

Treasury
Customs and Excise Division

Notice 279T MAN

Trade Control Licensing



October 2013
(updated to 20 July 2015)



Isle of Man
Government

Reilts Ellan Vannin

About this Notice

This Notice draws attention in convenient form to the law on the licensing of the trade in arms and other goods between countries other than the United Kingdom and Isle of Man.

The Notice is intended as a general guide and has no force in law. Those persons who think they may be affected by its provisions are advised to seek legal advice. The information in this Notice is up to date at the month shown on the cover.

This general guide is intended to assist in understanding the requirements of the law which may be involved in the supply (or the "trafficking and brokering") of certain goods between countries other than the United Kingdom and Isle of Man.

The chief law governing export control and licensing may be found in various statutory instruments made under the Export Control Act 2002 (an Act of Parliament) which have been applied, with modifications, in the Island and are therefore part of Manx law.

The above legislation, and the general customs law (chiefly the Customs and Excise Management Act 1986 and orders and regulations made under it, and in EU Customs legislation) provide extensive powers to customs officers, and contain general provisions that apply to exports and exporters.

Finally, the various orders and regulations giving effect in the Island to both United Kingdom and European Union trade and other sanctions can impact upon movements of goods, and on involvement in the supply of goods, services, financial assistance etc. to those countries, individuals and entities subject to such sanctions.

There are severe penalties for breaches of licensing and sanctions law, and for making false declarations to Customs and Excise and/or other agencies in connection with licence applications, etc.

If you have any queries about how the contents of this Notice may affect you or your business, you should contact:

The Advice Centre
PO Box 6
Custom House
North Quay
Douglas
Isle of Man
IM99 1AG

Telephone and fax numbers -

Licensing: (01624) 648138 Fax: (01624) 661725

General enquiries: (01624) 648114 Fax: (01624) 648117

Email: customs@gov.im

The Customs and Excise website can be found at:

<http://www.gov.im/categories/tax,-vat-and-your-money/customs-and-excise/>



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If you have any technical queries and wish to know if specific goods would require an export licence, you should contact the Export Control Organisation:

UK Department of Business, Innovation and Skills
Export Control Organisation
ECO Helpline, 3rd Floor, 1 Victoria Street
London
SW1H 0ET

Tel: (020) 7215 4594
Fax: (020) 7215 2635
Email: eco.help@bis.gsi.gov.uk

The ECO website can be found at:
<https://www.gov.uk/about-the-export-control-organisation>

Further information may be found on the Business Link website:
<http://www.businesslink.gov.uk>

You should also note that for most export purposes the United Kingdom and Isle of Man are regarded as a single customs area, and that the Isle of Man forms a part of the customs territory of the European Union. Therefore the rates of duty in force, and the laws, rules and regulations involved in the Island will generally be essentially the same as those in effect in the United Kingdom.

Other Notices on related matters include -

Notice 279 MAN	Export Licensing
Notice 279C MAN	Export of Cultural Items
Notice 279F MAN	Import and Export of Firearms etc

These are available on the Customs and Excise website.

UN Arms Trade Treaty and extension of the types of goods covered by trade controls

On 9 April 2014, the Export Control (Amendment) Order 2014 was applied in Island law. This gave effect to Article 10 of the UN Arms Trade Treaty and expanded the list of items subject to trade controls listed in Part 2 of the Export Control Order 2008 to include all the conventional arms falling within the categories specified in Article 2(1) of the Treaty.

Combat aircraft and attack helicopters are added to Category A, and a new list of Category B goods inserted in a new Part 2 of the 2008 Order.

Contents

Introduction

1. Why do we have controls?
2. Are there other restrictions on the export of goods, money, technical assistance etc?
3. Where is the law?
4. Who is responsible for enforcing export and trade controls and issuing export licences?
5. What if I get it wrong?
- 5A. Open Licence annual returns
- 5B. Additional end-user information for SIEL and SITCL

Trade Controls (“Trafficking and Brokering”)

