

Chelton Export and Re-Export Country Guidance

Issued: February 2020

Any queries on this list must be referred to: All non-US BU's - Contracts & Commercial  
 BU's within USA - Director GTC

Country	Chelton POLICY		Information US Regulations		Information EU/UK Regulations	
	Civil	Military	Civil	Military	Civil	Military
Knowledge, suspicion or dis-quiet that any product or service may be used for any weapon of mass destruction or purpose	ESCALATION / APPROVAL NEEDED IRRESPECTIVE OF BU LOCATION		WMD and use prohibitions apply across all EU/UK areas for GTC BU Parties			
Knowledge, suspicion or dis-quiet that any product or service may be used for any missile purpose						
UK law requires licences for exports of Military Items/services from the UK and between non-UK destinations irrespective of the relevant BU's location where a UK person or person carrying out activities in the UK does anything to facilitate, support or in any way involved in their supply or delivery between such non-UK destinations (and if the BU GM or leadership team etc are UK nationals).			N/A	N/A		
ITAR controlled products require a licence or exception for export from the U.S. and re-export from another jurisdiction			N/A		N/A	N/A
ITAR-controlled defense services (including assistance, training, and providing technical data) require a license, agreement, or exemption. Generally applies to both U.S. and non-U.S. items.			N/A			
Afghanistan						FRANSET
Algeria						FRANSET
Armenia						EU/UK ARMS EMBARGO
Azerbaijan						EU/UK ARMS EMBARGO
Bahrain						
Belarus	No sales allowed		No sales allowed			EU Arms embargo, No sales allowed
Benin						EU/UK ARMS EMBARGO
Bosnia and Herzegovina						EU/UK ARMS EMBARGO
Burkina Faso						EU/UK ARMS EMBARGO
Burma (Myanmar)	EU Arms embargo, No sales allowed					EU Arms embargo, No sales allowed
Burundi						
Cambodia						
Cape Verde						EU/UK ARMS EMBARGO
Central African Republic						
China						
China (Hong Kong)						
China (Macau)						
Congo (Dem. Rep.)	No sales allowed					EU/UK ARMS EMBARGO, No sales allowed
Cote d'Ivoire (Ivory Coast)	EU/UK ARMS EMBARGO					EU/UK ARMS EMBARGO
Cuba	No sales allowed		No sales allowed			
Cyprus						
Egypt						EU EMBARGOED ARMS/ITEMS REMOVED AFTER LIFTING OF UN ARMS EMBARGO
Eritrea						
Fiji						
Gambia						EU/UK ARMS EMBARGO
Georgia						
Ghana						EU/UK ARMS EMBARGO
Republic of Guinea						EU/UK ARMS EMBARGO
Guinea-Bissau						EU/UK ARMS EMBARGO
Haiti						
Hong Kong - see China (Hong Kong)						
India	No sales allowed					No sales allowed
Iran	No sales allowed		No sales allowed			No sales allowed
Iraq						
Israel						
Jordan						
Kazakhstan						
Kuwait						
Kyrgyzstan						
Laos	UN Arms embargo, No sales allowed					UN Arms embargo, No sales allowed
Lebanon						
Liberia	UN Arms embargo, No sales allowed					EU/UK ARMS EMBARGO
Libya	UN Arms embargo, No sales allowed					EU/UK ARMS EMBARGO
Macau - see China (Macau)						
Mali						EU/UK ARMS EMBARGO
Moldova						
Mongolia						
Montenegro						
Niger						EU/UK ARMS EMBARGO
Nigeria						EU/UK ARMS EMBARGO
North Korea	No sales allowed		No sales allowed			EU/UK ARMS EMBARGO, No sales allowed
Oman						
Pakistan						
Qatar						
Russia						
Rwanda						
Saudi Arabia						
Senegal						EU/UK ARMS EMBARGO
Sierra Leone						EU/UK ARMS EMBARGO
Somalia						
SR Lankan						
Sudan	No sales allowed					No sales allowed
South Sudan	No sales allowed					No sales allowed
Syria	No sales allowed		No sales allowed			No sales allowed
Tajikistan						
Togo						EU/UK ARMS EMBARGO
Tanzania						
Turkey						
Turkmenistan						
UAE						
Ukraine (excluding Crimea)						
Ukraine (Crimea region)						
Venezuela	No sales allowed		No sales allowed			
Vietnam						
Yemen						
Zimbabwe	No sales allowed					No sales allowed

# Terms

**Chelton POLICY ON MILITARY USE / GOODS:**

1) No Chelton company may enter into military (including dual use) sales, service or activity with countries the subject of a current UK or US arms embargo or specifically contrary to US or UK law or regulation (e.g., § 744.17 Restrictions on certain exports and reexports of general purposes microprocessors for "military end -uses" and to "military end-users", § 744.21 Restrictions on certain military end-uses in the PRC).  
 2) Knowledge, suspicion or dis-quiet that any product or service "may" be used for any weapon of mass destruction or missile purpose must be escalated immediately

**"Military" definition:**

Commodities, products and/or services that are either:  
 (1) specifically designed or modified for military end use;  
 (2) installed in military applications/vehicles; or  
 (3) are otherwise going to be used by the military on the ITAR or UK Military List items classified under ECCN 9x515  
 (4) described  
 (5) EAR-controlled

**"Civil" definition:**

Commercial commodities or services only that are not "Military" (as defined above).

