



House of Commons

Committees on Arms Export Controls

**Scrutiny of Arms Exports and Arms Controls (2014):
Scrutiny of the Government's UK Strategic Export
Controls Annual Report 2012, the Government's
Quarterly Reports from October 2012 to September
2013, and the Government's policies on arms exports
and international arms control issues**

**First Joint Report of the Business, Innovation and
Skills, Defence, Foreign Affairs and International
Development Committees of Session 2014–15**

Second Report of the Business, Innovation and Skills Committee of Session
2014-15

Second Report of the Defence Committee of Session 2014-15

Fourth Report of the Foreign Affairs Committee of Session 2014-15

Second Report of the International Development Committee of Session 2014-15

*Volume I: Report, together with formal
minutes*

*A Memorandum from the Chair of the Committees is
contained in Volume II, and Oral and additional Written
Evidence is contained in Volume III, available on the
Committees' website at www.parliament.uk/caeccomm*

*Ordered by the House of Commons
to be printed 14 July 2014*

The Committees on Arms Export Controls

The four House of Commons Select Committees that comprise the Committees on Arms Export Controls (CAEC) are: the Business, Innovation and Skills Committee, the Defence Committee, the Foreign Affairs Committee and the International Development Committee. The CAEC's task is to scrutinise the UK Government's arms export control procedures and legislation, individual arms export licence decisions, arms export policies, and the UK's role in international arms control agreements.

Current membership

BUSINESS, INNOVATION AND SKILLS: Mr Adrian Bailey*§, William Bain, Mr Brian Binley, Paul Blomfield, Katy Clark*, Mike Crockett*, Caroline Dinenege, Julie Elliott, Rebecca Harris, Ann McKechnie*, Mr Robin Walker*, Nadhim Zahawi*

DEFENCE: Rory Stewart§, Mr Julian Brazier*, Rt Hon Jeffrey M. Donaldson, Mr James Gray*, Mr Dai Havard, Mr Adam Holloway*, Mrs Madeleine Moon, Sir Bob Russell*, Bob Stewart*, Ms Gisela Stuart*, Derek Twigg*, John Woodcock

FOREIGN AFFAIRS: Rt Hon Sir John Stanley* (Chair of the Committees' concurrent meetings), Rt Hon Sir Richard Ottaway§, Mr John Baron, Rt Hon Sir Menzies Campbell*, Rt Hon Ann Clwyd*, Mike Gapes*, Mark Hendrick*, Sandra Osborne, Andrew Rosindell, Mr Frank Roy, Nadhim Zahawi*

INTERNATIONAL DEVELOPMENT: Rt Hon Sir Malcolm Bruce*§, Hugh Bayley, Fiona Bruce, Sir Tony Cunningham, Fabian Hamilton*, Pauline Latham, Jeremy Lefroy*, Sir Peter Luff*, Mr Michael McCann, Fiona O'Donnell, Chris White* [Richard Burden*—*left Committee 4/11/2013*]

* Member who participated in the inquiry leading to this Report

§ Chair of a participating Committee

Powers

The Committees are departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in Standing Order No 152. The powers of the Committees to work together and agree joint reports are set out in Standing Order No. 137A. These Standing Orders are available on the Internet via www.parliament.uk.

Publication

The Reports and evidence of the Committees are published by The Stationery Office by Order of the House. All publications of the Committees (including news items) are on the internet at <http://www.parliament.uk/caeccomm>

Committee staff

The current staff of the Committees are Keith Neary (Clerk), Su Panchanathan (Committee Assistant), and Alex Paterson (Media Officer)

Contacts

All correspondence should be addressed to the Clerk of the Committees on Arms Export Controls, House of Commons, Committee Office, Palace of Westminster, London SW1A 0AA. The telephone number for general enquiries is 020 7219 2420; the Committees' email address is caeccom@parliament.uk

Contents

| | |
|---|-------------|
| Report | <i>Page</i> |
| Glossary of Acronyms | 12 |
| Definition of Export Control Organisation licences | 13 |
| Report | 15 |
| The Committees' inquiry | 15 |
| Introduction | 15 |
| The Government's "United Kingdom Strategic Export Controls Annual Report 2012" (HC561) | 16 |
| The Committees' Report of 2012–13 (HC 205) | 16 |
| The Committees' questions on the Government's quarterly information on arms export licences | 16 |
| Arms export control legislation and procedures | 17 |
| Extra-territoriality | 17 |
| "Brass Plate" companies | 17 |
| Arms brokers | 18 |
| EU dual-use controls | 18 |
| EU end-use control of exported military goods | 18 |
| Torture end-use control and end-use control of goods used for capital punishment | 18 |
| Re-export controls and undertakings | 19 |
| Licensed production overseas | 19 |
| Use of UK subsidiaries to export arms | 19 |
| The Consolidated Criteria and EU Council Common Position | 19 |
| Organisational and operational issues | 21 |
| Export Control Organisation (ECO) – Remit, responsibilities, structure and staffing | 21 |
| Charging for processing arms export licences | 21 |
| Performance | 21 |
| Review of ECO | 21 |
| Transparency of arms export licensing | 22 |
| Powers to create new categories of export licences | 22 |
| Priority Markets for UK arms exports | 22 |
| Trade exhibitions | 23 |
| Enforcement | 23 |
| Compound penalties | 24 |
| Crown Dependencies | 25 |
| Combating bribery and corruption | 25 |
| International Development | 25 |
| Arms Exports Agreements | 26 |
| UK/US Defence Trade Cooperation Treaty | 26 |
| US International Traffic in Arms Regulations (ITAR) | 26 |
| UK-France Defence and Security Co-operation Treaty | 26 |
| The Intra-Community Transfer (ICT) Directive on arms transfers within the EU | 27 |

| | |
|--|----|
| Arms Control Agreements | 27 |
| Arms Trade Treaty (ATT) | 27 |
| EU Council Common Position | 28 |
| Cluster Munitions | 28 |
| Small Arms and Light Weapons (SALW) | 28 |
| Landmines | 28 |
| Barrel bombs | 28 |
| The Wassenaar Arrangement | 29 |
| The UN Register of Conventional Arms (UNROCA) | 29 |
| The Convention on Certain Conventional Weapons (CCW) | 29 |
| The Fissile Material Cut-Off Treaty (FMCT) | 29 |
| The Missile Technology Control Regime (MTCR) | 30 |
| The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction | 30 |
| The Nuclear Suppliers Group | 30 |
| The Nuclear Security Summit | 31 |
| The Australia Group | 31 |
| The Academic Technology Approval Scheme (ATAS) | 31 |
| The Chemical Weapons Convention (CWC) | 31 |
| The Biological and Toxin Weapons Convention (BTWC) | 31 |
| The Nuclear Non-Proliferation Treaty (NPT) | 32 |
| The Comprehensive Nuclear Test Ban Treaty (CTBT) | 32 |
| Sub-strategic and tactical nuclear weapons | 32 |
| A Middle-East Weapons of Mass Destruction Free Zone | 33 |
| The National Counter-Proliferation Strategy | 33 |
| Arms export control policies | 33 |
| Arms exports and human rights | 33 |
| Overseas Security and Justice Assistance (OSJA) Human Rights Guidance | 33 |
| Surveillance technology and equipment | 34 |
| Cryptographic equipment, software, technology and components | 34 |
| Sniper rifles | 35 |
| Tasers | 35 |
| Unmanned Aerial Vehicles (UAVs) "Drones" | 35 |
| Arms exports to counter piracy | 35 |
| The licensing of security services | 37 |
| Arms exports and internal repression | 37 |
| The Government's Arab Spring arms export policy review | 38 |
| Arms export licence revocations | 38 |
| Arms export licence suspensions | 38 |
| Exports of gifted equipment | 39 |
| Arms exports to Countries of concern | 39 |
| Extant arms export licences to the Foreign and Commonwealth Office's (FCO) Countries of Human Rights concern worldwide, and to the Additional Countries of concern to the Committees | 39 |
| Extant arms export licences to certain individual countries within the FCO's list of 28 Countries of Human Rights concern | 40 |
| Afghanistan | 40 |
| China | 40 |

| | |
|--|----|
| Iran | 40 |
| Iraq | 41 |
| Israel and the Occupied Palestinian Territories | 41 |
| Libya | 42 |
| Russia | 42 |
| Saudi Arabia | 42 |
| Sri Lanka | 43 |
| Syria – Conventional arms exports and gifted equipment | 43 |
| Syria – Dual-use chemical exports | 43 |
| Uzbekistan | 45 |
| Yemen | 45 |
| Argentina | 45 |
| Bahrain | 47 |
| Egypt | 47 |
| Tunisia | 49 |
| Ukraine – arms exports | 49 |
| Ukraine – sniper rifles | 49 |
| Arms exports to authoritarian regimes and Countries of concern worldwide | 50 |

| | |
|-----------------------|-----------|
| Formal Minutes | 51 |
|-----------------------|-----------|

| | |
|---|-----------|
| List of Reports from the Committee during the current Parliament | 54 |
|---|-----------|

Volume II (published on the Committees' website: www.parliament.uk/caeccomm)

| Memorandum from the Chair to the Committees | | <i>Page</i> |
|--|--|--------------|
| | Glossary of Acronyms | Ev 5 |
| | Definition of Export Control Organisation licences | Ev 6 |
| 1 | Introduction | Ev 7 |
| 2 | The Government's "United Kingdom Strategic Export Controls Annual Report 2012" (HC 561) | Ev 9 |
| 3 | The Committees' Report of 2012–13 (HC 205) | Ev 13 |
| | The Committees' Report (HC 419) and the Government's Response (Cm8707) | Ev 13 |
| 4 | The Committees' questions on the Government's quarterly information on arms export licences | Ev 15 |
| 5 | Arms export control legislation and procedures | Ev 16 |
| | Extra-territoriality | Ev 16 |
| | "Brass Plate" companies | Ev 18 |
| | Arms brokers | Ev 19 |
| | EU dual-use controls | Ev 24 |
| | EU end-use control of exported military goods | Ev 26 |
| | Torture end-use control and end-use control of goods used for capital punishment | Ev 27 |
| | Re-export controls and undertakings | Ev 30 |
| | Licensed production overseas | Ev 30 |
| | Use of UK subsidiaries to export arms | Ev 31 |
| | The Consolidated Criteria and EU Common Position | Ev 33 |
| 6 | Organisational and operational issues | Ev 39 |
| | Export Control Organisation (ECO) | Ev 39 |
| | Remit and responsibilities | Ev 39 |
| | Charging for processing arms export licences | Ev 39 |
| | Performance | Ev 40 |
| | Review of ECO | Ev 50 |
| | Transparency of arms export licensing | Ev 52 |
| | Powers to create new categories of export licences | Ev 59 |
| | Priority Markets for UK arms exports | Ev 60 |
| | Trade Exhibitions | Ev 64 |
| | Enforcement | Ev 70 |
| | Compound penalties | Ev 74 |
| | Crown Dependencies | Ev 76 |
| | Combating bribery and corruption | Ev 77 |
| | International Development | Ev 78 |
| 7 | Arms Exports Agreements | Ev 86 |

| | |
|---|---------------|
| UK/US Defence Trade Cooperation Treaty | Ev 86 |
| US International Traffic in Arms Regulations (ITAR) | Ev 90 |
| UK-France Defence and Security Co-operation Treaty | Ev 92 |
| The Intra-Community Transfer (ICT) Directive on arms transfers within the EU | Ev 94 |
| 8 Arms Control Agreements | Ev 97 |
| Arms Trade Treaty (ATT) | Ev 97 |
| EU Council Common Position | Ev 103 |
| Cluster Munitions | Ev 104 |
| Small arms and light weapons (SALW) | Ev 107 |
| Landmines | Ev 109 |
| Barrel bombs | Ev 110 |
| The Wassenaar Arrangement | Ev 111 |
| The UN Register of Conventional Arms (UNROCA) | Ev 114 |
| The Convention on Certain Conventional Weapons (CCW) | Ev 119 |
| The Fissile Material Cut-Off Treaty (FMCT) | Ev 120 |
| The Missile Technology Control Regime (MTCR) | Ev 121 |
| The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction | Ev 123 |
| The Nuclear Suppliers Group | Ev 124 |
| The Nuclear Security Summit | Ev 125 |
| The Australia Group | Ev 127 |
| The Academic Technology Approval Scheme | Ev 129 |
| The Chemical Weapons Convention (CWC) | Ev 130 |
| The Biological and Toxin Weapons Convention (BTWC) | Ev 131 |
| The Nuclear Non-Proliferation Treaty (NPT) | Ev 135 |
| The Comprehensive Nuclear Test Ban Treaty | Ev 137 |
| Sub-strategic and tactical nuclear weapons | Ev 138 |
| A Middle-East Weapons of Mass Destruction Free Zone | Ev 140 |
| The National Counter-Proliferation Strategy for 2012–15 | Ev 142 |
| 9 Arms export control policies | Ev 144 |
| Arms exports and human rights | Ev 144 |
| Overseas Security and Justice Assistance (OSJA) Human Rights Guidance | Ev 145 |
| Surveillance technology and equipment | Ev 147 |
| Cryptographic equipment, software, technology and components | Ev 151 |
| Sniper rifles | Ev 157 |
| Tasers | Ev 161 |
| Unmanned Aerial Vehicles (UAVs) “Drones” | Ev 162 |
| Arms exports to counter piracy | Ev 166 |
| The licensing of security services | Ev 174 |
| Arms exports and internal repression | Ev 176 |
| The Government’s Arab Spring arms export policy review | Ev 180 |
| Arms export licence revocations | Ev 181 |
| Arms export licence suspensions | Ev 190 |
| Exports of gifted equipment | Ev 193 |