6. What are “trade control measures”?
7. How is “trafficking” defined?
8. How is “brokering” defined?
9. Are there any other types of activity subject to control?
10. What do the above paragraphs mean in practice?
11. What might constitute a mediator or broker acting in return for a fee or other consideration?
12. Would I need a licence in advance of doing anything?
13. Do these controls apply to goods located in the Isle of Man or UK?
14. What other types of activity would not require a licence if undertaken in the Island?
15. Transportation services
16. Transit and transshipment
17. Does it matter where the activity takes place?
18. Is there any form of general licence available that would permit trafficking and brokering under certain conditions?
19. Maritime anti-piracy controls
20. I am a corporate service provider. What if I am asked to set up a company, provide an office address or provide officials for a company, will I need to obtain a licence?
21. As a corporate service provider I maintain general accounting records and provide bank account signatories for clients, would this be considered to require a licence?
22. Is it possible for an individual employed by a corporate service provider to become personally liable?
23. Would involvement in the negotiating of a contract for the acquisition or disposal of goods on behalf of a client company require a corporate service provider to obtain a licence, if acting purely as a conduit for the passing on of information?
24. Can any form of licence be granted for exports to embargoed destinations, or for trafficking and brokering involving embargoed destinations?
25. What about UN and EU Sanctions?
26. How do I apply for a licence?
27. Use of Isle of Man licences in the UK

Data Protection Act 2002

Contact Details

- Annex 1 What types of licence are available?
- Annex 2 Category A, B and C goods
- Annex 3 Decision chart for Trade Control Licences (excluding provision of transport services)

Amendments to this Notice

Introduction

1. Why do we have controls?

The controls are needed for a variety of reasons, including -

- the need to ensure the collective security of the country and its allies;
- reasons of national security;
- foreign policy requirements and international treaty obligations;
- enforcing a non-proliferation policy for weapons of mass destruction;
- safeguarding the international reputation of the Island and businesses in the Island; and
- concerns about terrorism, internal repression and other human rights violations.

2. Are there other restrictions on the export of goods, money, technical assistance etc?

Yes.

In addition to export licensing controls (see Notice 279 MAN), there are a number of specific controls that those doing business overseas should be aware of. These include -

- precursor chemicals and drugs - certain dangerous drugs and precursor chemicals and reagents used to manufacture them are subject to stringent controls. For detailed information you should contact the Home Office;
- chemicals - certain chemicals, mainly pesticides, require a Prior Informed Consent (PIC) before being exported. For technical advice you should contact the Health and Safety Executive;
- prescription drugs - for further information contact the Medicines Inspector at the Department of Health. Further technical advice can also be obtained from the UK Department of Health;
- fauna, flora (including live animals) - controls include those intended to protect endangered species under the international CITES Convention, and animal and plant health controls. A health certificate may be required before export. You should contact the Department of Environment, Food and Agriculture for further information;
- antiques - many items over 50 years old may be subject to control as antiques, in addition to controls on the export of cultural items dealt with in section 7;
- UN and EU sanctions - trade and economic sanctions are imposed by the United Nations and/or the European Union on specific countries, territories, individuals and entities. These sanctions can include arms or general trade embargoes, prohibitions on the supply of military technical assistance and training, the freezing of assets held in the Isle of Man and/or prohibitions on the supply of assets to those subject to the sanctions. For further information on current sanctions regimes contact the Sanctions Officer at Customs and Excise;
- cash - whilst there are no exchange controls restricting the movement of cash into or from the Island, you must declare to Customs and Excise if you bring in or take out

“cash” in amounts in excess of €10,000. Declaration forms are available online from the Customs and Excise website and at the Airport and Sea Terminal. See Notice 9011 MAN on the website for more information. Similar requirements exist in the UK, Ireland, other EU Member States and the Channel Islands, but controls in the Isle of Man also extend to cash sent or received in the mail.

3. Where is the law?

With effect from 1 May 2004, the main legislation concerned with export and trade licensing controls has been found in various orders made under the Export Control Act 2002 (of Parliament), which have been made part of Island law. In particular, the Export Control Order 2008 (“the 2008 Order”), which is the chief instrument concerned with trade controls.

4. Who is responsible for enforcing export and trade controls and issuing export licences?

In the Isle of Man, the Treasury may issue licences, with any applications administered by Customs and Excise. However, Customs and Excise would strongly advise businesses to consider using the online SPIRE system provided by the Export Control Organisation (ECO), as submitting application to or via Customs and Excise would only add to the time needed to obtain clearance. All applications are referred to the ECO for the necessary checks with other departments and organisations prior to any decision on a licence.

The enforcement of export controls, prohibitions is the responsibility of Customs and Excise in the Island, and HMRC and Border Force in the UK.

The ECO, as part of the UK Department of Business, Innovation and Skills undertakes compliance work, including visits to licence-holders, and deals with licence applications.

The Export Licensing Officer at Customs and Excise can advise you on licensing requirements. However, Isle of Man businesses can also use the SPIRE online licensing system operated by ECO, and the ECO provides a wide range of guidance and online tools (including tools to help you determine if you, in fact, need a licence, or if there is a general licence which you can make use of). The ECO can also be contacted to obtain the correct classification of your goods for export licensing purposes.

