



National System of Strategic Trade Control Export Control System of Georgia

Components of the National Export Control System of Georgia

1. Legal regulation.
2. Licensing and permitting system;
3. Identification of controlled goods and technologies, that is, the establishment of conformity of specific goods and technologies to goods and technologies included in the military and dual-use items control lists.
4. Customs control and clearance of import/export to/from Georgia of controlled goods and technologies in accordance with the legislation of Georgia on Customs matters;
5. Application of measures of state coercion (sanctions) against persons who violated the provisions established by law and other regulatory legal acts of Georgia with respect to strategic trade control.
6. Currency control;

The Legal Basis of Georgia's Export Control System Includes International Treaties, Laws and Regulations of Georgia on Export Control Issues.

1. UN Security Council Resolutions 1540 (2004), 2231 (2015), the Treaty on the Non-Proliferation of Nuclear Weapons, the Chemical Weapons Convention, the Arms Trade Treaty, etc.
2. The Tax Code of Georgia (2010);
3. Law of Georgia on “Control of Military and Dual Use Products” (adopted on December 16, 2013);
4. Ordinance of Government of Georgia #372 June 9, 2014 on “Determination of Control Measures for Military and Dual Use Items”
5. Ordinance of Government of Georgia #394 June 13, 2014 on “Approval of Military and Dual Use Products Lists”
6. Order by the Minister of finance #292 form September 30, 2014 on „Adoption of a table of correlation of control list of dual use items with national commodity nomenclature of foreign economic affairs”;
7. Order by the Minister of finance #291 on „Adoption of rules of issuing permits on export, import and transit of dual use items; license forms and license application forms.”

Military and Dual use Items Lists (Control Lists)

- The dual-use items list corresponds to (EC) No. 388/2012 of the European Parliament and of the Council of April 19, 2012 (amending Council Regulation (EC) No 428/2009). (EC) No 428/2009).
- Common Military list of the European Union (2013)
- These lists implement internationally agreed dual-use and military items controls including the Wassenaar Arrangement, the Missile Technology Control Regime (MTCR), the Nuclear Suppliers' Group (NSG), the Australia Group and the Chemical Weapons Convention (CWC).

The table of correlation elaborated to simplify the commodity identification during the course of the customs control measures over the dual use items has the following structure

(<https://matsne.gov.ge/ka/document/view/2520245>)

HS Code	Name of the position according to HS	5-digit Code of the List	Name and/or description of dual use item
2512 10 10000	Uranium ores, uranium pitch and their concentrates containing more than 5% of uranium	0C001	"natural uranium" or "depleted uranium" or thorium, in a form of metal alloy, chemical compound or concentrate.

Licensing procedures for controlled goods and technologies are a mechanism for state regulation and control. The following types of licenses (permits) are valid in Georgia

- **Export**
- **Import**
- **Transit / Transshipment**
- **Brokering Service**
- **Technical Assistance**



Authorized Bodies for Issue of Permits

- The permits exporting, importing, transiting, brokerage services or technical assistance for the dual use commodities are issued by the **LEPL Revenue Service of the Ministry of Finance**
- The permits for exporting, importing, transiting, brokerage services or technical assistance for the military commodities are issued by the **Ministry of Defense of Georgia**



For dual-use items that can be used to create weapons of mass destruction, if they are exported, imported, transitted through, subjected to the brockrage or technical assistance services to/from a country that is subject to sanctions/embargoes by the UN Security Council Resolution, permits are issued based upon the recommendation by the permanent commission of the Ministry of Defense working on the military and technical issues. (this is an interdepartmental coordinating body for export control).

It is important to note that the Georgian legislation allows the introduction of control measures for goods, even if they are not included in the dual use items control lists, if there is information that the goods fully or partially can be used:

- In connection with the development, production, management, operation, maintenance, storage, detection, identification or dissemination of biological and /or chemical weapons, nuclear weapons or other explosive devices containing nuclear materials, or development/production, service etc. of delivery systems for such weapons.
- For military purposes, if the arms embargo on the country of final destination is imposed by the UN Security Council resolution or on the basis of other international obligations of Georgia, in such cases permits are also issued based upon the recommendation by the permanent commission of the Ministry of Defense working on the military and technical issues .