| | |
|--|-------------------|
| 10 Arms exports to Countries of concern | Ev 196 |
| Extant arms export licences to the Foreign and Commonwealth Office's (FCO) Countries of Human Rights concern worldwide, and to the Additional Countries of concern to the Committees | Ev 196 |
| Extant arms export licences to certain individual countries within the list of 28 Countries of Human Rights concern | Ev 204 |
| Afghanistan | Ev 204 |
| China | Ev 206 |
| Iran | Ev 208 |
| Iraq | Ev 210 |
| Israel and the Occupied Palestinian Territories | Ev 211 |
| Libya | Ev 215 |
| Russia | Ev 217 |
| Saudi Arabia | Ev 221 |
| Sri Lanka | Ev 224 |
| Syria | Ev 226 |
| Conventional arms exports and gifted equipment | Ev 226 |
| Dual-use chemicals | Ev 235 |
| Uzbekistan | Ev 261 |
| Yemen | Ev 262 |
| Extant arms export licences to the 5 Additional Countries of concern to the Committees | Ev 263 |
| Argentina | Ev 263 |
| Bahrain | Ev 686 |
| Egypt | Ev 270 |
| Tunisia | Ev 286 |
| Ukraine | Ev 287 |
| Arms exports | Ev 287 |
| Sniper rifles | Ev 290 |
| 11 Arms exports to authoritarian regimes and to Countries of concern worldwide | Ev 295 |
| Annex 1: The Committees' quarterly licence questions and the Government's answers (2012 Q4, 2013 Q1, Q2 and Q3) | Ev 298 |
| The Committees' 2012 Quarter 4 (October–December) questions and the Government's answers | Ev 298 |
| The Committees' 2013 Quarter 1 (January–March) questions and the Government's answers | Ev 309 |
| The Committees' 2013 Quarter 2 (April–June) questions and the Government's answers | Ev 316 |
| The Committees' 2013 Quarter 3 (July–September) questions and the Government's answers | Ev 329 |
| Annex 2: The Committees' questions on the Government's Strategic Export Controls Annual Report 2012 (HC 561) published in July 2013 and the Government's answers | Ev 346 |

| | |
|---|---------------|
| Annex 3: The Committees' letters to and from Ministers | Ev 359 |
| Annex 4: EU Council Common Position (2008/944/CFSP) | Ev 363 |
| Annex 5: The UK Consolidated Criteria (2000–2014) | Ev 371 |
| Annex 6: The revised UK Consolidated Criteria (2014) | Ev 377 |
| Annex 7: Extra-territoriality (Offences) | Ev 383 |
| Annex 8: UK national report to the 2014 Nuclear Non-Proliferation Treaty Preparatory Commission | Ev 386 |
| Annex 9: Extant arms export licences to Countries of concern | Ev 400 |
| The FCO's Countries of Human Rights concern – extant licences | Ev 400 |
| Countries of concern to the Committees – extant licences | Ev 571 |
| Annex 10: The text of the Arms Trade Treaty | Ev 600 |
| Annex 11: Arms export licence revocations | Ev 614 |
| Annex 12: Companies registered with Export Control Organisation to use the Open General Trade Control Licence (Maritime Anti-Piracy) | Ev 639 |
| Annex 13: Selected arms export licence approvals of arms or components of arms which might be used to facilitate internal repression in the period 1 October 2012 to 30 September 2013 | Ev 642 |
| Annex 14: Export licences to Argentina in the period 1 October 2012–30 September 2013 | Ev 646 |
| Annex 15: National Counter proliferation Strategy 2012–15 | Ev 650 |
| Annex 16: Departmental Minutes for the gifting of equipment to the Syrian Opposition May 2013–June 2014 | Ev 656 |

Volume III (published on the Committees; website: www.parliament.uk/caeccomm)*Oral evidence***Monday 4 November 2013**

Roy Isbister, Team Leader, Small Arms and Transfer Controls, Saferworld, **Oliver Sprague**, Programme Director, Military Security and Police, Amnesty International UK, and **Martin Butcher**, Policy Adviser, Arms Campaign, Oxfam GB

Ev w1

Mr David Hayes, Chairman of Export Group for Aerospace and Defence (EGAD), **Mrs Susan Griffiths**, Head of Export Control UK, MBDA UK Ltd, **Ms Bernadette Peers**, Compliance Manager, Strategic Shipping Company Ltd, and **Mr Michael J.V. Bell**, Export Controls Consultant

Wednesday 18 December 2013

Rt Hon. Vince Cable MP, Secretary of State for Business, Innovation and Skills and President of the board of Trade, **Edward Bell**, Head of the Export Control Organisation, Department for Business, Innovation and Skills, and **Chris Chew**, Head of Policy, Export Control Organisation, Department for Business, Innovation and Skills

Ev w22

Wednesday 8 January 2014

Rt Hon William Hague MP, Secretary of State for Foreign and Commonwealth Affairs, **Richard Tauwhare**, Head of Arms Export Policy Department, and **James Paver**, Deputy Head of Arms Export Policy Department, Foreign and Commonwealth Office

Ev w49

Monday 7 April 2014

Rt Hon Peter Hain, MP

Ev w68

Additional written evidence

| | | |
|---|---|---------|
| 1 | Reprive (AEC001) | Ev w75 |
| 2 | Neil Cooper and Gerald Walther (AEC002) | Ev w78 |
| 3 | Campaign Against Arms Trade (AEC003) | Ev w82 |
| 4 | Privacy International (AEC004) | Ev w88 |
| 5 | Export Group for Aerospace Defence (AEC005) | Ev w93 |
| 6 | Bahrain Watch (AEC006) | Ev w96 |
| 7 | UK Working Group (AEC007) | Ev w104 |
| 8 | Anna Stavrianakis (AEC009) | Ev w137 |

Ministerial correspondence

| Date | From | To | Subject | Evidence reference |
|------------|----------------|------------------------------------|--|--------------------|
| 19/06/2013 | Chairman | David Cameron | Arms for Syrian opposition | EV w138 |
| 02/07/2013 | William Hague | Chairman | Illegal arms shipments | EV w139 |
| 02/07/2013 | Vince Cable | Chairman | Extant licences - validation of figures | EV w139 |
| 07/07/2013 | Michael Fallon | Chairman | Arms for anti-piracy | EV w140 |
| 11/07/2013 | William Hague | Chairman | Arms for Syrian opposition | EV w141 |
| 15/07/2013 | William Hague | Chair of Public Accounts Committee | Gifting equipment to Syria | EV w142 |
| 30/07/2013 | Vince Cable | Chairman | Pre-Government response - Egypt revocations, Transparency initiative, OGEL licences, Register of brokers | EV w145 |
| 22/08/2013 | Chairman | William Hague | Balance of Competencies Review | EV w148 |
| 09/09/2013 | Chairman | Vince Cable | Syria dual-use chemical exports | EV w148 |
| 10/09/2013 | Vince Cable | Chairman | Syria, Egypt and DSEi update | EV w153 |
| 11/09/2013 | Chairman | Vince Cable | Syria dual-use chemical exports | EV w155 |
| 12/09/2013 | Chairman | William Hague | CAEC questions on Government Annual Report on Strategic Exports | EV w155 |
| 17/09/2013 | William Hague | Chairman | Balance of Competencies Review | EV w162 |
| 04/10/2013 | Vince Cable | Chairman | Syria dual-use chemical exports | EV w162 |
| 06/10/2013 | William Hague | Chairman | Consolidated Criteria for arms exports | EV w172 |
| 11/10/2013 | Vince Cable | Chairman | Syria dual-use chemical exports | EV w173 |
| 14/10/2013 | Chairman | William Hague | CAEC not included in letter regarding arms exports to Syria | EV w173 |
| 21/10/2013 | William Hague | Chairman | CAEC not included in letter regarding arms exports to Syria | EV w175 |
| 23/10/2013 | Chairman | Vince Cable | Syria dual- use chemical exports - company names | EV w176 |
| 25/10/2013 | Vince Cable | Chairman | Syria dual-use chemical exports - company names | EV w177 |
| 29/10/2013 | William Hague | Chairman | CAEC questions on Government Annual Report | EV w177 |
| 25/11/2013 | Chairman | Clerk of the House | Freedom of Information application | EV w191 |

| Date | From | To | Subject | Evidence reference |
|------------|-----------------------------|----------------|---|--------------------|
| 28/11/2013 | Clerk of the House | Chairman | Freedom of Information application | EV w191 |
| 02/12/2013 | Michael Fallon | Chairman | CAEC Westminster Hall debate follow-up | EV w192 |
| 16/12/2013 | Michael Fallon | Chairman | CAEC Westminster Hall debate follow-up | EV w194 |
| 06/01/2014 | William Hague | Chairman | Prior to evidence session | EV w194 |
| 06/01/2014 | William Hague & Vince Cable | Chairman | Government policy on internal repression and arms exports | EV w197 |
| 06/01/2014 | Chairman | William Hague | Government policy on internal repression and arms exports | EV w197 |
| 20/01/2014 | Chairman | Vince Cable | Syria dual-use chemical exports - company names | EV w199 |
| 03/02/2014 | Vince Cable | Chairman | Syria dual-use chemical exports - company names | EV w199 |
| 13/02/2014 | William Hague | Chairman | Balance of Competences report | EV w201 |
| 26/02/2014 | William Hague | Chairman | Overseas Security and Justice Assistance and arms exports | EV w201 |
| 27/02/2014 | Chairman | William Hague | Iran – Comprehensive Nuclear Test Ban Treaty | EV w202 |
| 06/03/2014 | Chairman | Vince Cable | Syria dual-use chemical exports - company names | EV w203 |
| 11/03/2014 | Hugh Robertson | Chairman | Evidence session | EV w204 |
| 11/03/2014 | Chairman | Hugh Robertson | Evidence session | EV w205 |
| 20/03/2014 | William Hague | Chairman | Iran – Comprehensive Nuclear Test Ban Treaty | EV w205 |
| 25/03/2014 | Chairman | William Hague | Arms Trade Treaty | EV w206 |
| 26/03/2014 | Hugh Robertson | Chairman | Evidence session | EV w206 |
| 02/04/2014 | Chairman | Hugh Robertson | Evidence session | EV w207 |
| 03/04/2014 | William Hague | Chairman | Arms Trade Treaty | EV w208 |
| 10/04/2014 | Chairman | Vince Cable | Extant licences information request | EV w209 |
| 16/04/2014 | Chairman | Vince Cable | Trade fair legal proceedings | EV w210 |
| 17/04/2014 | Chairman | Vince Cable | Request for list of revoked licences | EV w211 |
| 17/04/2014 | Vince Cable | Chairman | Priority Markets List | EV w211 |
| 17/04/2014 | Chairman | William Hague | Balance of Competencies letter | EV w213 |
| 17/04/2014 | Chairman | William Hague | Gifting equipment letter | EV w214 |
| 17/04/2014 | Chairman | Vince Cable | US-UK Defence Trade Cooperation Treaty | EV w214 |
| 24/04/2014 | Chairman | William Hague | OECD & G4S | EV w215 |
| 24/04/2014 | Chairman | William Hague | Government policy on internal repression and arms exports | EV w215 |
| 24/04/2014 | Chairman | Vince Cable | Ukraine - suspended licences | EV w216 |
| 24/04/2014 | Chairman | Vince Cable | Egypt - suspended licences | EV w216 |

| Date | From | To | Subject | Evidence reference |
|------------|----------------|------------------|---|--------------------|
| 24/04/2014 | Chairman | William Hague | Russia - suspended licences | EV w217 |
| 24/04/2014 | Chairman | William Hague | Syrian dual-use chemicals Declaration | EV w217 |
| 24/04/2014 | Chairman | William Hague | Ukraine - sniper rifles | EV w220 |
| 24/04/2014 | Chairman | Justine Greening | DFID and arms export controls | EV w221 |
| 27/04/2014 | William Hague | Chairman | Balance of competencies and Syrian gifting letters | EV w222 |
| 28/04/2014 | Chairman | William Hague | Barrel bombs | EV w222 |
| 28/04/2014 | Chairman | Vince Cable | Consolidated Criteria for arms exports | EV w222 |
| 29/04/2014 | Hugh Robertson | Chairman | Nuclear Non-Proliferation Report | EV w223 |
| 08/05/2014 | William Hague | Chairman | Syrian dual-use chemicals Declaration | EV w235 |
| 08/05/2014 | Alan Duncan | Chairman | DFID and arms export controls | EV w236 |
| 09/05/2014 | William Hague | Chairman | Government policy on internal repression and arms exports | EV w236 |
| 09/05/2014 | William Hague | Chairman | Kurdistan end-use certificates | EV w237 |
| 12/05/2014 | Vince Cable | Chairman | Extant licences information request | EV w239 |
| 12/05/2014 | Chairman | Vince Cable | UAVs | EV w474 |
| 12/05/2014 | Chairman | Vince Cable | Counter-piracy licences | EV w474 |
| 14/05/2014 | Vince Cable | Chairman | Egypt, Ukraine and Russia suspended licences, Ukraine sniper rifles, OECD & G4S, Consolidated Criteria for arms exports | EV w474 |
| 19/05/2014 | William Hague | Chairman | Barrel Bombs | EV w490 |
| 20/05/2014 | Chairman | Vince Cable | Missing letters | EV w491 |
| 20/05/2014 | Chairman | Justine Greening | Report response follow-up | EV w492 |
| 04/06/2014 | William Hague | Chairman | Syrian dual-use chemicals Declaration | EV w492 |
| 06/06/2014 | Alan Duncan | Chairman | DFID and arms export controls | EV w494 |
| 06/06/2014 | Vince Cable | Chairman | UAVs, anti-piracy, DSEi, revocations, UK-US Defence Trade Cooperation Treaty | EV w499 |
| 12/6/2014 | Chairman | Vince Cable | Revocations discrepancy | EV w505 |
| 19/6/2014 | Michael Fallon | Chairman | ECO processing | EV w506 |
| 27/6/2014 | Michael Fallon | Chairman | ECO processing | EV w507 |
| 30/06/2014 | Vince Cable | Chairman | Revocations discrepancy | EV w508 |