Manx law regards UK-issued licences as if issued by the Treasury, and so have full legal effect in the Island.

5. What if I get it wrong?

There are severe penalties for violations of export and trade control law, including attempted evasion of controls, and making false statements in order to obtain a licence.

Penalties range from a fine of £1,000 to imprisonment for up to 10 years.

5A. Open Licence annual returns

From 1 January 2014, exporters will be required to provide details of all trades taking place under certain types of licences on a yearly basis. This requirement arises under the terms and conditions of the following types of open licences -

- Open Individual Export Licences (OIEL); except dealer OIEL
- Open Individual Trade Control Licences (OITCL)
- most Open General Export Licences (OGEL)

- most Open General Trade Control Licences (OGTCL)

If you have a licence issued in the UK you can complete your return using SPIRE.

The first return is due from 1 January 2015, for licensed movements that took place between 1 January and 31 December 2014.

For more information please see guidance at <https://www.spire.bis.gov.uk/docs/OpenLicenceReturnsGuidance.pdf>

5B. **Additional end-user information for SIEL and SITCL**

With effect from 8 July 2015, any exporter applying for either a Standard Individual Export Licence (SIEL) or a Standard Individual Trade Control Licence (SITCL) will be required to provide additional information identifying if the intended recipient of the goods involved is either a consignee or an end-user.

A new drop-down box will require the applicant to select "government", "commercial", "private individual" or "other". Selecting "other" will bring up a free text box to provide more information.

The information captured is used for public data reporting purposes.

Trade Controls ("Trafficking and Brokering")

6. **What are "trade control measures"?**

Under the 2008 Order, persons involved in the trafficking and brokering of Category A to C goods (see Annex 2 for explanations of these terms) are subject to licensing control.

Trafficking and brokering means, in general terms, involvement in the trade in Category A to C goods between two overseas countries.

From 6 April 2009, trade control restrictions also applied to transport services and to transit or transshipment of goods through the Isle of Man or UK (see paragraphs 15 and 16 below).

7. **How is "trafficking" defined?**

This is where someone acting in the Island trades (or agrees to trade) in Category A to C goods between the overseas countries on his own or another's behalf.

Actual ownership of the goods themselves is irrelevant.

The type of trading would normally include such things as buying, selling or arranging the transfer across borders of the goods.

See paragraph 16 re transit and transshipment through the Island and UK.

8. **How is "brokering" defined?**

This is where someone in the Island (who may be called the mediator or broker) arranges or negotiates contracts (or agrees to do) between other parties for trade in Category A to C goods between overseas countries.

See also paragraph 15 re transport services.

9. **Are there any other types of activity subject to control?**

Yes. A final category serves as a catch-all provision intended to encompass any types of trading activity not otherwise covered by the descriptions in the preceding two paragraphs.

This final category is where a person acting in the Island (who may be called the mediator or broker), in return for a fee or some other consideration, does or agrees to do any act calculated to promote the arrangement or negotiation of a contract for trade in Category A to C goods.

10. **What do the above paragraphs mean in practice?**

If trading as an owner of the goods, one would need a licence if -

- they acquire or dispose of Category A to C goods (or agree to do so) where they know or have reason to believe that such acquisition or disposal will result in a transfer of goods between overseas countries; or
- they transfer, or cause to be transferred, Category A to C goods from one overseas country to another.

In the above, "acquiring and disposing" would include buying, selling, hiring, borrowing, accepting as a gift, lending, leasing or giving away. It can also involve transit or transshipment through the Island or UK (see paragraph 16 below).

If acting as a mediator or broker, one would need a licence if -

- they arrange or negotiate a contract (or agree to do so) for the intended acquisition or disposal of the goods between overseas countries; or
- they undertake any act calculated to promote the acquisition, disposal or movement of the goods between overseas countries in return for a fee or other consideration (see the following paragraph).

The provision of transportation services, handling, crew etc may also be liable to licensing (see paragraph 15 below).

11. **What might constitute a mediator or broker acting in return for a fee or other consideration?**

The fact that an activity undertaken contributes in some way to a transaction that ultimately results in an individual or company gaining financially (eg through enhanced profits) would not, in itself, make the activity licensable. Neither would a company putting an enquirer in touch with an overseas subsidiary - even if that action ultimately led to the overseas subsidiary gaining a contract to supply goods (unless the act of referring the enquirer was itself done in return for a fee or some other form of consideration).

