

# US-EU Export Controls and Sanctions Alert: In Case of Hard Brexit, EU and UK Issue Plans for Export of Dual-use Goods

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Due to the vacillating political developments in the UK, a "hard Brexit" scenario (meaning, no withdrawal agreement reached between the EU and UK by the withdrawal date of March 30, 2019) is likely to happen. In preparation for a no-deal withdrawal, which would affect the trade of dual-use items between the EU and the UK, the European Commission (the Commission) adopted on December 19, 2018 a contingency plan that provides a number of mitigating measures in an effort to minimize the disruptions that would be caused by a hard Brexit, while protecting EU interests.

Within these measures, the Commission proposed an amendment to the EU Dual-Use Regulation – Council Regulation (EC) No. 428/2009 – to allow the inclusion of the UK in the list destinations covered by the Union General Export Authorisation No. EU001 in the event of a hard Brexit. This amendment, as proposed, permits the export of most dual-use goods to "safe" countries like the US or Canada, but exporters are subject to certain compliance obligations (e.g., registration or notification of first exports). The amendment is subject to the normal legislative process and is expected to be adopted by the European Parliament and the Council of the EU. The Commission expects that these institutions will proceed with this amendment as quickly as possible to have it in place before March 30, 2019.

Simultaneously, the UK Export Control Joint Unit confirmed <u>its</u> <u>intention</u> to issue a general license authorizing export of dual-use goods from the UK to the EU in case of hard Brexit.

Please contact a member of our team if you have any questions concerning the export of dual-use items between the EU and UK, or export control regime changes in these countries in general leading up to March 30, 2019.

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## **About Us**

Our International Trade Practice offers global trade compliance solutions, national security legal counsel and public policy advice. The core team is transatlantic, operating from Washington DC, Brussels and London. Our global team is conveniently located in key government hubs and deeply experienced on advising businesses and governments on adapting to the shifting regulatory frameworks and policy agendas concerning export controls, sanctions, foreign investment reviews, customs enforcement and tariffs, among many other topics. We provide a "one-stop shop" solution, leveraging expertise in multiple regions and jurisdictions around the world, to assist a myriad of organizations in assessing their global trade compliance procedures and to mitigate their national security concerns. Our service is rapid, professional and tailored, and our compliance tools are designed to fit unique business needs and processes. If you have any questions relating to our capabilities, please contact a member of our team listed herein, or email InternationalTradeCompliance@squirepb.com for assistance.

## **Resources to Strengthen Compliance**

We encourage you to visit our blog, *The Trade Practitioner*, where you will find additional updates and information on export controls, sanctions and national security-focused investment screenings, as well as other international trade regulatory and policy topics. To our knowledge, *The Trade Practitioner* houses the largest database of publicly known Committee on Foreign Investments in the United States (CFIUS) filings and their statuses. We also offer a CFIUS handbook with helpful guidelines on navigating the evolving CFIUS process, upon request. In addition, organizations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary *ITAR Practitioner's Handbook*, which covers the International Traffic in Arms Regulations and the US Department of Commerce "600 Series."

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