

## **Review of Ireland's Export Controls**

Given the increasing focus which is being given to the necessity to strengthen strategic export control rules, it is important to ensure that Ireland's export controls are up to the best international standards. To this end, The Department of Enterprise, Trade and Employment commissioned a review of Ireland's export controls system for military and dual-use goods with a view to recommending how best we can modernise and strengthen the controls and ensure full compliance with Ireland's international obligations.

The Review involved:

- consultations in Ireland with interested parties, including a publicly-advertised consultation process;
- examination of background material on international export licensing systems;
- a review of the export licensing systems of four case-study countries.

### **Views of Interested Parties on the Irish Licensing System**

The Review involved a series of about 40 bilateral consultations with individual organisations in Ireland including user-companies, representative organisations, state agencies and others. It also involved an open public consultation process, including newspaper advertisements inviting submissions. Some 14 organisations responded to this invitation.

In the case of industry, key outcomes from the consultation process were:

- only a very small minority of companies have any involvement in, or knowledge of, the topic, and interest in the licensing system outside these companies is minimal;
- companies using the system are broadly happy with it, while having many specific suggestions for improvement;
- specific areas that companies identify for improvement are more advance information on developments and changes in the system, greater clarity as to what is controlled and what destinations and end-users are problematic, and the need for electronic application and licence processing.

Exporting companies also emphasise the need to minimise the bureaucratic requirements, and that in any improvements to the system there is a need to balance restrictions against the possibility of making Ireland an unattractive location for certain types of highly mobile activity in the ICT sector.

As with industry, interest in the area among non-governmental organisations is limited to a number of specific organisations. Interested NGOs are critical of what they perceive as an absence of transparency regarding decision-making processes and the outcomes of these in terms of detailed information on actual exports, gaps in what is covered by the system in areas such as brokering, licensed production overseas and service exports, as well as a perceived absence of genuine end-use monitoring and checking.

## **Conclusions and Recommendations of the Review**

In modernising and developing the system, Ireland in common with other countries must balance two competing interests, namely:

- the economic or “trade” interest of minimising administrative costs, reducing unnecessary regulatory burdens on legitimate exporters, and ensuring that Ireland does not unnecessarily reduce its attractiveness to international mobile investment, particularly in the area of high technology dual-use goods and services;
- the “control” interest in terms of minimising the danger that any military or dual-use good produced in Ireland would find its way to internationally undesirable uses, meeting international legally binding and political commitments, and generally protecting and enhancing Ireland’s good name and reputation.

Arising from this work, the review, which was published in July, 2004, proposed a number of areas in which the Irish Export Licensing System can be modernised and strengthened including;

**In legislative terms**, Ireland should introduce new primary legislation to govern military export controls. In particular, EU commitments require that the specific areas of Brokering and Technical Assistance related to WMD will be required to be subject to control.

Other issues recommended to be addressed in new legislation are:

- provisions should include powers to inspect and audit exporting companies;
- new legislation should also involve revised penalties for non-compliance;

Other, non-legislative, recommendations of the Review included:

- enhanced co-operation between the Department of Enterprise, Trade and Employment and the other agencies with a role in the area including the Department of Foreign Affairs and Customs
- better use of new technology including introduction of web based export licence applications
- greater preventative enforcement through information provision and outreach activities
- greater emphasis on good in-company compliance procedures
- publication of a annual report on export licensing activity

## **Implementation of Report**

Consideration and implementation of the report’s recommendations are being addressed within the framework of an inter-Departmental Group, involving the Departments of Enterprise Trade and Employment, Environment, Foreign Affairs, Defence, and Justice Equality and Law Reform, together with The Revenue Commissioners.