See paragraph 15 re transport services.

12. **Would I need a licence in advance of doing anything?**

Yes.

The licensing requirements apply before someone does something, or agrees to do something (whichever is the earlier), and where any part of the activity takes place in the Island. The licence is for trading, not an eventual physical movement of goods.

Any contract, agreement or arrangement need not be in writing. It can be oral and informal, and still require a licence.

An Open General Trade Licence may be used if Category C goods are involved and the conditions of that licence are met. However, one must still register use of this licence with Customs and Excise) but see note below.

NOTE: use of the open licence for maritime anti-piracy purposes require prior approval from the Treasury before it can be used.

13. **Do these controls apply to goods located in the Isle of Man or UK?**

No.

Movements of such goods are subject to normal export licensing requirements. But transit or transshipment for re-export or shipment as stores may be affected (see paragraph 16 below).

Buying and selling goods within the Isle of Man or UK without exporting them would be subject to the normal domestic laws governing the possession, use and supply of such goods. (Note that certain goods, such as firearms, explosives, landmines etc, are subject to stringent domestic controls).

The exporting of goods from the Isle of Man or UK is, of course, covered by normal export licensing controls, and no additional trade control licence would be required for that movement alone.

14. **What other types of activity would not require a licence if undertaken in the Island?**

- (a) Responding to initial enquiries from potential buyers, suppliers or overseas manufacturers or providing assistance in finding buyers or suppliers - provided that no agreement was entered into by the Island-based person for the acquisition, disposal or transfer of Category A to C goods and that the activity is not undertaken in return for a fee or consideration;
- (b) Buying Category B or C goods in an overseas country in order to hold as stock in that country pending future, unspecified business. If, however, these goods were to be sent, transferred or disposed of in a way that they would move to another country then whoever arranged that movement would require a licence;
- (c) Where Category B or C goods are concerned, if the person's sole involvement relating to the trading or movement of the goods is in the provision of -
 - finance or financial services;
 - insurance services; or
 - general advertising or promotion services,

then no licence is required.

NOTE: this exemption does not apply in respect of Category A goods.

- (d) The provision of technical assistance, UNLESS that involves the transfer of Category A to C goods.
- (e) For Category B or C goods ONLY - where the activities of the person takes place wholly outside the Island - but note that a single email, fax or telephone call sent or made

from the Island could constitute activity taking place in the Island, and that activity in the UK may be caught by similar legislation there (see also the following paragraph).

15. **Transportation services**

From 6 April 2009, the provision of "transportation services" for goods liable to trade controls was made liable to licensing controls. This is because it may be considered an essential element in the supply, and not a purely ancillary service.

For Category A goods, the controls apply to the actual act of transporting the goods, to an agreement to move them, and to any act calculated to promote their supply or delivery. A licence may be required for -

- transporting the goods; or
- any involvement in making arrangements for the movement of the goods;
- any supporting services provided to the transport provider;
- agencies involved in providing drivers, pilots, other crew and administrative staff to transport providers;
- involvement in the loading or unloading of goods; or
- companies renting vehicles or trailers to transport providers.

For Category B or C goods - the controls apply in the same circumstances as for Category A goods when being sent to a destination or destinations subject to an embargo (including under sanctions legislation).

For Category B goods - the arranging of transport is controlled, either on its own or as part of a package of services.

However, simply providing transport is only subject to control in certain circumstances. Contact Customs and Excise or the Export Control Organisation for more information, providing as much information as possible about you, what you intend to do, and the routing and destination of the goods.

For Category C goods - the provision of, or arranging of, transport is not controlled UNLESS -

- the goods are going to an embargoed destination or one subject to sanctions; or
- the provision of transport is a part of an overall package of services which are caught by the trade control licensing requirements.

16. **Transit and transshipment**

From 6 April 2009, controls were imposed on the transit or transshipment of Category A, B and C goods in certain circumstances.

Customs authorities use the terms "transit" and "transshipment" to mean different things. However, for the purposes of licensing controls the differences are regarded as irrelevant.

In general customs use the terms have the following meanings -

- “transit” is where formally goods enter the country (albeit that they may be transferred to an EU Member State or another country where EU law provides for such “transit” movements); and
- “transshipment” is where non-EU goods are transhipped from one aircraft or ship and re-exported without formally entering the country (i.e. without leaving airside or portside facilities).

The controls will apply as follows -

For Category A goods - the movement will ALWAYS require a licence to transit or be transhipped.

For Category B goods - the movement will require a licence where goods are intended for a “destination of concern”.