Glossary of Acronyms

| | |
|----------|---|
| ATAS | Academic Technology Approval Scheme |
| ATT | Arms Trade Treaty |
| BIS | Department for Business, Innovation and Skills |
| BTWC | Biological and Toxic Weapons Convention |
| CAAT | Campaign Against Arms Trade |
| CAEC | Committees on Arms Export Controls |
| CBRN | Chemical, Biological, Radiological, and Nuclear |
| CBW | Chemical and Biological Weapons |
| CCM | Convention on Cluster Munitions |
| CCW | Convention on Certain Conventional Weapons |
| CTBT | Comprehensive Nuclear Test Ban Treaty |
| COARM | EU Council of Ministers Working Group on Conventional Weapons |
| CWC | Chemical Weapons Convention |
| DFID | Department for International Development |
| DSEi | Defence and Security Equipment International (Trade Exhibition) |
| DTCT | UK/US Defense Trade Cooperation Treaty |
| ECO | Export Control Organisation (within the Department for Business, Innovation and Skills) |
| EGAD | Export Group for Aerospace and Defence |
| EU | European Union |
| FAC | Foreign Affairs Committee |
| FCO | Foreign and Commonwealth Office |
| FMCT | Fissile Material Cut-off Treaty |
| GTRP | Global Threat Reduction Programme |
| ICT | Intra-Community Transfer (ICT) Directive on arms transfers within the EU |
| ITAR | (US) International Traffic in Arms Regulations |
| MoD | Ministry of Defence |
| MTCR | Missile Technology Control Regime |
| NPT | Nuclear Non-Proliferation Treaty |
| NSG | Nuclear Suppliers Group |
| NWFZ | Nuclear Weapons Free Zone |
| OGEL | Open General Export Licence |
| OGTCL | Open General Trade Control Licence |
| OIEL | Open Individual Export Licence |
| OITCL | Open Individual Trade Control Licence |
| OPCW | Organisation for the Prohibition of Chemical Weapons |
| OPTs | Occupied Palestinian Territories |
| OSCE | Organisation for Security and Co-operation in Europe |
| OSJA | Overseas Security and Justice Assistance |
| PMSC | Private Maritime and Security Company |
| PQ | Parliamentary Question |
| PSC | Private Security Company |
| P5 | The 5 permanent members of the UN Security Council |
| SALW | Small Arms and Light Weapons |
| SIEL | Standard Individual Export Licence |
| SIPRI | Stockholm International Peace Research Institute |
| SITCL | Standard Individual Trade Control Licence |
| SITL | Standard Individual Transshipment Licence |
| UAV | Unmanned Aerial Vehicles |
| UKTI DSO | United Kingdom Trade & Investment Defence & Security Organisation |
| UKWG | United Kingdom Working Group on Arms |
| UNROCA | United Nations Register of Conventional Arms |
| WA | Wassenaar Arrangement |
| WMD | Weapons of Mass Destruction |
| WMDFZ | Weapons of Mass Destruction Free Zone |
| WMS | Written Ministerial Statement |

Definition of Export Control Organisation licences

SIEL—Standard Individual Export Licence

SIELs generally allow shipments of specified items to a specific consignee up to the quantity specified by the licence. Licences permitting permanent export are generally valid for two years from the date of issue. Where the export is temporary, for example for the purposes of demonstration, trial or evaluation, the licence is generally valid for one year only and the items must be returned before the licence expires.

OIEL—Open Individual Export Licence

OIELs are specific to an individual exporter and cover multiple shipments of specified items to specified destinations and/or, in some cases specified consignees. OIELs covering the export of items entered on the Military List are generally valid for two years, while OIELs covering other items are generally valid for three years.

SITCL—Standard Individual Trade Control Licence

A Standard Individual Trade Control Licence is specific to a named trader and covers involvement in trading of a set quantity of specific goods between a specific source and destination country with a specified consignor, consignee and end-user. SITCLs will normally be valid for two years.

OITCL—Open Individual Trade Control Licence

An OITCL is specific to a named trader and covers involvement in trading or specific goods between specific source and destination countries and/or specified consignors, consignees and end-users. OITCLs are generally valid for two years.¹

OGTL—Open General Transshipment Licence

An OGTL is required for the transshipment of controlled goods through the UK en route from one country to another pre-determined destination.

OGEL – Open General Export licence

Open General Licences (OGLs) are pre-published export, trade or transshipment licences in the public domain.

SITL—Standard Individual Transshipment Licence

A SITL is used for transshipment of goods when an OGTL cannot be used.

¹ Department for Business, Innovation and Skills, Strategic Export Controls: Country Pivot Report 1st April 2012–30th June 2012, pp 3–4

Report

1. The four House of Commons Select Committees that comprise the Committees on Arms Export Controls (CAEC)² are: the Business, Innovation and Skills Committee, the Defence Committee, the Foreign Affairs Committee and the International Development Committee. All members of the four Select Committees are entitled to attend Committee meetings of the CAEC, although for practical purposes each of the four Committees usually nominates four members to serve on the CAEC. The CAEC's task is to scrutinise the UK Government's arms export control procedures and legislation, individual arms export licence decisions, arms export policies, and the UK's role in international arms control agreements.

2. Volume I contains the Committees' Report, including the Committees' Conclusions and Recommendations. Volume II contains the Memorandum from the Chairman of the Committees and associated annexes. Volume III contains oral and additional written evidence to the inquiry and ministerial correspondence. Volumes I, II and III are all published on the Committees' webpages.³

The Committees' inquiry

3. The Committees have continued their intensive and detailed scrutiny of all aspects of the Government's arms exports and arms control policies. In addition, the Committees have given comprehensive scrutiny to the Government's policies on a wide range of international arms control agreements, and have also continued to provide detailed information about the UK's extant strategic export licences for military and dual-use goods going to the 28 countries named by the Foreign and Commonwealth Office as being Countries of Human Rights concern, as listed in its 2013 Human Rights and Democracy Report.⁴

Introduction

4. The Committees continue to conclude that the giving of Oral Evidence to the Committees by the Secretary of State for Business, Innovation and Skills and the Foreign Secretary at the last two annual Oral Evidence sessions of the Committees reflects the importance that the Government rightly attaches to arms export and arms control policies. (See paragraph 5 of Volume II of this Report.)

5. The Committees continue to recommend that given the far-reaching significance of arms export and arms control decisions for the Government's foreign, trade, defence and international development policies, Oral Evidence should continue to be given to the Committees on Arms Export Controls by both Secretaries of State. (See paragraph 6 of Volume II of this Report.)

² From April 1999 to March 2008 the Committees were known as the "Quadripartite Committee".

³ Volumes I, II and III of this Report are published on the Committees' webpages at www.parliament.uk/caecomm

⁴ Foreign and Commonwealth Office, *Human Rights and Democracy: The 2013 Foreign & Commonwealth Office Report*, Cm8842, April 2014

The Government's "United Kingdom Strategic Export Controls Annual Report 2012" (HC561)

6. The Committees conclude that all international arms control measures raise proliferation issues either directly or indirectly and require parliamentary scrutiny alongside the Government's national strategic export controls policies as is done by the Committees themselves in their own Reports to Parliament. The Committees, therefore, recommend that the Government's United Kingdom Strategic Export Control Annual Report should include the Government's policies on all international arms control measures including:

- The Fissile Material Cut-off Treaty
- The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction
- The Chemical Weapons Convention
- The Biological and Toxin Weapons Convention
- The Nuclear Non-Proliferation Treaty
- The Comprehensive Nuclear Test Ban Treaty
- Sub-Strategic and Tactical Nuclear Weapons
- A Middle-East Weapons of Mass Destruction Free Zone
- The National Counter-Proliferation Strategy for 2012–2015.

The Committees further recommend that the title of the Government's Annual Report should be widened accordingly. (See paragraph 11 of Volume II of this Report.)

The Committees' Report of 2012–13 (HC 205)

7. The Committees conclude that as its 2013 Report (HC 205) was published on 17 July 2013 and as the Government's Response (Cm8707) was published in October 2013 and only had three deferred responses to the Committees' Recommendations, the Government has broadly maintained the improvement made in the previous year in the timeliness of its responses to the Committees Report. The Committees recommend that this improvement is maintained. (See paragraph 15 of Volume II of this Report.)

The Committees' questions on the Government's quarterly information on arms export licences

8. The Committees conclude that the Government's acceptance of the Committees' previous Recommendation that the Government's answers to the Committees' questions on the Government's published quarterly reports of arms export licences granted, refused or appealed should provide the maximum disclosure of information on a non-classified basis consistent with safeguarding the UK's security and trade interests is welcome and

recommend that the Government continues this practice. (See paragraph 19 of Volume II of this Report.)

Arms export control legislation and procedures

Extra-territoriality

9. The Committees continue to recommend that it is not justifiable to enable a UK person to escape UK criminal jurisdiction by engaging in arms export or arms brokering activity overseas which would be a criminal offence if carried out from the UK. (See paragraph 27 of Volume II of this Report.)

10. The Committees further conclude that the fact that the Government has now been obliged, in order to achieve compliance with the terms of the Arms Trade Treaty, to extend extra-territoriality to the brokering by UK persons worldwide of battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, certain warships, and certain missiles and their launchers is welcome. (See paragraph 28 of Volume II of this Report.)

11. The Committees continue to recommend that extra-territoriality is extended to the remaining military goods in Category C. (See paragraph 29 of Volume II of this Report.)

12. The Committees further recommend that the Government in its Response to this Report states whether in order to achieve full UK compliance with the terms of the Arms Trade Treaty the Government is obliged to extend extra-territoriality not only to UK persons engaged in arms brokering activities worldwide, but also to UK persons engaged in direct arms export activities worldwide, and, if so, when it will be introducing the relevant legislation. (See paragraph 30 of Volume II of this Report.)

“Brass Plate” companies

13. The Committees continue to conclude that it is most regrettable that the Government have still to take any action against “Brass Plate” arms exporting companies who have the benefit of UK company registration but carry out arms exporting and arms brokering activities overseas in contravention of UK Government policies. (See paragraph 34 of Volume II of this Report.)

14. The Committees again recommend that the Government sets out in its Response to this Report what steps it will take to discontinue the UK registration of such companies. (See paragraph 35 of Volume II of this Report.)

15. The Committees further recommend that the Government in its Response to this Report states the number of such companies whose UK registration the Government has discontinued on public interest, or on any other grounds, in the present Parliament, and also states the names of the companies so de-registered. (See paragraph 36 of Volume II of this Report.)

Arms brokers

16. The Committees conclude that the Government's acceptance of the Committees' repeated Recommendation that it carries out a full review of the case for a pre-licence register of arms brokers is welcome. (See paragraph 44 of Volume II of this Report)

17. The Committees recommend that the Government both completes its public consultation and announces its policy conclusion before the end of October 2014 at the latest. (See paragraph 45 of Volume II of this Report.)

EU dual-use controls

18. The Committees recommend that the Government states in its Response to this Report:

- a) whether the EU Commission's Report on Council Regulation (EC) 428/2009 (the so-called "Dual-Use Regulation") has now been published, and
- b) whether the Government has made, or will be making, a response to that Report. (See paragraph 49 of Volume II of this Report.)

EU end-use control of exported military goods

19. The Committees recommend that the Government states in its Response to this Report whether it remains concerned about the current limitations of EU end-use control of exported military goods with particular reference to ensuring that military end-use controls:

- a) can be applied to the export of complete items which are to be used as complete items; and
- b) will permit preventing the export of unlisted items that are to be modified for military purposes, either in the destination country or in an intermediate destination.

If so, the Committees further recommend that the Government states in its Response what action it is taking with the EU to remove the above limitations of EU end-use control of exported military goods. (See paragraph 52 of Volume II of this Report.)

Torture end-use control and end-use control of goods used for capital punishment

20. The Committees recommend that the Government states in its Response to this Report:

- a) whether the British Government is represented on the informal Experts Group being consulted by the EU Commission in its review of the EU Torture Regulation and, if so, by whom;

- b) whether the EU Commission's intended meeting last year with Member States for formal discussion on its proposals for the EU Torture Regulation took place, and whether the UK Government was present at the meeting;
- c) whether the Commission's proposals for the EU Torture Regulation have now been published and, if so, what the UK Government's response to them has been; and
- d) whether it will reconsider its policy of not legislating at national level for end-use controls on torture and death penalty goods. (See paragraph 58 of Volume II of this Report.)

Re-export controls and undertakings

21. The Committees recommend that the Government states whether, in addition to the sniper rifles to France case in 2012, it has any information about controlled goods with export licence approval from the Government having subsequently been re-exported for undesirable uses or to undesirable destinations contrary to the Government's re-export controls and undertakings which became compulsory from July 2010 and, if so, provides the Committees with details in its Response. (See paragraph 61 of Volume II of this Report.)

Licensed production overseas

22. The Committees recommend that the Government states whether it is still the case that the Government has no evidence that, during the lifetime of the present Government, breaches of UK arms control policies may have occurred as a result of the export of UK-designed goods, including components, from licensed production facilities overseas. If this is no longer the case, the Committees further recommend that the Government provides details of such breaches in its Response to this Report. (See paragraph 64 of Volume II of this Report.)

