

New EU Regulation for Export Controls of Dual Use Goods

US-EU Export Controls and Sanctions Update

EU - May 2021

On May 10, 2021, the Council of the European Union officially endorsed the new draft EU regulation on the EU regime for export controls of dual use goods.

The latest version of new EU export control rules is the result of yearlong negotiations between the European Parliament and the Council of the EU concluded in November 2020. The purpose of this reform – initially proposed by the European Commission in 2016 – is to modernize and adapt the EU regime for export controls to new technological developments, as well as enhance cooperation between 27 enforcement authorities in EU member states.

In summary, in addition to the currently enforced controls, the new EU dual use goods regime will:

- Introduce controls over cyber-surveillance technology that can be used in violation of human rights outside the EU.
- Formalize legal obligations to introduce the internal compliance programs for exporters applying or using global export licenses.
- Harmonize rules on controls of technical assistance that was, until now, regulated by EU member states; under the new
 regulation, provisions of technical assistance in relation to listed dual use goods will be subject to the notification requirement
 if related to weapons of mass destruction, intended for a military end-use in embargoed countries or in relation to goods
 exported from the EU without the proper authorization.

Further, the new regime will provide for some simplifications. For intragroup transfers of technology, a new EU-wide general license will be available. Similarly, another EU-wide general license will be available for exports of dual use items and software using encryption.

It is expected that the updated EU dual use export control regime will enter this year, 90 days after its publication.

<u>Subscribe</u> to *The Trade Practitioner* blog for updates and alerts on topics including export controls, sanctions, investment security and tariffs, among others; for access to our proprietary database of publicly known Committee on Foreign Investment in the United States (CFIUS) filings; and to be notified of bespoke training opportunities and events.



Contacts

Please contact one of the trade practitioners in your respective country/jurisdiction listed below or you can reach our team collectively via email.

US

George N. Grammas

Partner, Washington DC/London T +1 202 626 6234 T +44 20 7655 1301 E george.grammas@squirepb.com

Daniel E. Waltz

Partner, Washington DC T +1 202 457 5651 E daniel.waltz@squirepb.com

Karen R. Harbaugh

Partner, Washington DC T +1 202 457 6485 E karen.harbaugh@squirepb.com

FU

Robert MacLean

Partner, Brussels/London T +32 2 627 7619 T +44 20 7655 1651 E robert.maclean@squirepb.com

José María Viñals

Partner, Madrid/Brussels T +34 91 426 4840 T +32 2 627 1111 E josemaria.vinals@squirepb.com

Wojciech Maciejewski

Associate, Brussels T +32 2 627 7612 E wojciech.maciejewski@squirepb. com

UK

Matthew Kirk

International Affairs Advisor, London T +44 20 7655 1389 E matthew.kirk@squirepb.com

International Trade Practice co-leaders: Frank Samolis (partner, Washington DC) and George Grammas

About Us

Our export controls and sanctions lawyers have the ability to provide advice on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies in a variety of industries in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our team is part of our overall International Trade Practice, providing a "one-stop" solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes.

ITAR Handbook

Organizations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary <u>ITAR Practitioner's Handbook</u>, which covers the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce "600 Series."