For Category C goods - the movement will require a licence if the goods are intended for an embargoed destination.

17. **Does it matter where the activity takes place?**

All of the controls relating to Category B or C goods apply where ANY part of the activity involved takes place in the Isle of Man. Note that a single email, fax or telephone call could constitute sufficient activity.

For example, if a person agrees to arrange a transfer of the goods while in the Island, but only makes the arrangements for the actual supply whilst abroad then a licence will still be required.

For Category A goods, the controls are extra-territorial in nature and therefore apply to -

- activities of bodies incorporated under the law of the Island and LLC (or other corporate bodies) registered in the Island when undertaken anywhere in the world; and
- the involvement of an “Island person” in the trade between any two or more overseas countries.

NOTE: An “Island person” is defined in the 2008 Order and would be -

- persons in the Isle of Man;
- a body corporate under the law of the Island and limited liability companies (LLC); or
- the various types of British citizen and British protected person who are resident in the Isle of Man.

18. **Is there any form of general licence available that would permit trafficking and brokering under certain conditions?**

Yes, an Open Trade Control Licence. See Annex 1 for more details.

19. **Maritime anti-piracy controls**

Businesses and individuals in the Island involved in providing anti-piracy protection services aboard vessels (of whatever flag), or providing other private security services outside the UK and Isle of Man, should note that if these services involve the movement of weaponry and

ammunition, or certain goods, then a trade control licence may be required from the Treasury.

There is a specific open trade control licence available (see Annex 1 for more details), but it should be noted that this licence differs from other open trade control licences in that merely registering its use is not enough. One must apply to be authorised to make use of it, and be so authorised before any movements take place.

Note that applications for the supply of arms to armed anti-piracy operations and floating armouries in West Africa would be rejected, as such supplies are currently not permitted. There are also arms embargoes under UN or EU sanctions in place in respect of several West African states (Ivory Coast, Liberia and Sierra Leone) and these would be taken into account in any licence application.

For more information contact the Export Licensing Officer.

19A. Criteria applied to licence applications relating to maritime anti-piracy

Where licence applications relating to maritime anti-piracy work are involved, they will be assessed, in particular, to ensure that any goods involved are not used in internal repression in any place, and whether there is any risk that the goods could be diverted or re-exported to undesirable end-users. To this end, evidence would be required to show -

- that a private maritime security company (PSMC) has signed the International Code of Conduct for Private Security Service providers (ICoCO);
- that confirmation that the goods will remain on board the ship for the duration of the journey and that they will only be used by authorised personnel during high-risk periods;
- that the goods will not be used by anyone other than the shipper or authorised persons on board the ship and will not be sold to third parties; and
- that when not in use, the goods will be held in a secure armoury.

20. I am a corporate service provider. What if I am asked to set up a company, provide an office address or provide officials for a company, will I need to obtain a licence?

There is no simple yes or no answer to this question. The three things you should ask yourself are -

- (a) is there some foreknowledge of an eventual licensable movement of goods (i.e. the movement of Category A to C goods between 2 overseas countries)?
- (b) is what I am doing an act likely to "promote" (e.g. facilitate, enable, encourage) that supply or is arranging the transport of the goods involved?
- (c) will I receive a fee, commission or any other form of consideration for what I am doing?

If the answer to all these questions is yes, then you need to apply for a licence.

21. As a corporate service provider I maintain general accounting records and provide bank account signatories for clients, would this be considered to require a licence?

General administration services provided to a company would not normally trigger a

requirement for a licence, though this might depend on the precise nature of the work undertaken by the corporate service provider. There would have to be a direct link between what the corporate service provider was doing and specific licensable activity, and some knowledge that the client company was involved in such activity.

22. **Is it possible for an individual employed by a corporate service provider to become personally liable?**

Yes.

An officer or staff member of a corporate service provider could become personally liable to be licensed if they do some act calculated to promote licensable activity and the corporate service provider is not itself licensed.

However, there would have to be some direct link between the act and the licensable activity, and it would have to have been done for a fee or some other form of consideration.

23. **Would involvement in the negotiating of a contract for the acquisition or disposal of goods on behalf of a client company require a corporate service provider to obtain a licence, if acting purely as a conduit for the passing on of information?**

Yes, if this involved knowledge of the nature of the contract, and the work being done was being done in return for a fee or other consideration.

NOTE: A corporate service provider should report any unlicensed activity to Customs & Excise (in addition to any disclosure to the Financial Crime Unit that it might consider necessary).

