Secondary Legislation
Regulation on the List of Dual-Use Items (OG 184/2004, 62/2007 and 57/2008)
Ordinance on application form for the issuance of export licence for dual-use items (OG 166/2004 and 123/2007)
Ordinance on application form for the issuance of import certificate for dual-use items (OG 166/2004 and 123/2007)





ADOPTION OF EU STANDARDS

The alignment with the *aquis communautaire* is achieved through the implementation of:

- Council Regulation (EC) No. 1334/2000 of 22 June 2000 setting up a Community regime for the control of dual-use items and technology
- Council Regulation (EC) No. 1183/2007 of 18 September 2007 amending Regulation (EC) No. 1334/2000





DUAL-USE EXPORT CONTROL

ACT ON EXPORT OF DUAL-USE ITEMS

setting up the regime for export controls
of dual-use items

Ministry of the Economy, Labour and
Entrepreneurship (MELE) is the responsible
authority





DUAL-USE EXPORT CONTROL

EXPORT LICENCE

- For export of listed dual-use items – the definition of dual-use goods includes software and technology
- For export of non-listed dual-use items - Act on Export of Dual-use Items, Art. 5 setting up catch-all provisions





DUAL-USE EXPORT CONTROL

CATCH-ALL IS APPLICABLE IF: Art. 5

- the exporter was informed by MELE that the goods may be used for NBC weapons and their delivery systems, or an embargo country, or a military-end use
- the exporter is aware that the goods may be used for the above listed purposes





EXPORT LICENCE

- Individual licence
- Global licence
- Issued by MELE upon the proposal of the Interministerial Commission
(MELE may refuse to grant an export licence and may annul, modify or revoke an export licence)





DUAL-USE EXPORT CONTROL

INTERMINISTERIAL COMMISSION

- Permanent members are representatives of MFAEI, MI, MD, CA and MELE
- Other members: representatives of authorities for nuclear safety, chemical control, communications, veterinary, the Croatian Chamber of Commerce and intelligence agency - participate when necessary





DUAL-USE EXPORT CONTROL

BASIC PRINCIPLE

Art. 9 and 10

- International obligations and commitments
- Obligations under sanctions
- National and foreign security policy (EU Code of Conduct on arms exports)
- International political and economic interest of the Republic of Croatia
- Tension or weapon conflicts
- Human rights





DUAL USE EXPORT CONTROL

- The Customs Administration is responsible for the enforcement of the control of export of dual-use items and the conformity assessment of the goods with export license
- In the process of the issuance and after the issuance of an export license, MELE, along with the Committee's expert assistance, may inspect the dual-use items and documentation.





DUAL-USE LIST

GOVERNMENT REGULATION ON THE LIST OF DUAL-USE ITEMS

Fully aligned with Annex I, Council
Regulation (EC) No. 1183/2007





DUAL-USE LIST

TECHNICAL CATEGORIES

- 0 = Nuclear materials, facilities and equipment
- 1 = Materials, chemicals, micro-organisms, and toxins
- 2 = Materials processing
- 3 = Electronics
- 4 = Computers
- 5 = Telecommunications and "Information security"
- 6 = Sensors and lasers
- 7 = Navigation and avionics
- 8 = Marine
- 9 = Aerospace and propulsion

PRODUCT GROUPS

- A = Equipment, assemblies, and components
- B = Production and test equipment
- C = Materials
- D = Software
- E = Technology

MULTILATERAL CONTROLS

- 000-099 = WA
- 100-199 = MTCR
- 200-299 = NSG
- 300-399 = AG
- 400-499 = CWC





IMPORT CERTIFICATE

- Issued by MELE if exporting country requires for export
- Validity 6 months





DUAL-USE EXPORT CONTROL

- **ACT ON AMENDMENTS TO THE ACT ON EXPORT OF DUAL USE ITEMS**
 - the Act was adopted in Croatian Parliament in July 2008
 - new provisions:
 - **transit**
 - **brokering**
 - **technical assistance**
 - **imprisonment sentence**
 - prepared in compliance with Resolution 1540 of UNSC





DUAL-USE CONTROL

- **THE GOAL OF THE AMENDMENTS ON THE ACT ON EXPORT OF DUAL USE ITEMS**
 - is to authorize bodies responsible for the Act's enforcement to stop and seize dual use items that may be used for the production of WMDs, and to prescribe the corresponding penalties





THE ACT ON AMENDMENTS TO THE ACT ON EXPORT OF DUAL-USE ITEMS

- Article 2: Definition of the term “**TRANSIT**”
“Transit shall mean a transit of dual-use items across the customs territory of RoC, that enters into the territory and transits it with the intention of leave .”
- Article 4: *The transit of dual-use items listed in Regulation on the List of dual-use items can be prohibited by the MELE if the items are or may be intended for uses referred to in Article 5 (catch all).....*





THE ACT ON AMENDMENTS TO THE ACT ON EXPORT OF DUAL-USE ITEMS

- Article 2: Definition of the term "**Brokering services**"

"Brokering services shall mean the negotiation of arrangement of transactions for the purchase, sale or supply of dual use items listed in Regulation on the List of dual-use items from one country to any other country...."

