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# The directive on simplifying terms and conditions of transfers of defence-related products within the Community



# A three-pillared directive

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National licences remain according to harmonised and simplified procedures:

– **Common tools:** general and global licences in all Member States

- Global licence: one authorisation delivered by a national authority to an individual supplier on its request. Allows several transfers to several recipients
- General licence: administrative order of general nature allowing companies fulfilling the conditions to transfer controlled products within the Community. Eligible products and destinations are determined in the licence (cf UK OGEL).

– **Common language:** the EU common military list replacing the tangle of current heterogeneous national munition lists

– **Common recognition of defence companies' reliability:** the voluntary certification of those defence companies with pan-European supply chains



# A EU common licensing system (1)

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Requirement for MS to introduce those common licensing tools in their national legislations:

- Global licensing;
  - A minimum set of general licences:
    - One general licence covering transfers of military equipment to other MSs' armed forces;
    - One general licence covering components to EU certified companies;
    - One general licence for the purposes of demonstration, evaluation and exhibition;
    - One general licence for the purpose of maintenance and repair
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## A EU common licensing system (2)

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- Member States will stop considering one another as third countries;
- Most intra-EU transfers to take place under general and global licences, individual licensing remaining the exception



## A EU common licensing system(3)

### Added value of general licences

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- For EU armed forces, general licences will ensure the smooth circulation of the most needed defence equipment under various circumstances: demonstration and evaluation, then sale and then repair and maintenance...
  - For certified companies and their suppliers:
    - Certified integrators to optimise cross-border supply chains;
    - For SMEs, better predictability and easier use
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# The use of a common language

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The EU Common military list (CML) as the common language :

- EU Common military list as the directive's scope
- CML already established and updated regularly
- Many Member States have or will substitute CML for national lists



# A common reliability label granted to system integrating companies

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## Common companies' certification:

- Optional for companies wishing to simplify their supply from sub-contractors in sourcing under general licences;
- Common criteria for EU-wide reliability;
- Certificates granted and managed by MS;
- Requirement of sound and State-controlled **internal compliance programmes** in companies;
- Affordable cost by making use of existing supervision of national defence companies;
- Safeguard clause allowing to interrupt flow in case of doubt.



## A crucial instrument for the EU defence market

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A decisive contribution to setting up the much vaunted European defence equipment market:

- Ease integration of SME in the supply chain of large integrators: enlargement of the depth and variety of the European industrial base;
  - Increase security of supply within the EU: an incentive to “buy European” because smoother and more predictable deliveries of EU defence items;
  - Improve the overall efficiency of export controls: redeployment of resources to really critical cases
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# Timetable and way ahead

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- Directive published in the EU Official Journal on 10 June 2009
- 24 months for transposition into national laws+ 12 months of mutual assessment before full application= application in Summer 2012
- Collective work to be carried out during the transposition period: certification of companies, possible intergovernmental harmonization of the scope and of the conditions of global and general licences...



## More information

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[http://ec.europa.eu/enterprise/regulation/inst\\_sp/defense\\_en.htm](http://ec.europa.eu/enterprise/regulation/inst_sp/defense_en.htm)