24. **Can any form of licence be granted for exports to embargoed destinations, or for trafficking and brokering involving embargoed destinations?**

Licences would not normally be granted in such cases. However, in very rare circumstances a licence may be granted - for example, for trade in military equipment for humanitarian or peacekeeping use.

Licences are provided for under legislation imposing UN and EU sanctions, and such sanctions may often provide for the granting of licences for supplies to in-country peacekeeping forces, for humanitarian aid purposes and so on. These licences are not export control licences, and are outside the scope of this Notice. You should contact the Sanctions Officer at Customs and Excise if you require more information.

25. **What about UN and EU Sanctions?**

Special forms of licence are also required for exports to destinations covered by UN or EU sanctions, or for involvement in embargoed trade with such destinations.

Certain individuals, entities, countries and territories may also be subject to financial sanctions. In such cases a licence may be required for the release or transmission of funds for or to them, and/or investment in a particular territory or country.

26. **How do I apply for a licence?**

Customs and Excise recommends use of the online SPIRE system to lodge an application for a licence.

Queries of a technical nature, such as whether or not your goods require a licence, should be made to the Ratings Advice Service at the Export Control Organisation.

Contact details

Isle of Man Customs and Excise

Export Licensing and Sanctions enquiries:

PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG

Tel: (01624) 648138

Fax: (01624) 661725

Email: customs@gov.im

Website: <http://www.gov.im/categories/tax,-vat-and-your-money/customs-and-excise/>

UK Department of Business, Innovation and Skills

UK Department of Business, Innovation and Skills, Export Control Organisation, ECO
Helpine, 3rd Floor, 1 Victoria Street, London, SW1H 0ET

Tel: (020) 7215 4594

Fax: (020) 7215 2635

Email: eco.help@bis.gsi.gov.uk

Website: <https://www.gov.uk/government/organisations/export-control-organisation>

The Export Control Organisation (ECO) is part of the Department for Business, Innovation and Skills. ECO's chief task is to process applications for licences to export controlled military and dual-use goods and technology from the UK.

About 10,000 applications a year are processed, together with around 3,000 "ratings", ie advice to exporters about whether a specific export needs a licence.

Licences are approved on the advice of the Foreign and Commonwealth Office, Ministry of Defence and, where sustainable development issues are involved, Department for International Development.

Rating Advice Service

This service provides advice to exporters on whether or not a licence is required in a particular instance. Normally requests for such advice are dealt with through written correspondence.

For urgent enquiries technical advice can be provided orally over the telephone.

ECOCHECKER and OGELCHECKER

These are online tools available from the Export Control Organisation which enable exporters to see if a licence may be required and if an OGEL may be available.

Foreign and Commonwealth Office

For details of current UN and other sanctions and embargoes.

Website: <https://www.gov.uk/government/organisations/foreign-commonwealth-office>

The ECO maintains an A to Z checklist on its website.

Annex 1

What Types of Licences are available?

Open General Trade Control Licence (OGTCL) (Category C Goods)

which will permit involvement in brokering and trafficking of Category C goods covered by the 2008 Order. The licence is intended to permit some trading without the need to apply for individual licences. Its use is encouraged where the trader is able to comply with its conditions. It will cover trade from, and trade to, selected countries but does not cover Category A or B goods.

It permits trading of relevant goods -

from

- (a) any source country (other than Iraq, Zimbabwe or individuals to which the Al-Qaida and Taliban sanctions apply),

to

- (b) Austria, Belgium, Channel Islands, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Republic of Ireland, Spain, Sweden, USA, Canada, New Zealand, Australia, Japan, Norway or Iceland.

It would also permit trade from the countries listed in (b) above to -

- (c) any destination other than destinations to which the Isle of Man or UK is obliged, or has given specific commitments, to prevent or limit the supply of military goods.

NOTE: The OGTCL does not apply where the licensee knows or is informed by the Isle of Man or UK Governments that the transaction would be carried out contrary to either the export or import laws of the exporting or importing countries respectively.

Open General Trade Control Licence (OGTCL) (Small Arms)

Trading in small arms is covered whether carried out within the Island or elsewhere. It works on the same basis as the OGTCL (Category C Goods) but a number of destination countries are excluded.

Countries where trade in small arms is permitted are as follows -

- (1) Movements from any country, other than DPRK (North Korea), Iran, Zimbabwe or any individual to which the Al-Qaida and Taliban sanctions apply, to any country specified in Part A
- (2) Movements from any country in Part A to any country other than a country specified in Part B of the licence.

Part A

Australia, Austria, Belgium, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland (Republic of), Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, USA.