**No sales allowed**

As a result of the UK and U.S. governments' position on trade with these countries generally, but particularly in relation to military equipment, it is Chelton's policy not to participate in direct or indirect sales involving these countries.

Embargoes/highly complex restrictions in place. **Escalate to Divisional VP Contracts & Commercial or local Export Manager (US businesses) for authorisation before proceeding.** Note that non-UK BU's may be subject to UK export restrictions where UK persons (irrespective of location) or persons in the UK do anything to facilitate a sale by such BU to any of the territories listed in red and pink (under the UK columns) - these must be escalated to understand if UK licences are required in addition to any locally required licences (see "UK trafficking and brokering rules").

Restrictions in place. **Seek advice from local Empowered Official or escalate Divisional VP Contracts & Commercial before proceeding.** Note also that a UK licence may be required irrespective of Chelton BU location if UK persons (irrespective of location) or persons carrying out activities in the UK are aware or have reason to believe that a sale will be made to any of the territories listed in amber and help facilitate such a sale in any form whatsoever

**No escalation required on Export grounds.** May still require escalation if it triggers other criteria e.g. Limit of Liability, transfer of IPR, very high value, etc.

**Important Note:**

**This guidance note does not negate BU's need to comply with local export regulations and procedures.**

This spreadsheet is accurate as of the above issue date but is subject to change. Sanctions and restrictions change regularly.

**Brokering:**

Please note that Chelton does not have to be trading itself to be caught by a jurisdiction's trade law and regulations. In the UK, facilitating or arranging trade of Military items between two third countries (even within the EU) will require a licence and may be sufficient to trigger rules in some other jurisdictions. Additionally, EU law restricts persons in the EU from facilitating or arranging trade of some dual use items (i.e. civil items with a potentially military application) between non-EU countries, where there are concerns about weapons of mass destruction end use.

Further, any person who acts as an agent for others in negotiating or arranging contracts, purchases, sales or transfers of US defence articles or defence services in return for a fee, commission or other consideration is required under 22 CFR Part 129 to be registered with the US Department of State.

**End User Undertakings:**

Where products are exported under an licence, an undertaking may need to be obtained from the consignee or the end-user. In each case, the terms of the licence used should be reviewed in order to make sure that an appropriate form of an undertaking is obtained.

Even if the exported items are not controlled or a licence which is used to export the items does not require an undertaking to be obtained, it is Chelton's policy to obtain an End-User Undertaking (EUU) where Chelton is supplying products directly or indirectly to an end-user. In particular, an EUU should be obtained where Chelton is supplying into a country highlighted in red or yellow in the above table, where there is knowledge or suspicion of a military end-use or WMD end-use. In such circumstances an EUU should be signed by the end user.

**OFAC's 50% Rule:**

Under the U.S. sanctions regime, if an entity is owned in the aggregate, directly or indirectly, 50% or more by one or more blocked persons (such as individuals or entities on OFAC's Specially Designated Nationals (SDN) list), that entity is itself automatically blocked, regardless of whether or not it appears on OFAC's SDN list. OFAC's 50% rule is generally about ownership, not control. However, please note that OFAC sanctions also broadly prohibit transactions involving, directly or indirectly, a blocked individual, even if the blocked individual is acting on behalf of a non-blocked entity. Therefore, U.S. persons should be careful when conducting business with non-blocked entities in which blocked individuals are involved; U.S. persons may not, for example, enter into contracts that are signed by a blocked individual.

**EU ownership and control rule:**

Under the EU sanctions regime, it is prohibited to make economic resources indirectly available to sanctioned entities or persons. This includes making resources available through persons or entities owned or controlled by the sanctioned entities or persons. Ownership means possession of more than 50% of the proprietary rights of an entity. Control is established by meeting certain criteria, including: having the right to appoint or remove a majority of the management; having the right to use all or part of the assets of the entity; managing the business on a unified basis; controlling the entity pursuant to an agreement with shareholders; having the right to exercise a dominant influence; sharing jointly and severally the financial liabilities of the entity, or guaranteeing them.