Use of UK subsidiaries to export arms

23. The Committees conclude that it is a significant loophole in UK arms export controls that a UK company can circumvent those controls by exporting military and dual-use goods using an overseas subsidiary. The Committees recommend that the Government states whether it will close this loophole, and, if so, by what means and in what timescale. (See paragraph 68 of Volume II of this Report.)

The Consolidated Criteria and EU Council Common Position

24. The Committees conclude that it is misleading for the Government to have entitled its new Criteria the "Consolidated EU and National Arms Export Licensing Criteria" when the text:

- a) has substantial differences from the EU Council's Common Position on arms exports;

- b) is not an EU document;
- c) includes the policy statement that “The Government will thus continue when considering licence applications to give full weight to the UK’s national interest, including:
 - i. The potential effect on the UK’s economic, financial and commercial interests, including our long-term interests in having stable, democratic trading partners;
 - ii. The potential effect on the UK’s international relations;
 - iii. The potential effect on any collaborative defence production or procurement project with allies or EU partners;
 - iv. The protection of the UK’s essential strategic industrial base”; and
- d) is clearly the UK Government’s national variant of the EU Common Position on arms exports.

The Committees therefore recommend that the Government should clearly differentiate between the UK’s Consolidated Criteria on arms exports and the EU’s Common Position on arms exports. (See paragraph 78 of Volume II of this Report.)

25. The Committees recommend that the Government states in its Response when it will be providing the Committees with its update on the EU User’s Guide following the adoption of the Arms Trade Treaty. (See paragraph 79 of Volume II of this Report.)

26. The Committees further conclude that the fact that Government was obliged by provisions of the Arms Trade Treaty to introduce the risk of gender-based violence, in addition to violence against children, into the Criteria for the first time is welcome. (See paragraph 80 of Volume II of this Report.)

27. The Committees conclude that the Government’s insertion into the Criteria that it will “not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international law” is welcome. (See paragraph 81 of Volume II of this Report.)

28. However, the Committees also conclude that the Government’s deletion of the policy in the October 2000 UK Consolidated Criteria that: “An export licence will not be issued if the arguments for doing so are outweighed... by concern that the goods might be used for internal repression” represents a substantive weakening of the UK’s arms export controls and recommend that this wording is re-instated. (See paragraph 82 of Volume II of this Report.)

29. The Committees finally conclude that the Government’s assertion in relation to the new Arms Export Criteria announced on 25 March 2014 that: “None of these amendments should be taken to mean that there has been any substantive change in policy” is not sustainable. (See paragraph 83 of Volume II of this Report.)

Organisational and operational issues

Export Control Organisation (ECO) – Remit, responsibilities, structure and staffing

30. The Committees recommend that the Government states in its Response to this Report whether it remains satisfied that the present remit, responsibilities, structure and staffing of the Export Control Organisation fully meet the Government’s policy objectives, whether it has any plans to make changes, and, if so, what those changes are. (See paragraph 86 of Volume II of this Report.)

Charging for processing arms export licences

31. The Committees continue to conclude that it would be undesirable to make the Export Control Organisation financially dependent on fee income from arms exporters, and recommends that the Government states in its Response to this Report whether it remains the Government’s policy not to introduce a charging regime for arms export licences. (See paragraph 89 of Volume II of this Report.)

Performance

32. The Committees conclude that the substantial increase in scrutiny by FCO Ministers of arms export licence applications — up from 39 in 2010 to over 300 in 2013 — is welcome. (See paragraph 100 of Volume II of this Report.)

33. The Committees recommend that the Government states in its Response the reason for the serious deterioration of the Export Control Organisation’s performance on appeals in 2013 and the specific steps the Government is taking to ensure that ECO meets its target of processing 60% of appeals within 20 working days from receipt of all relevant information from the appellant and 95% in 60 working days. (See paragraph 101 of Volume II of this Report.)

34. The Committees recommend that in its Response to this Report the Government states what specific steps it has taken to improve the Export Control Organisation’s performance on appeals and what have been the actual results. (See paragraph 102 of Volume II of this Report.)

35. The Committees further recommend that the Government states in its Response whether it remains its policy “to develop a strategy to encourage exporters to shift from individual to open licences”, and, if so, what assessment it has made of the risk of an increase in breaches of the Government’s arms export control policies as a result. (See paragraph 103 of Volume II of this Report.)

Review of ECO

36. The Committees recommend that the Government states in its Response to this Report what specific steps it has taken, and will be taking, to make the ECO website more user-friendly to exporters. (See paragraph 110 of Volume II of this Report.)

Transparency of arms export licensing

37. The Committees conclude that the Government failed to discharge its consultation obligations satisfactorily before making a significant change of policy on the transparency of arms export licensing with the Business Secretary's decision in 2013 that the users of Open General and Open Individual Licences would be required to report on their usage of those licences only on an annual, rather than on an annual and quarterly, basis as previously stated on 13 July 2012. (See paragraph 123 of Volume II of this Report.)

38. The Committees recommend that the Business Secretary provides his promised update of his review of the reporting requirements under the Government's Transparency Initiative before his next evidence session with the Committees, which the Committees plan to have this coming Autumn. (See paragraph 124 of Volume II of this Report.)

Powers to create new categories of export licences

39. The Committees continue to conclude that Article 26 of the Export Control Order 2008 enabling the Secretary of State to create new types of arms export licences without Parliamentary approval is unsatisfactory and could be used in a way that would significantly diminish the ability of Parliament to scrutinise the Government's arms export policies. The Committees recommend that the Government should amend the Export Control Order 2008 accordingly. (See paragraph 127 of Volume II of this Report.)

40. The Committees recommend that the Government in its Response to this Report lists since the Export Control Order 2008 came into effect the individual licences and the general licences that have been created under Article 26 stating in each case:

- a) the date the licence was created;
- b) the reason for its creation;
- c) to whom it has been granted; and
- d) what goods were authorised to be exported under each licence and to whom.
(See paragraph 128 of Volume II of this Report.)

Priority Markets for UK arms exports

41. The Committees conclude that:

- a) the decision of the Business Secretary to write on 17 April 2014 to the Committees with the outcome of the Government's review of Priority Markets for 2014/15 and with an explanation of why each country is included in the list is welcome;
- b) the removal of Libya from the list is welcome; and
- c) the decision to assess individual EU and NATO member countries on their arms export merits rather than as groups is welcome. (See paragraph 131 of Volume II of this Report.)

42. The Committees recommend that the Government states in its Response to this Report why Canada has been deleted from the Priority Markets List. (See paragraph 133 of Volume II of this Report.)

43. The Committees further recommend that the Government needs to explain to Parliament and the wider public more fully why Saudi Arabia is listed by the Business Department as a Priority Market for arms exports whilst simultaneously being listed by the Foreign and Commonwealth Office as being a country of major human rights concern, and also why Bahrain has now been added to the Business Department's Priority Markets List notwithstanding the continuing concerns about human rights in that country. (See paragraph 134 of Volume II of this Report.)

Trade exhibitions

44. The Committees conclude that though the Government agreed without qualification the Committees' previous Recommendation "that it is of the utmost importance that all defence and security equipment exhibitions licensed or facilitated by UK Government Departments, organisations and bodies do not display, promote or market Category A goods including goods that could be used for torture", the Government failed to achieve this policy once again at the biennial Defence and Security Equipment International exhibition (DSEi) held in London in September 2013. (See paragraph 152 of Volume II of this Report.)

45. In view of the self-evident lack of clarity in the present criminal legislation as shown by the Business Secretary's reply to the Committees of 6 June 2014, the Committees recommend that the Government states in its Response whether it will amend the relevant legislation to make it clear beyond doubt that a breach of the Government's policy "that it is of the utmost importance that all defence and security equipment exhibitions licensed or facilitated by UK Government Departments, organisations or bodies do not display, promote or market Category A goods, including goods that could be used for torture" constitutes a criminal offence. (See paragraph 153 of Volume II of this Report.)

46. The Committees recommend that the Government states in its Response whether it will ensure that the Committees are informed of the outcome of the Government's review of the Memorandum of Understanding between Clarion Defence and Security Ltd and the Export Control Organisation as early as possible in January 2015. (See paragraph 154 of Volume II of this Report.)

Enforcement

47. The Committees conclude that the Government's confirmation that it will continue to publish details of individuals and companies convicted of arms export offences and the sentences imposed by the courts is welcome, but recommends that the Government in its Response to this Report explains why there were just 3 successful prosecutions for strategic export offences in 2012–13 and 1 in 2011–12 compared with 8 in 2010–11. (See paragraph 159 of Volume II of this Report.)

48. The Committees further recommend that the Government states in its Response why HMRC visits to Open Export Licence holders have declined from over 800 in 2009 and in 2010 to 300 in 2012. (See paragraph 160 of Volume II of this Report.)

49. The Committees also recommend that the Government should restore reporting on:

- a) the number of unlicensed shipments discovered during compliance visits; and
- b) the categories of misuse discovered during compliance visits to Open Individual and Open General Licence holders as was done up to and including the Government's Strategic Export Controls 2011 Report. (See paragraph 161 of Volume II of this Report.)

50. In its scrutiny of the Government's arms exports for the Quarter July to September 2013, the Committees asked the following question:

“Why was an incorporated SIEL to Brazil [via the United States] for components for military training aircraft refused?”

The Government Response was:

“We refused the SIEL under Criterion 7 because we assessed there was a risk that the goods might be diverted within the buyer country or re-exported under undesirable conditions.” [The further classified information relating to this licence application given to the Committee cannot be published.]

The Committees recommend that the Government states in its Response what is the standard wording it uses in its export licence application forms in which all applicants state in writing that the information in their application is accurate, and what are the penalties in current legislation if a licence applicant knowingly includes false information in their application. (See paragraph 162 of Volume II of this Report.)

Compound penalties

51. The Committees recommend that the Government states in its Response to this Report:

- a) whether there is any authority independent of the Government, such as the Crown Prosecution Service, authorising in the case of each breach of the criminal law on arms export controls the use of a compound penalty instead of a criminal prosecution and, if not, whether the Government will establish one;
- b) for what specific breaches of the criminal law on arms export controls HMRC currently allows a compound penalty to be offered;
- c) whether refusal of an offer of a compound penalty automatically results in a criminal prosecution, and, if not, why not; and
- d) the number of compound penalties offered by HMRC and the total sum paid to HMRC in compound penalties in the latest year for which figures are available. (See paragraph 166 of Volume II of this Report.)

Crown Dependencies

52. The Committees conclude that they do not accept the Government's view that it would not be appropriate for it to report to a UK Parliamentary Committee any breaches of the UK Government's arms export controls and policies by a Crown Dependency on the grounds that any such breaches fall within the Crown Dependencies' domestic competences because:

- a) successive UK Governments have submitted evidence to UK Parliamentary Committees, such as the Foreign Affairs Committee, on matters relating to a Crown Dependency's domestic competence; and
- b) the financing of arms export transactions and arms export controls have overseas as well as domestic ramifications.

The Committees therefore repeat their previous Recommendation that the Government monitors enforcement by Crown Dependencies of the UK Government's arms export controls and policies and notifies the Committees of any breaches. (See paragraph 169 of Volume II of this Report.)

Combating bribery and corruption

53. The Committees recommend that the Government in its Response to this Report states, since its last Response in Cm8707, the names of any individuals and any companies against whom it has taken action under the provision of the Bribery Act 2010 in relation to their arms export dealings or financing. (See paragraph 172 of Volume II of this Report.)

International Development

54. The Committees conclude that it is regrettable that though the Government stated in its previous Response that the Department for International Development (DFID) was in the process of assessing its role in the Arms Export Control Process and that officials would be submitting advice to Ministers in the Autumn of 2013, and would update the Committees as soon as possible thereafter, the Committees did not receive the promised update until 6 June 2014. (See paragraph 176 of Volume II of this Report.)

55. The Committees conclude that the decision of the Department for International Development (DFID) to strengthen its application of Criterion 8 ("whether the proposed export would seriously hamper the sustainable development of the recipient country") is welcome. (See paragraph 177 of Volume II of this Report.)

56. The Committees further conclude that DFID's undertaking to make a full report in 2015 on the effectiveness of its revised methodology for assessing arms export licence applications against Criterion 8 is also welcome. (See paragraph 178 of Volume II of this Report.)

57. The Committees recommend that the Government should state in its Response whether it agrees that DFID, whilst making Criterion 8 its prime focus of involvement in the arms export controls process, should also keep under review being involved formally in the assessments under other Criteria such as Criterion 3 (Internal Situation in the country

of final destination) and Criterion 4 (Prevention of regional peace, security and stability) given that in a number of countries DFID has more staff present than any other British Government Department. (See paragraph 179 of Volume II of this Report.)

Arms Exports Agreements

UK/US Defence Trade Cooperation Treaty

58. The Committees recommend that the Government states in its Response to this Report:

- a) the names of the companies and facilities of the UK members of the UK/US Defence Trade Cooperation Treaty (DTCT) additional to the 14 members listed in the Government's previous Response (Cm8707);
- b) the names of the companies and facilities amongst the original 14 members who are now no longer members and why they have withdrawn in each case;
- c) whether any narrowing of the Exempt Technologies List (ETL) has been achieved, and, if so, in what specific ways;
- d) each specific UK Industry-to-US Government transaction that has now taken place, if any, under the DTCT;
- e) its response to the view of the Export Group for Aerospace and Defence (EGAD) about the UK/US Defence Trade Cooperation Treaty the "we have ended up with something that has little operational relevance or use to industry. That is why the uptake is so low."; and
- f) what specific steps it will be taking to achieve its objective to move the US–UK Defence Trade Cooperation Treaty to the mainstream of the UK–US defence and security relationship. (See paragraph 184 of Volume II of this Report.)