Open Individual Trade Control Licence (OITCL)

These are specific to a named trader and allow for involvement in trade in specific goods between specific source and destination countries and/or specified consignors, consignees or end-users. These are generally valid for 2 years.

Open General Trade Control Licence (OGTCL) (Maritime Anti-Piracy)

NOTE: Unlike other Open General Licences, you may not make use of this Licence until you have been authorised to do so in writing by the Treasury.

This Licence would permit those who have registered to use it, to do any act, the effect of which is to supply, deliver or transfer any of the controlled goods listed in Schedule 1 to the Licence, between any two overseas territories that are not listed in Schedule 2 to the Licence, for the purpose of providing Maritime Anti-Piracy Services that traverse the designated "High Risk Area".

You must be a Private Security Company carrying out your business activities in the Isle of Man or a Private Security Company which is run by Island persons, and which is also a signatory to the International Code of Conduct for Private Security Service Providers (ICoC). You must have submitted copies of your Standard Operating Procedures, Rules of Engagement and Policy on storing firearms to Customs and Excise.

You will also need to satisfy certain documentary requirements prior to transferring goods under this Licence and you will need to maintain records to confirm that you have used this Licence correctly.

If you are not eligible to use this Licence or you fail to satisfy any of the conditions or requirements below, this may result in your Licence being suspended or withdrawn and you may be liable to prosecution. You should only register to use this Licence if you can meet all of the requirements listed in section 2 of the Licence and none of the exclusions listed in section 3 of the Licence apply.

Open General Transshipment Licence (OGTL)

These allow, subject to certain conditions, importation for transshipment and re-export of certain Military List goods in Category C and other Dual-Use Items - provided they are not destined to an embargoed destination. Category A and B goods will not qualify for an OGTL.

There are also variants of the OGTL -

- OGTL (Dual-Use Goods: Hong Kong Special Administrative Region)
- OGTL (Postal Packets)
- OGTL (Sporting Guns)

Goods must normally be re-exported within 30 days. If this time limit is exceeded, and no permission to extend it has been granted by the Treasury, then an export licence or OGEL would be required.

Standard Individual Trade Control Licence (SITCL)

These are specific to a named trader and covers the involvement in trade of a set quantity of specific goods between specific source and destination countries with a specified consignor, consignee and end-user. These are normally valid for 2 years. They expire either when they reach a specified date or when the activity permitted has taken place. Once expired the licence ceases to be valid and must then be returned to either Customs & Excise in the Isle of Man or the UK Export Control Organisation. Should further similar activity then take place it must be covered by a new licence. A SITCL would always be required for "Category A" goods.

Annex 2

Category A, B and C goods

1. **What are Category B and C goods?**

Category B goods are military and paramilitary goods, and are listed in Part 2 of Schedule 1 to the 2008 Order. Note that most military goods are also subject to "End-Use Control", i.e. certification by the legitimate and approved end-user of the goods.

Following amendments made on 9 April 2014, Category B controls cover most conventional weaponry, including small arms, man-portable air defence systems (MANPADS) and anti-vehicle landmines (AVLM).

2. **What is the significance of goods being "Category B" goods under the Order?**

In addition to the normal controls on the export of such goods from the Island or UK, these are also subject to trade controls in respect of trade between two overseas countries where any part of the activity takes place in the Isle of Man.

3. **What are Category A goods?**

These are listed in Part 1 of Schedule 1 to the 2008 Order and comprise certain security and paramilitary police equipment (i.e. goods for internal repression or torture such as electric shock batons and belts, leg-irons etc) and types of cluster munitions.

On 9 April 2014, attack helicopters and combat aircraft were added to the list of Category A goods.

4. **What is the significance of goods being "Category A" goods under the Order?**

In addition to the normal controls on the export of such goods from the Island or the UK, these are also subject to trade controls in respect of trade between two overseas countries where any part of the activity took place in the Isle of Man.

Note that the restrictions on the involvement in the trade in Category A goods are more stringent than that on Category B goods.

