

## NOTICE TO EXPORTERS 2010/43

## New ECO advisory services to be launched in Spring 2011

As announced in [Notice to Exporters 2010/42](#), with effect from Spring 2011, the Export Control Organisation (ECO) will be replacing its current Rating Enquiry Service with two distinct advisory services:

- Control List Classification Service
- End User Advice Service

This briefing note explains how these new services will work and provides some initial guidance.

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**Background: Why the change?**

A number of factors. The current Rating Enquiry Service is under extreme pressure. Performance on published response times is well below target and this will remain the case if we do not make any changes to the current service or fail to look at more efficient ways of delivering the same result.

- **How the current Rating Enquiry Service works**

The traditional way in which exporters can seek advice on whether or not their goods require a licence is by submitting a [Rating Enquiry](#). In response to these enquiries, ECO looks at:

1. whether the goods are listed on a UK Strategic Export Control List
2. whether there are end-user concerns.

The ECO then advises in one comprehensive letter (Licence Required or No Licence Required) whether the goods need a licence or not. This full advisory service, which is very resource intensive, is provided on every occasion.

The No Licence Required (“NLR”) letter issued under the Ratings Service has come, misleadingly, to be viewed by many as an alternative form of licensing. Many exporters believe that what it says is inviolable and will last indefinitely – this is incorrect.

ECO has also for some time believed that many rating requests are unnecessary and are often in reality, end-user requests.

Consequently, during August and September 2010, the ECO invited customers of the Ratings Enquiry Service to complete a survey providing their opinions on the service, their knowledge of “ratings” and their opinion on potential new tools and services. The results of the survey (to which we had 342 responses) confirmed these misgivings.

The survey provided some very valuable insight into our customers’ ways of working and thinking. For instance the survey responses told us:

- approximately 39% of respondents said that they are using ratings as a way of getting clearance for goods for immediate export (in which case they could have applied for a licence) and 13% only did so to confirm their own self-rating.
- 11% of respondents were very confident that they could self-rate, and a further 34% were fairly confident, but they were still applying for advice anyway. 96% of those who had used the End User Service for Iran thought it should be extended to other destinations.

So whilst there is an attachment to the traditional Ratings Service, there are obviously many people out there who could do the job themselves with a bit of initial support from us, and there are others who could happily use alternative services.

(More details about the results of the Rating Enquiry Service Survey has been issued in Notice to Exporters 2010/42 – this has been published on the BIS website at:

<http://www.bis.gov.uk/policies/export-control-organisation/eco-notices-exporters>

## **What are the changes and what are the new Services?**

### **Control List Classification Service**

Under this service, ECO's technical experts will advise exporters whether their equipment features on any of the UK Strategic Export Control Lists .

The principal difference in relation to the current Rating Enquiry Service is that this advice will not be related to any specific end-user. Exporters will not be able to provide specific end-user details when they apply, although we will continue to request information on intended end-use.

You should **remember**, that if you make an enquiry for advice provided by the Control List Classification Service, this advice is not a permission to export. This is regardless of whether the advice confirms that you do or do not need a licence.

### **End-User Advice Service**

This new service will be an extension of the Iran End-User Email Advice Service pilot project.

Under this service, exporters can request advice on whether ECO has Weapons of Mass Destruction (WMD) or Military End-Use concerns related to the organisations they name.

Before using the service, exporters must first have satisfied themselves that their goods do not appear on any of the UK's control lists (ie: No Licence Required – NLR) – either through previous ECO decisions, by having made appropriate self-rating checks, or by having made use of the separate advisory service (Control List Classification Service).

ECO will then have a target of providing advice within a rapid target timeframe to tell companies that we either have no concerns (and they can proceed to export) or that we have concerns (and therefore they should apply for an export licence).

### **• How will the new services work?**

The new services will effectively split the current Ratings Service into two distinct services. By splitting the service into two we can reduce the effort required to technically assess each and every enquiry, and therefore enable us to focus on delivering effective services to meet customer needs.

The thinking behind offering two services compared to one, is that Control Lists only change periodically (and any changes are communicated via the ECO's website and Notices to Exporters to all

customers). So if we confirm that goods are listed on a Control List, exporters will be aware that their goods will normally remain on it and they will always require a licence of some sort from us if they want to export the items. This constitutes an important piece of advice, which exporters can retain and then utilise to plan future dealings with ECO. For instance by knowing the precise Control List entry covering their goods, they should be better informed about which open licence or OGEL they might be able to use, if appropriate, for future exports (and use the OGEL Checker Tool – <http://www.ecochecker.co.uk/ogelchecker>)

If we confirm that goods are **not** on a Control List, then exporters will not need a licence for future exports unless there are concerns that the customer (or other overseas parties) might use them in support of a programme of a WMD or Military End-Use programme of concern. They can therefore retain our advice and, if they have concerns, check out customers by using the separate End-User Advice Service.

- **How can I apply?**

You will be able to apply for **both services via SPIRE** (the ECO's export licensing database – <https://www.spire.bis.gov.uk>).

### **How will these changes help you?**

We anticipate that these changes will help our customers in a number of ways:

- Licence applications have increased by 50% in the last three years. Priority for the scarce resources in ECO's Technical Assessment Unit is to advise on control list classification on licence applications. As a result, Ratings targets have not been met for some time, and increasingly, applicants are finding that their responses are delayed. But in a significant number of enquiries – perhaps the majority – the applicant appears to know whether or not their goods are on a control list and are just seeking confirmation that their end user is not of concern. So by taking these enquiries out of the system, exporters should get a more prompt end-user advice and we will reduce the pressure on our technical specialists, thereby enabling them to deal with genuine requests for Control List Classification advice – and indeed licence applications – more speedily.
- those who require end-user advice, via the End User Advice Service, will get it rapidly – certainly far quicker than the existing Ratings advice takes.
- because it should be provided quickly, exporters can seek end-user advice closer to the date of export and thus be more confident that it remains current - increasingly we have been finding that written rating advice is becoming out of date because new concerns have emerged since it was issued.
- exporters will save administrative time, because one piece of Control List Classification advice can be retained and supplemented by end-user advice requests as and when necessary. They will not need to repeat the whole rating process.

### **How else is ECO planning to help you further in determining if you need a licence?**

ECO is also planning to provide a new search tool on SPIRE to help you self-rate – the Control List Classification Search Tool. This new tool is due to be introduced on SPIRE in the early new year 2011.

In conjunction with the launch of the new advisory services, we will also provide a revised SPIRE services portal to help you to choose which advice service best meets your needs.