

SERBIAN EXPORT CONTROL SYSTEM

Legal basis of the Serbian export control system is the Law on Foreign Trade in Arms, Military Equipment and Dual-Use Goods, adopted by the Assembly of Serbia and Montenegro on 17 February 2005. Its enforcement started on 31 March 2005. Significant changes to this law are prepared and they include introduction of “catch all clause”, stringent penalty provisions and slight changes that take into account the new constitutional status of Serbia. Same changes in the area of transport and transit of arms need to be done in order to ensure that once given license cannot be withdrawn due to denial of transportation and transit license.

The following essential changes are introduced by the 2005. Law:

- Trade and production of arms and military equipment are separated
- Transfer of competence from military to civil structures
- Introduction of Control of Dual-Use Goods
- Arms, military equipment and Dual-use goods are determined by the EU lists

Competent authorities involved in a decision making process are:

- The Ministry of International Economic Relations
- The Ministry of Foreign Affairs
- The Ministry of Defense
- The Ministry of Internal Affairs

- The Customs Authority
- The Civil Aviation Directorate
- The Security and Intelligence Agency
- The Inspection Authority

Licenses are issued by the Ministry of International Economic Relations after prior consent of the Ministry of Defense and Ministry of Foreign Affairs and opinion of the Ministry of Internal Affairs.

Article 20 of the Law stipulates that in a process of giving consent for foreign trade in controlled goods, the Ministry of Foreign Affairs should evaluate the following.

- 1) Sanctions of the United Nations Security Council and recommendations of the Organization for Security and Cooperation in Europe (OSCE);
- 2) Accepted international obligations and foreign political interests of Serbia and Montenegro;
- 3) The European Code of Conduct and Arms Exports;
- 4) Level of violation and/or respecting of human rights and freedoms in the country of final destination.

The Ministry of International Economic Relations as a competent authority:

- Implements the Law on Foreign Trade in Arms, Military Equipment and Dual-use Goods (2005)
- Prepares amendments to the actual law and sub law acts
- Updates lists of arms, military equipment, technologies and dual – use goods according to international agreements, conventions and EU regulation
- Defines the unique forms (application, licenses and certificates)
- Closely regulates the registration procedure

- Defines issuing license procedure
- Issues single licenses and certificates (End User Certificate)
- Creates a databases on issued, refused and revoked licenses
- Prepares an Annual Report on foreign trade in arms, military equipment and dual – use goods
- Performs supervision and control of single foreign trade performance in cooperation with other agencies and institutions
- Cooperates with competent institutions in order to prevent illegal trade

The Law provides a thorough background check on those companies wishing to import and export controlled goods, (up to now 97 companies are registered for foreign trade in controlled goods). Once a company has successfully registered, it must then apply for each commercial transaction it wishes to undertake.

In addition to the documents required for an individual trading license, the company is required to submit an End User Certificate (EUC) which may not be older than six months and shall be obtained from the official authority of the country of final destination. Once these documents have been submitted the licensing request becomes subject to a decision – making process involving above mentioned ministries. Licenses are assessed on a case-by-case basis. The licensing procedure is restrictive with arms manufactures and brokers complaining that the maximum licensing process of 30 days is too long and damages their business. The Ministry for Foreign Economic Relations asks for delivery verification certificate in the cases of “suspicions” destinations.

In addition to the arms export laws, exporters of controlled goods must also apply for, and be granted an arms export transportation license which is valid for the 24 hours.

The continental and waterway transport of controlled goods need to be approved by the Ministry of Interior and is based on the previously issued export license from MIER and consent of the Ministry of Foreign Affairs and Ministry of Defense. Air transport of controlled goods need to be approved by the Serbian Civil Aviation and follows same procedure as above mentioned.