US International Traffic in Arms Regulations (ITAR)

59. The Committees recommend that the Government sets out in its Response to this Report the specific ways, if any, the recent US defence export control reforms have put the UK defence industry at a competitive disadvantage to the US defence industry in making exports to third countries. (See paragraph 191 of Volume II of this Report.)

60. The Committees further recommend that the Government states in its Response what specific steps it is taking to ensure that there is a level playing field for the UK defence industry when competing with the US defence industry for export controls to third countries whilst maintaining adherence to UK national arms export policies. (See paragraph 192 of Volume II of this Report.)

UK-France Defence and Security Co-operation Treaty

61. The Committees recommend that the Government in its Response to this Report provides a further update on the specific steps the Government is taking to ensure that the

UK/France Defence and Security Co-operation Treaty is working satisfactorily for the UK defence industry. (See paragraph 196 of Volume II of this Report.)

62. The Committees further recommend that the Government states in its Response what specific issues relating to the Treaty are under negotiation between the British and French Governments. (See paragraph 197 of Volume II of this Report.)

The Intra-Community Transfer (ICT) Directive on arms transfers within the EU

63. The Committees recommend that the Government in its Response to this Report states the name of the one UK company that had achieved certification for a general licence under the Intra-Community Transfer (ICT) Directive on arms transfers within the EU as referred to by the Government in its last Response (Cm 8707), and the names of any additional UK companies which have been so certified. (See paragraph 201 of Volume II of this Report.)

64. The Committees further recommend that the Government states in its Response what specific proposals it has made in meetings on the ICT Directive in Brussels to improve visibility throughout the EU on the scope of general licences and the conditions attached to their use. (See paragraph 202 of Volume II of this Report.)

65. The Committees also recommend that the Government states what specific steps it is taking to raise awareness of the potential benefits of the Intra-Community Transfer (ICT) Directive on arms transfers within the EU for UK defence industry companies whilst maintaining adherence to UK national arms control policies. (See paragraph 203 of Volume II of this Report.)

Arms Control Agreements

Arms Trade Treaty (ATT)

66. The Committees conclude that the Government's ratification of the Arms Trade Treaty is welcome. (See paragraph 214 of Volume II of this Report.)

67. The Committees recommend that the Government states in its Response:

- a) the total number of ratifications now achieved and the countries who have ratified;
- b) the countries which the Government considers to be the 20 largest arms exporters in view of the Foreign Secretary's statement on 2 April 2014 that the UK Government would be urging the largest arms exporters to ratify; and
- c) the specific steps the Government is taking both bilaterally and internationally to persuade individual countries to ratify the Arms Trade Treaty with particular reference to non-ratifying P5 countries and countries amongst the largest arms exporters. (See paragraph 215 of Volume II of this Report.)

EU Council Common Position

68. The Committees recommend that the Government when considering its future policy towards the EU should have in mind the significance of the EU Common Position in helping to maintain a fair competitive position in the EU for the UK defence industry. (See paragraph 218 of Volume II of this Report.)

Cluster Munitions

69. The Committees conclude that the Evidence they have received clearly points to both financial institutions and civil society NGOs wishing to see the Government involved in developing a code of conduct on the indirect financing of cluster munitions. (See paragraph 228 of Volume II of this Report.)

70. The Committees recommend that in the light of the Foreign Secretary's statement to the Committees that: "We will look at it again with the financial sector, if necessary, to see when and whether there is scope and need for the Government to act.", the Government states in its Response whether it will act in helping to develop a Code of Conduct on the indirect financing of cluster munitions. (See paragraph 229 of Volume II of this Report.)

Small Arms and Light Weapons (SALW)

71. The Committees recommend that the Government states in its Response what were its objectives at the Fifth Biennial Meeting in New York in June 2014 to consider Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects, together with the International Tracing Instrument, and how far progress was made with each of those objectives or not. (See paragraph 234 of Volume II of this Report.)

Landmines

72. The Committees recommend that the Government states in its Response the countries which have significant holdings of anti-personnel landmines and have not signed and ratified the Ottawa Landmines Convention. The Committees further recommend that the Government states in its Response what specific steps it is taking with each of those countries to secure their ratification of the Landmines Convention. (See paragraph 238 of Volume II of this Report.)

Barrel bombs

73. The Committees conclude that, like cluster munitions and anti-personnel landmines, barrel bombs have been used indiscriminately against civilians. (See paragraph 240 of Volume II of this Report.)

74. The Committees recommend that as the use of cluster munitions and anti-personnel landmines has been banned under international Conventions, the Government should reconsider its position that "it does not currently have any plans to bring the issue of barrel bombs to the UN Convention on Certain Conventional Weapons or any other fora." (See paragraph 241 of Volume II of this Report.)

The Wassenaar Arrangement

75. The Committees recommend that the Government provides the Committees with its promised update on Wassenaar Arrangement membership issues no later than in its Response to this Report. (See paragraph 249 of Volume II of this Report.)

76. The Committees further recommend that the Government states in its Response:

- a) whether the comprehensive review of the Wassenaar controls list has now been completed or is still on-going; and
- b) whether the Wassenaar Arrangement's new export controls on surveillance and law enforcement/intelligence gathering tools and Internet Protocol network surveillance systems or equipment require any amendments to UK primary or secondary legislation to ensure UK compliance. (See paragraph 250 of Volume II of this Report.)

The UN Register of Conventional Arms (UNROCA)

77. The Committees recommend that the Government reviews its procedures for compiling its returns to the UN Register of Conventional Arms (UNROCA) to avoid errors in its returns in future. (See paragraph 254 of Volume II of this Report.)

78. The Committees further recommend that the Government states in its Response what specific progress it is making in achieving a widening and broadening of the categories of military equipment that are to be reported to the UN Register of Conventional Arms. (See paragraph 255 of Volume II of this Report.)

The Convention on Certain Conventional Weapons (CCW)

79. The Committees recommend that the Government states in its Response what were its objectives at the meeting of the High Contracting Parties to the Convention on Certain Conventional Weapons in November 2013 and what was the outcome of the meeting. (See paragraph 258 of Volume II of this Report.)

80. The Committees further recommend that the Government states in its Response which countries are now Contracting Parties to the Convention on Certain Conventional Weapons and to each of its 5 Protocols. (See paragraph 259 of Volume II of this Report.)

81. The Committees also recommend that the Government states in its Response what specific steps it is taking to encourage the universalisation of the Convention and to achieve adherence to the existing Protocols. (See paragraph 260 of Volume II of this Report.)

The Fissile Material Cut-Off Treaty (FMCT)

82. The Committees recommend that the Government states in its Response by what date it expects the negotiations on the text of the Fissile Material Cut-Off Treaty to start and, if it is unable to provide an expected date, to state what specific steps it will take to get negotiations started. (See paragraph 264 of Volume II of this Report.)

The Missile Technology Control Regime (MTCR)

83. Following the Government's statement to the Committees that it considers that the main missile technology exporters who remain outside the Missile Technology Control Regime include China, Israel, India and Pakistan, the Committees recommend that the Government states in its Response whether it has any further countries to add to this list. (See paragraph 269 of Volume II of this Report.)

84. The Committees further recommend that the Government states in its Response what specific steps it is taking in respect of each of its named main missile technology exporters currently outside the MTCR to encourage them to become Missile Technology Control Regime members. (See paragraph 270 of Volume II of this Report.)

The G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction

85. The Committees recommend that the Government states in its Response its updated expenditure figures for its expenditure under the Global Threat Reduction Programme (GTRP) in 2013–14, 2014–15, 2015–16 and 2016–17. (See paragraph 274 of Volume II of this Report.)

86. The Committees conclude that the security importance of reducing, and where possible eliminating, Russia's WMD stockpiles including of chemical weapons is such, that this programme should continue to be funded and recommends that the Government states in its Response whether it concurs with this view. (See paragraph 275 of Volume II of this Report.)

87. The Committees further recommend that the Government should resume producing its Annual Report "Global Threat Reduction Programme" (the last report was in 2010) on its policies and funding contributions in relation to The G8 (currently G7) Global Partnership Against the Spread of Weapons and Materials of Mass Destruction with details of the specific projects that the UK is funding. (See paragraph 276 of Volume II of this Report.)

The Nuclear Suppliers Group

88. Following the Government's statement to the Committees that it considers that the major nuclear technology holders who remain outside the Nuclear Suppliers Group (NSG) include India, Pakistan and Israel, and that it also considers that suppliers of dual-use technology who are not members include the UAE, Malaysia and Singapore, the Committees recommend that the Government states in its Response whether it has any further countries to add to either its list of major technology holders outside the NSG or its list of suppliers of dual-use technology outside the NSG. (See paragraph 279 of Volume II of this Report.)

89. The Committees further recommend that the Government states in its Response what specific steps it is taking in respect of each of its named major nuclear technology holders currently outside the NSG to encourage them to become Nuclear Suppliers Group members, and also what specific steps it is taking in respect of each of its named suppliers

of dual-use technology to cease being suppliers of technology that could facilitate nuclear proliferation. (See paragraph 280 of Volume II of this Report.)

The Nuclear Security Summit

90. The Committees recommend that the Government states in its Response what are the specific reforms of global security systems to ensure that vulnerable nuclear material does not fall into the wrong hands which the Government is determined to push through, and what are the specific steps it is taking to achieve such reforms. (See paragraph 287 of Volume II of this Report.)

The Australia Group

91. The Committees recommend that the Government states in its Response which of the countries currently outside the Australia Group that it has said have large or developing chemical industries, for example China, India and Pakistan, or act as transshipment hubs for chemicals, such as Singapore and Vietnam, it would wish to see as members of the Australia Group, and what specific steps it is taking to achieve Australia Group membership by the countries concerned. (See paragraph 291 of Volume II of this Report.)

The Academic Technology Approval Scheme (ATAS)

92. The Committees again recommend that the Government states in its Response:

- a) whether it remains satisfied that the UK's Academic Technology Approval Scheme continues to be effective in preventing those foreign students, who pose the greatest risk, from studying potential Weapons of Mass Destruction (WMD) proliferation subjects at UK Institutions of Higher Education; and
- b) whether it will consider introducing legislation to extend the scheme to include any UK students who similarly pose the greatest risk. (See paragraph 295 of Volume II of this Report.)

The Chemical Weapons Convention (CWC)

93. The Committees recommend that the Government states in its Response the countries that have still to accede to the Chemical Weapons Convention and the dates of accession of any country that has acceded since Somalia's accession on 29 May 2013. (See paragraph 298 of Volume II of this Report.)

94. The Committees further recommend that the Government states to which of the non-acceding countries it has participated in outreach on the Chemical Weapons Convention since the beginning of 2013. (See paragraph 299 of Volume II of this Report.)

The Biological and Toxin Weapons Convention (BTWC)

95. The Committees conclude that the detailed response given by the Government to the Committees' question on the Government's 2013 Annual Report on strategic exports as to "whether it considers the [UK] civil population to be at risk from state or non-state

holdings of biological or toxin weapons and, if so, what steps it is taking both nationally and internationally to mitigate that risk” is welcome. (See paragraph 302 of Volume II of this Report.)

96. The Committees recommend that the Government states in its Response whether it still remains its long-term aim to establish a verification regime for the Biological and Toxin Weapons Convention (BTWC), and, if so, what specific steps it is taking to try to realise this aim. (See paragraph 303 of Volume II of this Report.)

97. The Committees further recommend that the Government in its Response lists which states have now signed, but not ratified, the BTWC and which states have neither signed nor ratified the BTWC. (See paragraph 304 of Volume II of this Report.)

98. The Committees also recommend that the Government states what specific steps it has taken since the beginning of 2013 to try to secure accession to the BTWC by those states who have not done so thus far. (See paragraph 305 of Volume II of this Report.)

The Nuclear Non-Proliferation Treaty (NPT)

99. The Committees recommend that the Government states as fully as possible in its Response what are now its objectives for the Nuclear Non-Proliferation Treaty Review Conference in 2015 and what specific steps it is taking to try to ensure that its objectives are realised. (See paragraph 310 of Volume II of this Report.)

The Comprehensive Nuclear Test Ban Treaty (CTBT)

100. The Committees again recommend that the Government states in its Response what specific steps it is taking with each of the remaining 8 countries whose signature and ratification is necessary to enable the Comprehensive Nuclear Test Ban Treaty to enter into force—namely China, Egypt, India, Iran, Israel, North Korea, Pakistan and the USA—to try to persuade them to ratify the CTBT. (See paragraph 315 of Volume II of this Report.)

Sub-strategic and tactical nuclear weapons

101. The Committees recommend that the Government states in its Response whether:

- a) it remains both the Government’s and NATO’s policy “that [NATO] Allies would consider further reducing NATO’s requirement for tactical nuclear weapons in the context of reciprocal steps by Russia, taking into account Russia’s larger stockpile.”;
- b) it remains the Government’s policy that it would be supportive of the eventual elimination of tactical nuclear weapons, including those held by the US and Russia in Europe, provided that this is achieved in a manner that does not risk compromising the security of the UK and its Allies;
- c) it remains the Government’s view that it is appropriate that the US embark upon the B-61 Life Extension programme to maintain NATO’s appropriate nuclear force posture and to ensure the safety, security and effectiveness of NATO’s arsenal; and

- d) it is the Government's policy that dialogue with the Russian Government on sub-strategic and tactical nuclear weapons should continue, notwithstanding events in Ukraine. (See paragraph 318 of Volume II of this Report.)

A Middle-East Weapons of Mass Destruction Free Zone

102. The Committees conclude that the failure to hold a regional conference on the establishment of a Middle East Weapons of Mass Destruction Free Zone in 2013, as the Government had hoped, was most disappointing. (See paragraph 322 of Volume II of this Report.)

