EXPLANATORY MEMORANDUM TO

THE EXPORT CONTROL (IRAN) (AMENDMENT) ORDER 2007

2007 No. 2170

1. This explanatory memorandum has been prepared by the Department for Business, Enterprise and Regulatory Reform and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments

2. Description

2.1. The Export Control (Iran) (Amendment) Order 2007 ("the amendment Order") implements certain European and other international obligations of the UK in respect of trade with Iran. To this end it makes provision with regard to Council Regulation (EC) No 618/2007 of 5 June 2007 ("the 2007 amending Regulation") amending Council Regulation (EC) No 423/2007 concerning restrictive measures against Iran ("the 2007 Regulation").

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1. The Department is today laying before Parliament the Export Control (Iran) (Amendment) Order 2007.

3.2 The Department considers that in order to give effect to our European and other international obligations in respect of Iran, it is necessary for the amendment Order to come into force as soon as possible. In particular, the 2007 amending Regulation, which is directly applicable, came into force immediately on its publication in the Official Journal on 6 June 2007. It needs the offences and licensing provisions created by the amendment Order to make it fully effective in the UK.

3.3 The 2007 amending Regulation renumbers Article 5(1) of the 2007 Regulation. However, it does not amend the cross-reference to Article 5 that appears in Article 12 of that Regulation. This leaves some doubt around the scope of the defence that appears in Article 12 and we have included a new, specific defence in the amendment Order (see paragraph 6 of the Schedule) so that the position in domestic law is as clear as possible.

4. Legislative Background

4.1 United Nations Security Council Resolution 1747 (2007) ("UNSCR1747") was adopted on 24 March 2007 and extended restrictions on trade with Iran, previously imposed by United Nations Security Council Resolution 1737 (2006), to cover military goods and technology. The response to UNSCR1747 has been co-ordinated at European level. The Council of the European Union adopted a Common

Position (Common Position 2007/246/CFSP of 23 April 2007 amending Common Position 2007/140/CFSP concerning restrictive measures against Iran – "the Common Position"). The 2007 amending Regulation implements those elements of the Common Position that fall within Community competence.

5. Extent

5.1. This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As this instrument is subject to negative instrument resolution procedure and does not amend primary legislation, no statement is required.

7. Policy Background

7.1 The government's policy is to support the EU legislation concerning restrictive measures against Iran, in the same way as we support the United Nations Security Council Resolutions from which it derives.

7.2. The amendment Order provides for national offences, penalties and licensing provisions that are required to supplement Article 1 of the 2007 amending Regulation. These provisions are concerned with prohibiting technical and financial assistance in respect of military goods and technology.

7.3. The amendment Order is also in line with the general policy to implement EU Legislation in a timely and appropriate manner.

8. Impact

8.1. A Regulatory Impact Assessment has not been prepared for this instrument as it has no or minimal impact on business, charities or voluntary bodies.

8.2. There is no or minimal impact on the public sector.

9. Contact

9.1. Jim Bouttell at the Department for Business, Enterprise and Regulatory Reform, Tel: 020 7215 4648, or email: jim.bouttell@berr.gsi.gov.uk can answer any queries regarding this instrument.

DEPARTMENT FOR BUSINESS, ENTERPRISE AND REGULATORY REFORM

25th July 2007