EXPLANATORY MEMORANDUM TO

THE EXPORT CONTROL (IRAN) (AMENDMENT) ORDER 2010

2010 No. 144

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

This memorandum contains information for the Joint Committee on Statutory Instruments

2. Purpose of the instrument

2.1. The Export Control (Iran) (Amendment) Order 2010 ("the amendment Order") makes provision with regard to Council Regulation (EU) No 1228/2009 of 15 December 2009 ("the 2009 amending Regulation") amending Council Regulation (EC) No 423/2007 ("the 2007 Regulation") concerning restrictive measures against Iran. It also updates the reference in the Export Control (Iran) Order 2007 ("the 2007 Order") to the Common Military List of the European Union.

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 2010.

3.2 The Department considers that in order to give effect to our European obligations in respect of Iran, it is necessary for the amendment Order to come into force as soon as possible. This is because the 2009 amending Regulation, which is directly applicable, came into force on 17 December 2009, the day following its publication in the Official Journal. It needs the adjustments made by the amendment Order to previous implementing legislation to make it fully effective in the United Kingdom. Accordingly, it has been decided to bring the Order into force earlier than the usual minimum 21 days after laying.

4. Legislative Context

4.1 The 2007 Regulation contains a number of lists which either prohibit or restrict the supply, sale or transfer of goods and technology to Iran which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities. Annex IA and Annex II to the 2007 Regulation contain items that do not appear in other export control legislation and would otherwise only be licensable on the basis of end-use controls (controls that are capable of catching any item on the basis of its end-use). The 2009 amending Regulation implements changes to those lists on the basis of information supplied by the Member States. It also amends the provision in the 2007 Regulation by which the Commission can amend the Annexes without reference to the Council. Finally, as Council Regulation (EC) No 1334/2000 has been replaced by Council Regulation (EC) No 428/2009, a cross reference to the former is

updated.

4.2 The trade aspects of the 2007 Regulation are given effect in the United Kingdom by the 2007 Order, which creates offences and penalties for breach of the relevant provisions. The amendments made by the 2009 amending Regulation are such that the 2007 Order also needs to be amended.

5. Territorial Extent and Application

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

- ***What is being done and why***

7.1 The government's policy is to support the EU legislation concerning restrictive measures against Iran.

7.2. The 2009 amending Regulation corrects certain references to the list of items in Annex IA to the 2007 Regulation as well as replacing the list of items in Annex II to the 2007 Regulation. Some minor adjustments to previous implementing legislation are needed to give full effect to these and the other technical changes in the 2007 Regulation.

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

- ***Consolidation***

7.4. No consolidation of the Iran Regulation is planned.

8. Consultation outcome

8.1. This is purely a technical implementation of a directly applicable EU Regulation no consultation was necessary.

9. Guidance

9.1. As this is a technical amendment no guidance is necessary although a Notice to exporters explaining the implementation of the amending Regulation will be published.

10. Impact

10.1. The impact on business, charities or voluntary bodies is minimal.

10.2. The impact on the public sector is minimal.

10.3. An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1. This legislation applies to small business.

12. Monitoring & Review

12.1. None.

13. Contact

13.1. Jim Bouttell at the Department for Business, Innovation and Skills Tel: 020 7215 4648, or email: jim.bouttell@bis.gsi.gov.uk can answer any queries regarding this instrument.

DEPARTMENT FOR BUSINESS, INNOVATION AND SKILLS
27th **January 2010**