103. The Committees recommend that the Government in its Response states the latest position on the holding of such a Conference, and on the willingness of Iran and Israel to attend. (See paragraph 323 of Volume II of this Report.)

The National Counter-Proliferation Strategy

104. The Committees conclude that they do not agree with the Government's Response in Cm8707 that there was not a need for amendments or update to the Government's National Counter-Proliferation Strategy for 2012–15 published in 2012. (See paragraph 326 of Volume II of this Report.)

105. The Committees further conclude that the key Government policy area of Counter-Proliferation is in constant change and recommends that the Government makes a full report on its National Counter-Proliferation Strategy annually. (See paragraph 327 of Volume II of this Report.)

Arms export control policies

Arms exports and human rights

106. The Committees continue to conclude that, whilst the promotion of arms exports and the upholding of human rights are both legitimate Government policies, the Government would do well to acknowledge that there is an inherent conflict between strongly promoting arms exports to authoritarian regimes whilst strongly criticising their lack of human rights at the same time rather than claiming, as the Government continues to do, that these two policies "are mutually reinforcing". (See paragraph 330 of Volume II of this Report.)

107. The Committees recommend that the Government states in its Response whether it will report to the Committees all breaches of its human rights policies and its international human rights commitments with the use of British Government approved exports of controlled goods, software, technology and components as and when any such breaches occur. (See paragraph 331 of Volume II of this Report.)

Overseas Security and Justice Assistance (OSJA) Human Rights Guidance

108. The Committees conclude that the Government's acceptance of their recommendation that the requirement on officials in the previous Overseas Security and

Justice Assistance (OSJA) Human Rights Guidance merely to consult the Consolidated Arms Export Licensing Criteria if military and security equipment is being exported in an OSJA programme should be replaced by a requirement to adhere strictly to the licensing criteria and procedures is welcome. (See paragraph 334 of Volume II of this Report.)

109. The Committees recommend that the Government keeps the implementation of the revised OSJA Human Rights Guidance under close scrutiny and reports to the Committees any uses of goods exported from the UK in an OSJA programme in breach of UK or international human rights policies. (See paragraph 336 of Volume II of this Report.)

Surveillance technology and equipment

110. The Committees recommend that the Government states in its Response:

- a) whether it is the Government's policy that EU Council Regulations 36/2012 and 264/2012 prohibiting the supply to Syria and Iran of certain specified equipment and software for "monitoring or interception of internet or telephone communications" should be extended to other countries, and, if so, to which other countries;
- b) whether the EU has now agreed to incorporate fully into the EU Dual-Use Regulation the new controls over the export of mobile phone intercept and monitoring equipment agreed at the Wassenaar Arrangement meeting in December 2011, and, if not, what steps the Government is taking to have this incorporation implemented by the EU at the earliest possible date;
- c) what are the specific new controls and what are the specific technologies of concern agreed by the states participating in the Wassenaar Arrangement at their meeting in December 2013 referred to by the Foreign Secretary in his Oral Evidence of 8 January 2014;
- d) whether the EU has now agreed to incorporate fully into the EU Dual-Use Regulation the new controls over the export of the specific surveillance technologies and equipment of concern agreed at the Wassenaar Arrangement meeting in December 2013, and, if not, what steps the Government is taking to have this incorporation implemented by the EU at the earliest possible date; and
- e) whether the Government will make subject to UK export controls those items of surveillance technology and equipment agreed at the Wassenaar Arrangement meetings in December 2011 and December 2013 if not yet incorporated into the EU Dual-Use Regulation. (See paragraph 346 of Volume II of this Report.)

Cryptographic equipment, software, technology and components

111. The Committees conclude that the scale of the Government's approval of export licences for cryptographic equipment, software, technology and components both to the Government's principal Countries of Human Rights concern and to the Committees on Arms Export Controls' additional countries of concern is a matter of considerable disquiet,

particularly given the fact that each and every one of the items involved by virtue of being subject to export licensing has an actual or possible military use. (See paragraph 353 of Volume II of this Report.)

112. The Committees recommend that the Government states in its Response whether Ministers themselves will give greater scrutiny to export licence applications for cryptographic equipment, software, technology and components to the Government's principal Countries of Human Rights concern and to the Committees' additional countries of concern. (See paragraph 354 of Volume II of this Report.)

Sniper rifles

113. The Committees recommend that, given the utility of sniper rifles for internal repression, particularly in situations of conflict or potential conflict, the Government should give closer scrutiny to export licence applications for sniper rifles to countries where human rights abuses are prevalent or are likely to increase. (See paragraph 359 of Volume II of this Report.)

Tasers

114. The Committees conclude that the Government's confirmation that it will continue to report on breaches of export controls, and on enforcement action taken, including in relation to Tasers, in the UK Strategic Export Annual Report, and that this reporting will include details relating to prosecutions, confiscation proceedings, seizures, disruptions and compound penalties is welcome. (See paragraph 362 of Volume II of this Report.)

Unmanned Aerial Vehicles (UAVs) "Drones"

115. The Committees recommend that the Government states in its Response:

- a) the circumstances, if any, in which it considers the giving of Government export licence approval to the export of weaponised, as opposed to surveillance, UAVs, their software, technology or components would be compatible with the Government's national and international human rights undertakings and with international law; and
- b) the end-use undertakings it would seek from recipients of UK exports of weaponised UAVs, their software, technology or components before giving Government export licence approval. (See paragraph 369 of Volume II of this Report.)

Arms exports to counter piracy

116. The Committees conclude that it is a matter of much concern that both Ministers and their officials in the Business Department appeared to have been unaware of the volume of weapons for which the Department had given export licence approval to Private Marine Security Companies for counter-piracy purposes – 34,377 assault rifles, 5,100 shotguns, 28 machine guns, 2,976 pistols, 12,816 rifles, 1,401 sniper rifles, and 5,294 sporting guns in the period April 2012 to September 2013 alone – until this was brought to their attention by

the Committees in the Oral Evidence session on 18 December 2013, notwithstanding the fact that all the information referred to by the Committees came from the Business Department's own quarterly arms export licence reports. (See paragraph 383 of Volume II of this Report.)

117. The Committees conclude that it is also a matter of much concern that the Business Department in the two-year period 2012 and 2013 gave licence approval to Private Marine Security Companies to export automatic weapons and small arms for counter-piracy purposes vastly in excess of the number actually needed and shipped – 181,708 individual items approved for export but only 3,273 (1.8%) actually shipped comprising 2,332 assault rifles; 83 combat shotguns; 6 machine guns; 63 pistols; 623 rifles; and 166 sporting guns. (See paragraph 384 of Volume II of this Report.)

118. The Committees recommend that the Government states in its Response:

- a) whether the Business Secretary's change of policy to put new licensing arrangements in place to closely align the volumes licensed and actual exported volumes has been put into effect and, if not, the date by which it will be;
- b) that it will inform the Committees when the revised version of the Open General Trade Control (Marine Anti-Piracy) licence has been put in place;
- c) whether the vessel *MV Mahanuwara* operated by Avant Garde Maritime Services of Sri Lanka and under the authorisation and protection of the Sri Lankan Ministry of Defence is still being used as an armoury for weapons for counter-piracy exported with Government approval from the UK;
- d) what other vessels, and under what flags, are currently being used as armouries for weapons for counter-piracy exported with Government approval from the UK;
- e) whether the Government remains satisfied that none of the weapons it has approved for export for counter-piracy purposes has been diverted for other purposes;
- f) whether it has any evidence that any of the weapons the Government has approved for export for counter-piracy purposes have been used to facilitate internal repression in Sri Lanka or in any other authoritarian country;
- g) how many security companies currently registered to use Open General Export Licences for the export of weapons for counter-piracy from the UK are also UK registered companies, in what other countries and territories are the non-UK registered companies domiciled, and whether the Government have any plans to terminate the OGEL registration of some of the companies as the piracy threat diminishes; and
- h) what prohibitions the Government has put in place, if any, to prevent Private Marine Security Companies who have been given Government export licence approval to export weapons for counter-piracy purposes from the UK subsequently transferring or on-selling from outside the UK's jurisdiction

some or all of such weapons to third parties. (See paragraph 385 of Volume II of this Report.)

The licensing of security services

119. The Committees recommend that the Government states in its Response

- a) how many UK-registered Private Marine Security Companies are now members of the International Code of Conduct Association and the names of those companies; and
- b) whether it remains the Government's position that it has no plans to extend legislation, other than the requirement for export or trade control licences, to UK-based Private Military and Security Companies. (See paragraph 389 of Volume II of this Report.)

Arms exports and internal repression

120. The Committees conclude that the evidence of the Business Secretary, Vince Cable, that: "Licence applications have always been assessed against the eight Criteria and not against general statements contained in the introductory text" is in direct contradiction with the evidence of the former Foreign Office Minister, Peter Hain, who when asked if there had been a change of policy by the present Government, answered: "In the statement issued by the Business Secretary last month, yes, it has. It has been relaxed in the sense that the broader test that I applied no longer exists. [...] then there is a repeat of the second test, as it were, the narrow test, which is welcome, but the broader test has been dropped. So I do think the policy has changed. It is a more relaxed approach to arms exports." He subsequently added: "By omitting the broader test of concern, we have relaxed the policy". (See paragraph 400 of Volume II of this Report.)

121. The Committees further conclude that, contrary to the Government's claim when the Business Secretary announced the revised Criteria for the Government's approval or refusal of arms exports that: "None of these amendments should be taken to mean that there has been any substantive change in policy.", the omission of the wording in the previous Consolidated Criteria that: "An export licence will not be issued if the arguments for doing so are outweighed by [...] concern that the goods might be used for internal repression" does constitute a substantive change of policy. (See paragraph 401 of Volume II of this Report.)

122. The Committees further conclude that the Government's welcome decision to use the broad test of "equipment which might be used for internal repression" rather than the narrow test of a "clear risk that the proposed export might be used for internal repression" when exercising its power to suspend arms export licences as stated in the Foreign Secretary's letter to the Chairman of the Committees on 6 January 2014 makes it even more anomalous and regrettable that the Government has omitted the broad test from its revised Criteria for arms exports. (See paragraph 402 of Volume II of this Report.)

123. As the broad test that: "An export licence will not be issued if the arguments for doing so are outweighed by [...] concern that the goods might be used for internal repression",

which has been Government policy since October 2000, provides an important safeguard against military and dual-use goods, components, software and technology being exported from the UK from being used for internal repression, the Committees recommend that this now omitted wording is re-introduced into the Government's arms exports controls policy. (See paragraph 403 of Volume II of this Report.)

The Government's Arab Spring arms export policy review

124. The Committees recommend that the Government states in its Response whether it has any additions or amendments to make to its previous statements on the outcome of its Arab Spring arms export policy review. (See paragraph 408 of Volume II of this Report.)

Arms export licence revocations

125. The Committees recommend that the Government states in its Response:

- a) the standard wording it uses to the exporters of controlled goods regarding its right to revoke export licences for controlled goods that it has approved;
- b) the grounds on which the Government has the right to revoke export licences for controlled goods that it has approved;
- c) the means by which the Government protects itself from financial liabilities if it exercises its right to revoke export licences for controlled goods that it has approved; and
- d) what specific steps have been taken to deal with the errors, rightly described as "unacceptable" by the Business Secretary in his letter to the Committees' Chairman of 30 June 2014, whereby extant licences are being described in the Government's Quarterly arms export Report as having been revoked when they have not been, and by what date these errors will have been eliminated for the future". (See paragraph 417 of Volume II of this Report.)

Arms export licence suspensions

126. The Committees conclude that the Government's decision to apply the broad test of "equipment which might be used for internal repression" rather than the narrow test of "clear risk that the proposed export might be used for internal repression" for deciding whether arms export licences should be suspended is welcome. The Committees further conclude that the Government's decision to apply its suspension mechanism not just to arms export licences applications that are under consideration but also to those that have been approved and are extant is also welcome. (See paragraph 427 of Volume II of this Report.)

127. The Committees recommend that the Government states in its Response:

- a) the standard wording it uses to the exporters of controlled goods regarding its right to suspend export licences for controlled goods that it has approved;

- b) the grounds on which the Government has the right to suspend export licences for controlled goods that it has approved; and
- c) the means by which the Government protects itself from financial liabilities if it exercises its right to suspend export licences for controlled goods that it has approved. (See paragraph 428 of Volume II of this Report.)

Exports of gifted equipment

128. The Committees recommend that the Government states in its Response whether it will assess all proposals to gift controlled goods not only against its Criteria for Arms Exports announced on 25 March 2014, but also against the “lower threshold” Criterion which the Government is using to suspend licences for arms exports, namely “equipment which might be used for internal repression” as stated in the Foreign Secretary’s letter to the Chairman of the Committees of 6 January 2014. (See paragraph 433 of Volume II of this Report)

129. The Committees further recommend that the Departmental Minutes relating to gifts that require Parliamentary approval state in respect of each item to be gifted which are on the Government’s export controls Military List or Dual-Use List and which are not. (See paragraph 434 of Volume II of this Report)

Arms exports to Countries of concern

Extant arms export licences to the Foreign and Commonwealth Office’s (FCO) Countries of Human Rights concern worldwide, and to the Additional Countries of concern to the Committees

130. The Committees recommend that the Government states in its Response whether it is satisfied that each of the 3,375 extant arms export licences to the Foreign and Commonwealth Office’s 28 Countries of Human Rights concern, valued at £11.9 billion, and each of the 421 extant arms export licences to the Committees’ Additional 5 Countries of concern, valued at £166 million, are currently compliant with all of the Government’s Arms Export Licensing Criteria with particular reference to:

- a) Criterion One (Respect for the UK’s international obligations and commitments, in particular sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations);
- b) Criterion Two (The respect for human rights and fundamental freedoms in the country of final destination as well as respect by that country for international humanitarian law);
- c) Criterion Three (The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts);
- d) Criterion Four (Preservation of regional peace, security and stability); and

- e) Criterion Six (The behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law). (See paragraph 443 of Volume II of this Report.)