- Article 4: *"If the broker has been informed by MELE that the items in question are or may be intended for any of the uses referred to in Article 5 a license is needed for brokering services of dual-use items listed in Regulation on the List of dual-use items (2)...."* – for proliferation of weapons of mass destruction or their means of delivery





THE ACT ON AMENDMENTS TO THE ACT ON EXPORT OF DUAL-USE ITEMS

- Article 16:
 - Six months to five years of imprisonment





ARMS TRADE CONTROL

- Primary Legislation
 - **Trade Act (OG 87/2008)**
- Secondary Legislation
 - **The Regulation Specifying Goods Subject to Export and Import Licences (OG 128/2007, 8/2008, 25/2008 and 41/2008)**





ARMS TRADE CONTROL

- The implementations of the arms export control policy is based upon the criteria of the EU Code of Conduct on Arms Export
- The licenses for arms export and import are issued by the MELE with the previous agreement of the Committee (MFAEI, MI, MD and MELE)





MILITARY LIST

- The List was prepared on the basis of the Common Military List of the European Union OJ 2008/C 98/01
- The List is comprised of 22 categories (ML1 do ML22) in total





THE ACT ON EXPORT AND IMPORT OF MILITARY AND NON-MILITARY LETHAL GOODS

- Adopted in July 2008
- Will be in force on 1 January 2009 (OG 86/2008)
- what is new comparing to existing regulations:
 - register of exporters and importers and service providers
 - licence required for the provision of service (brokering services and technical assistance)
 - reports on export and import of weapons is mandatory
 - imprisonment sentence is prescribed for the offenders of the Act





THE ACT ON EXPORT AND IMPORT OF MILITARY AND NON-MILITARY LETHAL GOODS

- **In accordance with the Law, the Government of the Republic of Croatia shall adopt:**
 - the Regulation on the Military List
 - the Regulation on the Non-Military Lethal Goods for Commercial Purposes
- **In accordance with the Law, the Minister of Economy shall adopt:**
 - the Ordinances on the format and content of the license, the format and the content of the end-user certificate, the content and handling method of the register of exporters and importers, and service provider, the format and the content of the application form for the issuance of the license for export, import or the provision of service, and documents required to accompany the application form.





THE ACT ON EXPORT AND IMPORT OF MILITARY AND NON-MILITARY LETHAL GOODS

- Article 44:
- From one to five years of imprisonment for export of military goods without a license or in case the end-user certificate is forged





EXPORT CONTROL ENHANCEMENTS

- Export Control Department has been established (coordination of the dual-use export control system)
- Regular education of custom officers on the identification of dual-use items
- ICP project in progress
- Regular updating of Dual-Use and Military Lists





<http://exportcontrol.mingorp.hr>

EXPORT CONTROL

What exporters need to know

Enter search term here

[Introduction](#) ▶

Introduction

Weapons

Dual Use Items

Sanctions and Restrictive Measures

News

Introduction

As part of the fight against terrorism and proliferation of weapons of mass destruction (WMD), many countries have established and improved the legislative and institutional frameworks of their national systems of export control of military items and dual-use goods and technologies. The introduction of a control system contributes to the non-proliferation of WMD, the fight against terrorism and to global and regional security.

The Republic of Croatia exercises export control over weapons and dual-use goods for the purposes of national and international safety, and to fulfil its international commitments as a contracting party and an active member of all major international agreements and conventions as well as a signatory of the documents relating to non-proliferation of weapons of mass destruction and conventional weapons.

Some of the relevant conventions and agreements are:

- The Nuclear Non-Proliferation Treaty - NPT
- The Chemical Weapons Convention - CWC
- The Biological and Toxin Weapons Convention - BTWC



MINISTARSTVO GOSPODARSTVA,
RADA I PODUZETNIŠTVA
Ministry of Economy, Labour
and Entrepreneurship

 Hrvatska verzija

9 July 2008 - Act on
Amendment of the Act on
Export of Dual Use Items

15 July 2008 - Act on Export
and Import of Military and
Non-Military Lethal Goods

21 May 2008 - Regulation on
Amendments of the Regulation
on the List of Dual-Use Items

12 - 14 May 2008 - PSI Adriatic
Shield 08

6 March 2008 - Seminar on
Export Control of Dual-Use
Items

6 February 2008 - Industry
Outreach Seminar



Thank you for your attention!

MINISTRY OF ECONOMY, LABOUR AND ENTREPRENEURSHIP