5. **What are "Category C" goods?**

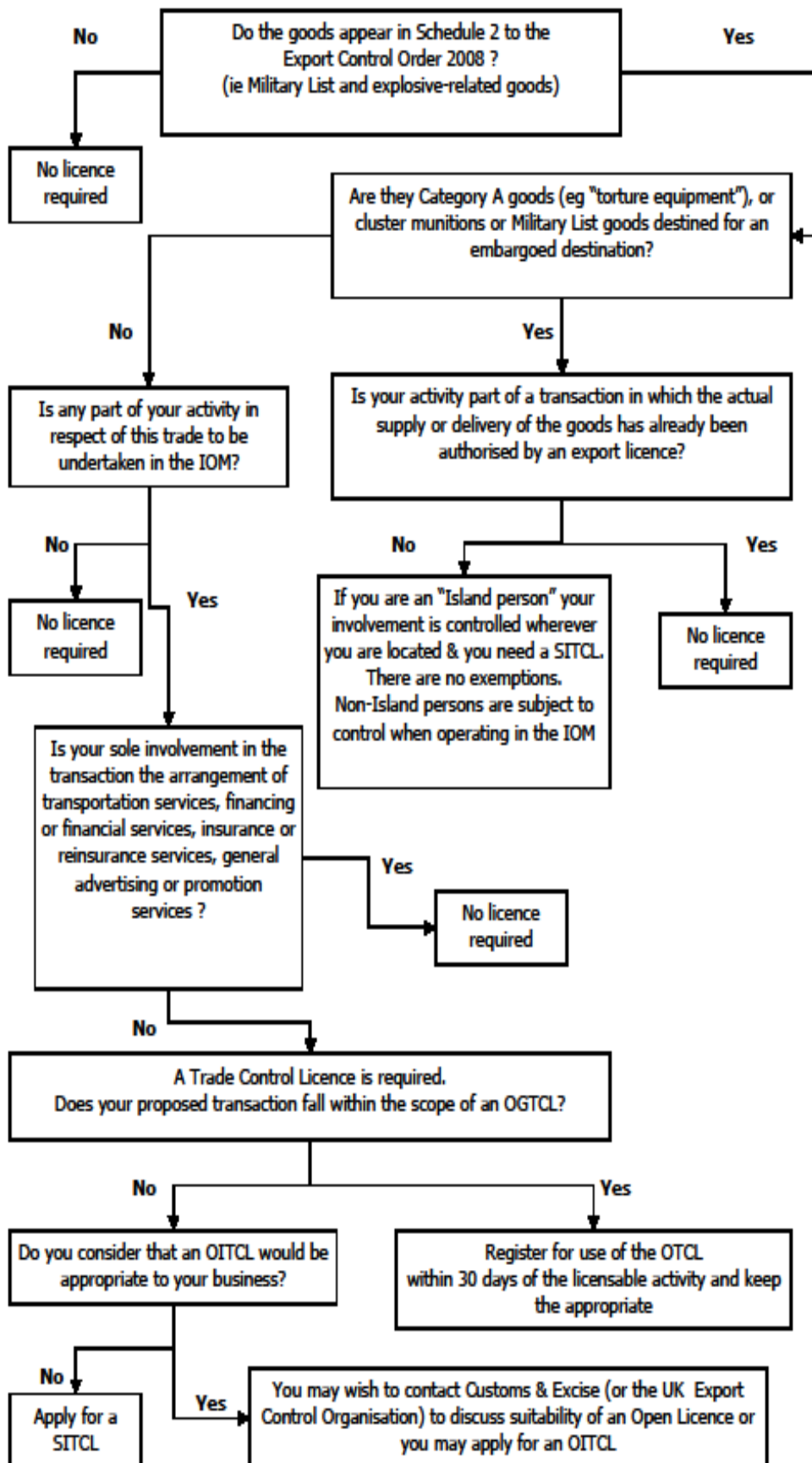
These are defined in article 2 of the 2008 Order and include those included in Schedule 2 to the 2008 Order as well as certain riot control devices using incapacitating chemical substances. Thus Category C covers a wide range of military and paramilitary goods, explosives and explosive-related goods.

6. **What is the significance of goods being "Category C" goods under the 2008 Order?**

The trade in goods in Category C between two other countries, but involving an Island person, is subject to control. However, an Open General Trade Control Licence (Category C goods) exists allowing the movement of goods between specific countries.

Annex 3

Decision Chart for Trade Control Licences (excluding provision of transport services)



Amendments to this Notice

15 November 2013	Amendments made to Annexes 2 and 3.
24 March 2014	New note added on page 3 re the 2014 Order giving effect to UN Arms Trade Treaty changes in Island law. Paragraphs 1 and 3 of Annex 2 amended accordingly.
16 June 2014	New paragraph 5A re Open Licence annual returns inserted.
2 July 2015	New paragraph 5B inserted re additional end-user information required for SITCL.
20 July 2015	Paragraph 19 amended, and new paragraph 19A inserted, re maritime anti-piracy licence applications for West Africa (paragraph 19), and the criteria applied when considering licence applications (paragraph 19A).

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Isle of Man
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