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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 <u>contingency plan</u> 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 – <u>Council Regulation (EC) No 428/2009</u> – 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, <u>as proposed</u>, 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 intention</u> to issue a general license authorizing export of dual-use goods from the UK to the EU in case of hard Brexit.

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