



Modernisation of EU export controls

Questions & Answers

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Why do we need to modernise EU export controls?

The EU already controls exports of sensitive products that can have both civil and military applications, known as dual-use items. The EU export control system is generally considered robust and provides solid legal and institutional foundations. But it cannot remain static: it must be re-evaluated and upgraded in order to face new challenges and generate the modern control capabilities the EU needs for the coming decade and beyond. This could be achieved by giving new impetus to the development of a more integrated, risk-driven strategic trade control model.

What are the objectives of the proposal?

The proposal for a modernised export control regulation essentially aims on one hand at enhancing the **effectiveness** of controls and adjust them to evolving security risks, rapid technological and economic developments, and, at the same time, enhancing their **efficiency** by simplifying the administration of controls and reducing the administrative burden for exporters and competent authorities of the Member States.

The overall objectives are thus to enhance security – including the protection of human rights – and to ensure the competitiveness of EU exporters.

What are the key elements of the proposal?

The proposal provides for adjustments for controls to operate effectively and efficiently in a globalised economy and consists essentially in:

1. a "system upgrade" which aims at improving current control regulations and make them more efficient and more effective;
2. the introduction of a new "human security" dimension, on the other, to respond to the challenge posed by the emergence of new cyber-surveillance technologies and their impact on human rights and the EU's security.

Will the proposal enhance the EU's security?

The proposal will enhance security by tackling certain loopholes in current regulations and promoting a more consistent application of controls. For example:

- Current regulations allow Member States, in certain situations, to apply different level of controls on e.g. *à la carte* controls on export, brokering or transit. This leads to a fragmentation of controls, with some things being controlled by one Member State, and not by another. The proposal will further harmonise controls so that risky transactions are controlled in the same manner throughout the EU. More consistent controls mean better security, and a level-playing field for exporters. This shows that trade and security can be mutually reinforcing;
- The proposal will provide a firm legal basis for the control of exports of sensitive items that may be misused in connection with acts of terrorism, e.g. nuclear or chemical terrorism.

The proposal also introduces a "human security" dimension in response to the emergence of new technologies and the risks they pose for the protection of human rights. The proposal provides for an EU mechanism to enable competent authorities to stop exports of certain very special 'cyber-surveillance technologies'¹ that may in certain situations be misused for committing serious human rights violations.

¹ Cyber-surveillance technologies are specially designed and highly specialised technologies to e.g. enable the covert intrusion into information and telecommunication systems with a view to monitoring, extracting, collecting and analysing data and/or incapacitating or damaging the targeted system.

Will the proposal enhance the competitiveness of EU companies?

The proposal contains provisions that will facilitate the administration of controls and thus reduce the costs and enhance the competitiveness of exporters. For example:

- the *introduction of new EU General Export Authorisations* will facilitate the administration of controls and generate considerable efficiency gains: based on expert consultations, processing an export under an EUGEA would cost companies approximately 4 times less than applying for an individual license.
- The *simplification of controls on the transfer*, within the EU, of certain very sensitive products and technologies² will reduce associated costs by an estimated 40%, and will facilitate the operation of business within the Single Market while maintaining a good level of security, since that trade remains within the EU and thus does not pose a high risk for international security.
- The proposal will facilitate *technology transfers*, e.g. transfers of sensitive technology to the cloud.

On the other hand, the proposal also expands some controls, in particular on cyber-surveillance technologies, which is expected to generate limited additional costs. In this respect, the Commission has opted for a targeted approach that focuses on very specialised items and will thus minimise administrative burden for companies. For example, the list of new cyber-surveillance technologies subject to control is limited to two highly specialised products, which are essentially used by intelligence and law enforcement agencies. The new controls will not concern the trade of widely commercially available information and communication technologies.

What happens next?

The Commission's proposal for a regulation will be subject to a legislative process during which Member States will have the opportunity to discuss and modify the proposal, as appropriate. The Member States in the Council and the European Parliament, as co-legislators, will make the final decision on the Regulation. Once

² For ex. items of stealth technology, powerful cryptanalytic functions, uranium isotope separation plants etc.

they have adopted the Regulation, it will be binding for Member States and they will have to implement controls accordingly.

The Commission will also engage stakeholders and has already planned two events:

- A 'Civil society dialogue' to be held on 3 October
<http://trade.ec.europa.eu/civilsoc/meetdetails.cfm?meet=11483>
- A full-day Export Control Forum to be held on 12 December with representatives of key stakeholders from civil society, industry and academics, as well as Member States.

More information:

[Press release about the EU proposal for new regulation on export control](#)

Text of the Commission's proposal [\[LINK\]](#)