Extant arms export licences to certain individual countries within the FCO's list of 28 Countries of Human Rights concern

Afghanistan

131. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Afghanistan for assault rifles, body armour, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for body armour, components for machine guns, components for military combat vehicles, components for pistols, cryptographic software, equipment employing cryptography, general military vehicle components, gun silencers, machine guns, military support vehicles, pistols, small arms ammunition and technology for military support vehicles are currently compliant with the following of the Government's Arms Export Licencing Criteria: One, Two, Three, Four and Six. (See paragraph 447 of Volume II of this Report.)

China

132. The Committees recommend that the Government states in its Response whether it remains the Government's policy to continue to support the maintenance of the EU embargo on China but not to widen the military or dual-use goods to which it applies. (See paragraph 451 of Volume II of this Report.)

133. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to China for components for equipment employing cryptography, components for ground vehicle military communications equipment, components for military communications equipment, cryptographic software, equipment employing cryptography, equipment for the production of equipment employing cryptography, equipment for the use of military communications equipment, military communications equipment, small arms ammunition, software for cryptographic software, software for equipment employing cryptography, software for the use of equipment employing cryptography, technology for cryptographic software, technology for equipment employing cryptography, technology for military communications equipment, technology for the production of military communications equipment and weapon sights are currently compliant with the following of the Government's Arms Export Licencing Criteria: One and Two. (See paragraph 452 of Volume II of this Report.)

Iran

134. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Iran for equipment employing cryptography are currently compliant with the following of the Government's Arms Export

Licensing Criteria: One, Two, Three, Four and Seven. (See paragraph 456 of Volume II of this Report.)

Iraq

135. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Iraq for anti-riot/ballistic shields, body armour, components for body armour, components for military support vehicles, cryptographic software, equipment employing cryptography, equipment for the use of ground vehicle communications equipment, equipment for the use of military communications equipment, equipment for the use of weapon night sights, equipment for the use of weapon sights, software for equipment employing cryptography, technology for equipment employing cryptography, technology for anti-riot/ballistic shields, technology for body armour, technology for equipment for the use of weapon sights, weapon night sights and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three, Four, Six and Seven. (See paragraph 459 of Volume II of this Report.)

Israel and the Occupied Palestinian Territories

136. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Israel and the Occupied Palestinian Territories for anti-riot/ballistic shields, body armour, components for body armour, components for all-wheel drive vehicles with ballistic protection, components for equipment employing cryptography, components for military combat vehicles, components for military communications equipment, components for military support vehicles, components for small arms ammunition, components for sniper rifles, cryptographic software, equipment employing cryptography, general military vehicle components, military communications equipment, small arms ammunition, software for equipment employing cryptography, technology for equipment employing cryptography, technology for military communications equipment, technology for small arms ammunition, technology for the use of equipment employing cryptography, water cannon and weapon sights are currently compliant with the following of the Government's Arms Export Licensing Criteria: One, Two, Three and Four. (See paragraph 465 of Volume II of this Report.)

137. The Committees further recommend that the Government states in its Response whether the entirety of the extant export licences to Israel for cryptographic equipment, software and technology valued at £7.8billion are fully compliant with arms export Criterion 2 (Respect for Human Rights) notwithstanding the fact that when the Committees asked in respect of an export licence application to Israel in Quarter 3 of 2013: "Why was a SIEL [Standard Individual Export Licence] for equipment employing cryptography refused?", the Government's answer was: "We refused this SIEL under Criterion 2 because the exporter did not provide sufficient information or assurances over potential ultimate recipients and end-use. We therefore assessed there was a clear risk that the export might be used for internal repression." (See paragraph 466 of Volume II of this Report.)

138. The Committees also recommend that the Government sends the Committees, when published, the Initial Assessment made by the UK National Contact Point of the complaint made under the OECD Guidelines for Multinational Enterprises with regard to supplies to Israel security services from G4S. (See paragraph 467 of Volume II of this Report.)

Libya

139. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Libya for anti-riot/ballistic shields, assault rifles, body armour, combat shotguns, components for all-wheel drive vehicles with ballistic protection, components for assault rifles, components for body armour, components for pistols, cryptographic software, equipment employing cryptography, equipment for the use of assault rifles, equipment for the use of pistols, hand grenades, military combat vehicles, military support vehicles, pistols, small arms ammunition, smoke/pyrotechnic ammunition, software for equipment employing cryptography and technology for equipment employing cryptography are currently compliant with the following of the Government's Arms Export Licencing Criteria: One, Two, Three, Four, and Seven. (See paragraph 471 of Volume II of this Report.)

Russia

140. The Committees recommend that the Government states in its Response the reasons it considers its approved and still extant arms export licences to Russia valued at £132 million, including for body armour, components for assault rifles, components for body armour, components for small arms ammunition, components for sniper rifles, equipment employing cryptography, equipment for the use of military communications equipment, equipment for the use of sniper rifles, gun mountings, small arms ammunition, sniper rifles, software for equipment employing cryptography, weapon night sights and weapon sights are currently compliant with the following Government's Arms Export Licencing Criteria: One, Two, Three, and Four. (See paragraph 474 of Volume II of this Report.)

Saudi Arabia

141. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Saudi Arabia for anti-riot/ballistic shields, body armour, command communications control and intelligence software, components for all-wheel drive vehicles with ballistic protection, components for body armour, components for ground vehicle communications equipment, components for machine guns, components for military combat vehicles, components for military communications equipment, components for sniper rifles, components for weapon sight mounts, crowd control ammunition, cryptographic software, CS hand grenades, equipment employing cryptography, equipment for the production of machine guns, equipment for the use of weapon night sights, equipment for the use of weapon sights, ground vehicle communications equipment, gun mountings, gun silencers, hand grenades, military communications equipment, radio jamming equipment, small arms ammunition, smoke/pyrotechnic ammunition, sniper rifles, software for equipment employing cryptography, software for ground vehicle military communications equipment, software for radio jamming equipment, software for the use of equipment employing cryptography,

tear gas/irritant ammunition, technology for ground vehicle military communications equipment, wall/door breaching projectiles/ammunition, weapon night sights, weapon sight mounts and weapon sights are currently compliant with the following of the Government's Arms Export Licencing Criterion: Two. (See paragraph 478 of Volume II of this Report.)

Sri Lanka

142. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Sri Lanka for assault rifles, body armour, combat shotguns, components for assault rifles, components for body armour, components for combat shotguns, components for pistols, components for sniper rifles, components for rifles, equipment employing cryptography, pistols, rifles, small arms ammunition, sniper rifles, software for equipment employing cryptography, sporting guns and weapons sights are currently compliant with the following of the Government's Arms Export Licencing Criteria: One and Two. (See paragraph 484 of Volume II of this Report.)

Syria – Conventional arms exports and gifted equipment

143. The Committees conclude that the decision of the UK Government, together with the French Government, to end the EU arms embargo on Syria in May 2013 has thus far had no discernible impact on President Assad or on contributing to a peace settlement in Syria. (See paragraph 500 of Volume II of this Report.)

144. The Committees recommend that the Government lists in its Response the items of equipment, which would be categorized as controlled goods if exported commercially, that have been gifted to Syria during the present Parliament stating in each case:

- a) the quantity;
- b) the recipient to whom it was gifted; and
- c) whether the Government has any information as to whether the item has been on-sold or transferred to a third party, and, if so, the name of the third party. (See paragraph 501 of Volume II of this Report.)

145. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Syria for body armour, components for all-wheel drive vehicles with ballistic protection and components for body armour are currently compliant with the following of the Government's Arms Export Licencing Criteria: One, Two, Three and Four. (See paragraph 502 of Volume II of this Report.)

Syria – Dual-use chemical exports

146. The Committee conclude that given the fact that Syria was a known holder of chemical weapons and a known non-signatory of the Chemicals Weapons Convention, banning the manufacture or use of chemical weapons, and given also the nature of the Assad regime, the decision of the previous Government to give 5 export licence approvals for a dual-use chemical to Syria between July 2004 and May 2010 was highly questionable. (See paragraph 521 of Volume II of this Report.)

147. The Committees further conclude that the decision of the present Government to give 2 export licence approvals for dual-use chemicals to Syria in January 2012 after the civil war had started in Syria in 2011 was irresponsible. (See paragraph 522 of Volume II of this Report.)

148. The Committees also conclude that given that:

- a) Syria was a known holder of chemical weapons;
- b) that Syria was a known non-signatory of the Chemical Weapons Convention;
- c) the nature of the Assad regime;
- d) that a civil war was raging in Syria;
- e) that sodium and potassium fluoride were both listed by the Australia Group and the EU in its Dual-Use Regulations as precursor chemicals in the manufacture of chemical weapons; and
- f) the company concerned appears to be a “Brass Plate” one

the present Government’s claim that at the time the two dual-use chemical export licences for sodium fluoride and potassium fluoride to Syria were approved in January 2012 “there were no grounds for refusal” is grossly inaccurate. (See paragraph 523 of Volume II of this Report.)

149. The Committees also conclude that, given the factors a) to f) in paragraph 148 [of Volume I of the this Report] above, there was a serious failure of due process within the Department of Business, Innovation and Skills in that neither of the licence applications for the export of sodium fluoride or potassium fluoride to Syria in January 2012 was put to Ministers for approval. (See paragraph 524 of Volume II of this Report.)

150. The Committees conclude that the arguments advanced by the Government against the Committees taking evidence from the dual-use chemical export licence applicant companies in public were either invalid or outweighed by the public interest that parliamentary proceedings should be conducted in public unless there are compelling reasons for not doing so. (See paragraph 525 of Volume II of this Report.)

151. The Committees recommend that the Government should state in its Response whether it will adopt a policy of a very strong presumption against approving licence applications for dual-use chemical exports to countries that:

- a) are known holders of chemical weapons;
- b) have not signed and ratified the Chemical Weapons Convention; and
- c) are not participating in an Organisation for the Prohibition of Chemical Weapons-verified destruction programme

and that any proposals to approve such licence applications should be put to Ministers for decision. (See paragraph 526 of Volume II of this Report.)

152. The Committees further recommend that the Government states in its Response whether the OPCW has agreed that further information contained in the Syrian declaration of its chemical weapons and the chemicals used, including precursor chemicals, in their manufacture can be placed in the public domain, and, if so, to provide the Committees with that information. (See paragraph 527 of Volume II of this Report.)

153. Following the Written Ministerial Statement made by the Foreign Secretary on 9 July 2014 on “The Historical Role of UK Companies in Supplying Dual Use Chemicals to Syria”, the Committees also recommend that the Government states in its Response whether the existing export controls over dual-use chemicals need to be widened and strengthened, and, if so, in what ways. (See paragraph 528 of Volume II of this Report.)

Uzbekistan

154. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Uzbekistan for body armour and components for body armour are currently compliant with the following of the Government’s Arms Export Licencing Criterion: Two. (See paragraph 531 of Volume II of this Report.)

Yemen

155. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Yemen for acoustic devices for riot control, assault rifles, body armour, components for assault rifles and components for body armour are currently compliant with the following of the Government’s Arms Export Licencing Criterion: Two. (See paragraph 534 of Volume II of this Report.)

Extant arms exports licences to the 5 Additional Countries of concern to the Committees

Argentina

156. The Committees continue to conclude that it is reprehensible that the Government, given the relatively recent history of British ships being sunk in the Falklands War by missiles supplied by a fellow NATO member and the statement by the Argentinian Foreign Minister, as reported on 5 February 2013, regarding Argentinian control of the Falkland Islands, when he said “I don’t think it will take another 20 years”, is unwilling to lobby other Governments to make the same change in arms exports policy to Argentina as that announced by the British Government on 26 April 2012. The Committees recommend that the Government should do so. (See paragraph 541 of Volume II of this Report.)

157. The Committees recommend that the Government states in its Response which other NATO member countries, and other arms exporting countries to Argentina have now made the same change in arms exports policy to Argentina as that announced by the British Government on 26 April 2012. (See paragraph 542 of Volume II of this Report.)

158. Following the Government's arms exports Quarterly Report for July–September 2013, the Committees put the following questions to the Government regarding exports to Argentina:

Given the current political tensions between the United Kingdom and Argentina and the Foreign Secretary's letter to the Chairman of 26 April 2012, the Committees wish know why was an OIEL including artillery ammunition, components for artillery, components for combat naval vessels, components for decoying/countermeasure equipment, components for launching/handling/control equipment for missiles, components for launching/handling/control equipment for munitions, components for military electronic equipment, components for military guidance/navigation equipment, components for military radars, components for naval communications equipment, components for naval electrical/electronic equipment, components for naval engines, components for naval gun installations/mountings, components for naval guns, components for weapon control equipment, decoying/countermeasure equipment, general naval vessel components, launching/handling/control equipment for missiles, launching/handling/control equipment for munitions, military communications equipment, military electronic equipment, military guidance/navigation equipment, military radars, naval communications equipment, naval electrical/electronic equipment, signalling devices, smoke canisters, smoke/pyrotechnic ammunition, technology for artillery, technology for combat naval vessels, technology for decoying/countermeasure equipment, technology for general naval vessel components, technology for launching/handling/control equipment for missiles, technology for launching/handling/control equipment for munitions, technology for military communications equipment, technology for military electronic equipment, technology for military guidance/navigation equipment, technology for military radars, technology for naval communications equipment, technology for naval electrical/electronic equipment, technology for naval engines, technology for naval gun installations/mountings, technology for naval guns, technology for signalling devices, technology for smoke canisters, technology for weapon control equipment, training artillery ammunition and weapon control equipment approved?

The Government response was:

The OIEL was approved because all items in the licence are for the sole use of a non-Argentinean naval mission and are not to be re-exported or sold for export to a Third Party. We had no Criteria concerns.

The Committees recommend that the Government in its Response explains:

- a) what use the non-Argentinian naval mission has for items such as artillery ammunition and components for artillery;
- b) how export approval of the above goods for export to Argentina can be reconciled with the Business Secretary's change of policy on arms exports to Argentina in his Written Ministerial Statement of 26 April 2012 in which he

said: “In future no licences will be granted for military or dual-use goods for military end users in Argentina unless there are compelling exceptional reasons to do so”; and

- c) why the Government approved the above goods to be exported to Argentina rather than to the country of the non-Argentinian naval mission referred to. (See paragraph 543 of Volume II of this Report.)

Bahrain

159. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Bahrain for anti-riot/ballistic shields, assault rifles, components for assault rifles, components for gun mountings, components for machine guns, components for military communications equipment, components for pistols, components for sporting guns, equipment employing cryptography, equipment for the use of assault rifles, equipment for the use of machine guns, equipment for the use of military communications equipment, general military vehicle components, gun mountings, gun silencers, hand grenades, machine guns, military communications equipment, pistols, small arms ammunition, sniper rifles, software for equipment employing cryptography, software for telecommunications jamming equipment, sporting guns, technology for military communications equipment, technology for the use of equipment employing cryptography, telecommunications jamming equipment, weapon night sights and weapon sights are currently compliant with the following of the Government’s Arms Export Licencing Criteria: Two, Four, and Seven. (See paragraph 547 of Volume II of this Report.)

Egypt

160. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Egypt for acoustic devices for riot control, assault rifles, body armour, combat shotguns, components for assault rifles, components for body armour, components for military communications equipment, components for pistols, components for radio jamming equipment, components for sniper rifles, components for sporting guns, cryptographic software, equipment employing cryptography, equipment for the use of military communications equipment, general military vehicle components, military communications equipment, pistols, radio jamming equipment, small arms ammunition, sniper rifles, software for equipment employing cryptography, software for military communications equipment, sporting guns and weapon sights are currently compliant with the following of the Government’s Arms Export Licencing Criteria: One, Two and Three. (See paragraph 561 of Volume II of this Report)

161. The Committees recommend that the Government in its Response provides an update of Annex 1 to the Business Secretary’s letter of 14 May 2014 listing the Government’s subsequent revocations, suspensions, un-suspensions and re-instatements of export licences to Egypt. (See paragraph 562 of Volume II of this Report)

162. The Committees scrutiny has established that there were 9 countries in Africa and the Middle East to which the Government gave approval in July to September 2013 of Open

Individual Trade Control Licences (OITCLs) for goods that could be used for internal repression all with destinations which included Egypt. The Committees questions in relation to each of the 9 countries were:

Ghana: Why were OITCLs approved which included acoustic devices for riot control, body armour, combat shotguns, components for acoustic devices for riot control, components for body armour, components for rifles, rifles, small arms ammunition and weapon sights when the destination countries included Egypt?

Mozambique: Why was an OITCL with a destination including Egypt for goods including acoustic devices for riot control, body armour, combat shotguns, components for acoustic devices for riot control, components for body armour, components for rifles, rifles, small arms ammunition and weapon sights approved?

Nigeria: Why was an OITCL with a destination including Egypt for goods including acoustic devices for riot control, body armour, combat shotguns, components for acoustic devices for riot control, components for body armour, components for rifles, rifles, small arms ammunition and weapon sights approved?

Oman: Why were OITCLs with a destination including Egypt for goods including acoustic devices for riot control, assault rifles, body armour, combat shotguns, components for acoustic devices for riot control, components for assault rifles, components for body armour, components for rifles, components for sniper rifles, rifles, small arms ammunition, sniper rifles and weapon sights approved?

Saudi Arabia: Why was an OITCL with a destination including Egypt for goods including acoustic devices for riot control, body armour, combat shotguns, components for acoustic devices for riot control, components for combat shotguns, components for body armour, components for rifles, components for sporting guns, rifles, small arms ammunition, sporting guns and weapon sights approved?

Seychelles: Why were OITCLs with a destination including Egypt for goods including acoustic devices for riot control, assault rifles, body armour, combat shotguns, components for acoustic devices for riot control, components for assault rifles, components for body armour, components for rifles, components for sniper rifles, rifles, small arms ammunition, sniper rifles and weapon sights approved?

Singapore: Why was an OITCL with a destination including Egypt for goods including acoustic devices for riot control, body armour, combat shotguns, components for acoustic devices for riot control, components for body armour, components for combat shotguns, components for rifles, components for sporting guns, rifles, small arms ammunition, sporting guns and weapon sights approved?

South Africa: Why were OITCLs with a destination including Egypt for goods including acoustic devices for riot control, assault rifles, body armour, combat

shotguns, components for acoustic devices for riot control, components for assault rifles, components for body armour, components for rifles, components for sniper rifles, rifles, small arms ammunition, sniper rifles and weapon sights approved?

Tanzania: Why was an OITCL with a destination including Egypt for goods including acoustic devices for riot control, assault rifles, body armour, combat shotguns, components for acoustic devices for riot control, components for assault rifles, components for body armour, components for rifles, components for sniper rifles, rifles, small arms ammunition, sniper rifles and weapon sights approved?

The Government's response to each of the 9 questions was: "The OITCL was granted for equipment to be used by a private maritime security company for anti-piracy activities. The Committees recommend that the Government states in its Response why, when the EU Foreign Affairs Council agreed on 21 August 2013 to suspend export licences to Egypt for equipment which might be used for internal repression, the Government continued to approve OITCL licences for the above goods with Egypt as a destination after that date. (See paragraph 563 of Volume II of this Report)

Tunisia

163. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Tunisia for components for military communications equipment, components for military support vehicles, cryptographic software, equipment employing cryptography, military communications equipment and small arms ammunition are currently compliant with the following of the Government's Arms Export Licencing Criteria: Two and Seven. (See paragraph 566 of Volume II of this Report)

Ukraine – arms exports

164. The Committees recommend that the Government states in its Response the reasons it considers its approved extant arms export licences to Ukraine for body armour, components for all-wheel drive vehicles with ballistic protection, equipment employing cryptography, equipment for the use of weapon sights, small arms ammunition and weapon sights are currently compliant the decision of the EU Foreign Affairs Council on 20 February 2014 on arms exports to Ukraine and with the following of the Government's Arms Export Licencing Criteria: Three and Four. (See paragraph 569 of Volume II of this Report)

Ukraine – sniper rifles

165. The Committees conclude that the Government's concerns about the use of hunting and sporting weapons in the disturbances in the Ukraine including those described as "sniper rifles" are welcome. (See paragraph 572 of Volume II of this Report)

166. The Committees recommend that at the Government in its Response provides updated information on UK Government export licence approvals of sniper rifles, and of

hunting and sporting weapons, to Ukraine following the Business Secretary's letter of 14 May 2014. (See paragraph 573 of Volume II of this Report)

Arms exports to authoritarian regimes and Countries of concern worldwide

167. The Committees conclude that the fact that in the last 2½ years alone the Government has been obliged by changed circumstances to revoke 209 export licences to 17 countries, and has had to suspend 109 export licences to 3 countries, whilst welcome in itself, indicates that, with regard to those items of military and dual-use goods that might be used for internal repression being exported to authoritarian regimes, the Government's arms export policy is essentially one of reacting to events and not taking sufficient account of the nature of the regimes concerned at the point when the decision is made to approve the export licence or not. (See paragraph 578 of Volume II of this Report)

168. The Committees further conclude that whilst the Government's assertion that there is "no evidence of any misuse of controlled military goods exported from the United Kingdom" may be factually correct with regard to a lack of evidence, this is not at all surprising and is of little or no value as an assurance given that for the great majority of the exported goods concerned — ammunition, small arms, light weapons, components, communications equipment, surveillance equipment technology and software, cryptographic equipment, technology and software, and dual-use goods — it will be impossible to identify that they are from the UK once the goods have left the country. (See paragraph 579 of Volume II of this Report)

169. The Committee, therefore, repeat their previous Recommendation that the Government should apply significantly more cautious judgements when considering arms export licence applications for goods to authoritarian regimes which might be used for internal repression. (See paragraph 580 of Volume II of this Report)

Formal Minutes

Monday 14 July 2014

The Business, Innovation and Skills, Defence, Foreign Affairs and International Development Committees met concurrently, pursuant to Standing Order No. 137A.

Members present:

*Business, Innovation
and Skills Committee*

Defence Committee

Foreign Affairs Committee

*International
Development Committee*

Katy Clark
Ann McKechin
Mike Crockart

Mr James Gray
Mr Adam Holloway
Derek Twigg

Mike Gapes
Sir John Stanley

Sir Malcolm Bruce
Jeremy Lefroy
Sir Peter Luff
Chris White

Sir John Stanley was called to the Chair, in accordance with Standing Order No. 137A(1)(d).

Resolved, That the Committees inquire into the Government's United Kingdom Strategic Export Controls Annual Report 2013 and Quarterly Reports and the Government's arms export controls and arms export policies.

In the absence of the quorum of the Foreign Committee required to consider a draft Report, the Business, Innovation and Skills, Defence and International Development Committees proceeded to consider a draft Report.

Sir Malcolm Bruce was called to the Chair, in accordance with Standing Order No. 137A(1)(d).

Draft Report: Scrutiny of Arms Export Controls (2014): Scrutiny of the Government's UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues.

Draft Report *Scrutiny of Arms Export Controls (2014): Scrutiny of the Government's UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues*) proposed by the Chair, brought up and read.

Ordered, That the draft Report be considered concurrently, in accordance with Standing Order No. 137A(1)(c).

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 152 read and agreed to.

Paragraph—(Sir Malcolm Bruce)—brought up, read the first and second time, and inserted (now paragraph 153)

Paragraph 153 to 168 read and agreed to.

The Business, Innovation and Skills, Defence, Foreign Affairs and International Development Committees further deliberated.

Ordered, That the Memorandum of the Chair to the Committees be reported to the House for publishing on the Internet.

[Adjourned to a day and time to be fixed by the Chair

BUSINESS, INNOVATION AND SKILLS COMMITTEE

In the absence of the Chair, Ann McKechin was called to the chair

Katy Clark

Mike Crockart

Draft Report *Scrutiny of Arms Export Controls (2014): UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues*, proposed by the Chair, brought up and read.

Resolved, That the draft Report prepared by the Business, Innovation and Skills, Defence and International Development Committees be the Second Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Sir John Stanley make the Joint Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134 (Select committees (reports)).

[Adjourned till Tuesday 15 July at 10.00 a.m.

DEFENCE COMMITTEE

In the absence of the Chair, Mr James Gray was called to the chair

Mr Adam Holloway

Derek Twigg

Draft Report *Scrutiny of Arms Export Controls (2014): UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues*, proposed by the Chair, brought up and read.

Resolved, That the draft Report prepared by the Business, Innovation and Skills, Defence and International Development Committees be the Second Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Sir John Stanley make the Joint Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134 (Select committees (reports)).

[Adjourned till Tuesday 15 July at 12.45 p.m.

FOREIGN AFFAIRS COMMITTEE

In the absence of the Chair, Sir Menzies Campbell was called to the chair

Mike Gapes

Sir John Stanley

Draft Report *Scrutiny of Arms Export Controls (2014): Scrutiny of the Government's UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues*) proposed by Sir John Stanley, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 169 read and agreed to.

Resolved, That the draft Report be the Second Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Sir John Stanley make the Joint Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134 (Select committees (reports)).

[Adjourned till Tuesday 15 July at 1.45 p.m.]

INTERNATIONAL DEVELOPMENT COMMITTEE

Sir Malcolm Bruce, in the Chair

Jeremy Lefroy
Chris White

Sir Peter Luff

Draft Report *Scrutiny of Arms Export Controls (2014): UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues*, proposed by the Chair, brought up and read.

Resolved, That the draft Report prepared by the Business, Innovation and Skills, Defence and International Development Committees be the Second Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Sir John Stanley make the Joint Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134 (Select committees (reports)).

[Adjourned till Monday 14 July at 5.00 p.m.]

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

| | | |
|--------------------|---|--------------------------|
| First Joint Report | Scrutiny of Arms Export Controls (2011): UK Strategic Export Controls Annual Report 2009, Quarterly Reports for 2010, licensing policy and review of export control legislation | HC 686 (<i>Cm8079</i>) |
|--------------------|---|--------------------------|

Session 2012–13

| | | |
|--------------------|---|--------------------------|
| First Joint Report | Scrutiny of Arms Export Controls (2012): UK Strategic Export Controls Annual Report 2010, Quarterly Reports for July to December 2010 and January to September 2011, the Government's Review of arms exports to the Middle East and North Africa, and wider arms control issues | HC 419 (<i>Cm8441</i>) |
|--------------------|---|--------------------------|

Session 2013–14

| | | |
|--------------------|--|--------------------------|
| First Joint Report | Scrutiny of Arms Exports and Arms Control (2013): Scrutiny of the Government's UK Strategic Export Controls Annual Report 2011 published in July 2012, the Government's Quarterly Reports from October 2011 to September 2012, and the Government's policies on arms exports and international arms control issues | HC 205 (<i>Cm8707</i>) |
|--------------------|--|--------------------------|