Responsibility for Infringement of the Law

- TAX CODE OF GEORGIA Art. 289
- LAW OF GEORGIA ON “LICENSES AND PERMITS”
- CRIMINAL CODE OF GEORGIA Art. 214
- CRIMINAL CODE OF GEORGIA Art. 235

Currency Control

- The purpose of the Georgian law on "Prevention of money laundering" is the creation in Georgia of a legal mechanism to prevent the legalization of illegal proceeds and the financing of terrorism and the proliferation of illegal weapons, as well as the protection of the legitimate rights and interests of society and the state.
- According to paragraph 3 of the 5th Article of the law, the import/export to/from Georgia of cash or securities in the amount of more than GEL 30,000 (or equivalent in another currency) is subject to monitoring by Customs Authorities.
- In accordance with paragraph 7 of the Article 21, of the order of the Minister of Finance of Georgia of July 26, 2012, No. 290 "On approval of the instruction on the movement and registration of goods in the customs territory of Georgia", the obligation to declare by natural persons occurs when nominal value of money, checks and/or other securities exceeds (national or foreign currency) 30 000 GEL.

The Requirements of United Nations Security Council Resolution 1540 (2004) on Materials, Equipment and Technologies that are Included in Relevant Multilateral Agreements and Treaties (in the control lists).

Role of Customs

- Paragraph 3 (c): Implement effective border controls and law enforcement efforts to detect, deter and prevent illicit trafficking and transfer of such items.
- Paragraph 3 (d): Develop, improve, review, update and maintain appropriate effective control over the export and transboundary movement of such items at the national level.....

Customs administrations around the world have the responsibility and unique authority to monitor and control cross-border flows of goods, people and vehicles, and it plays a crucial role in protecting the public from the risks associated with the illicit movement of goods

Evolution of Customs Role

Revenue collection of import Taxes.

Protection of Economic Interests (domestic industry).

Protection of Society (health, safety, drug, trafficking, firearms).

Economic Development (trade facilitation).

Security (terrorism, supply chain).

Special functions in the Georgian Export Control System are Provided to the Customs

- The Customs of Georgia is the main body in the system of implementation of Strategic Trade Controls.
- The Customs Department of Georgia participates in the development of normative acts regulating the basic principles and procedures for the implementation of national control and policy regarding the circulation of dual-use items.
- The customs service, in addition to registration and clearance of goods and many other functions, identifies controlled goods and technologies at CCP's and clearance zones;
- The customs service is the licensing authority dealing with the issue of export / import / transit permits ...

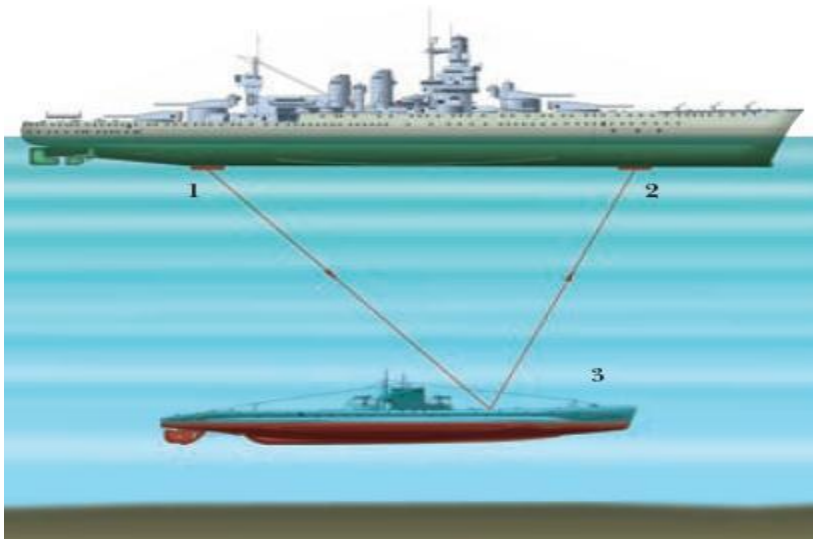
Identification of dual-use items is a very complex, but mandatory control procedure to determine the conformity of specific goods and technologies to goods and technologies included in the control lists of military and dual-use items

In the process of identification, goods can be subjected to the following measures:

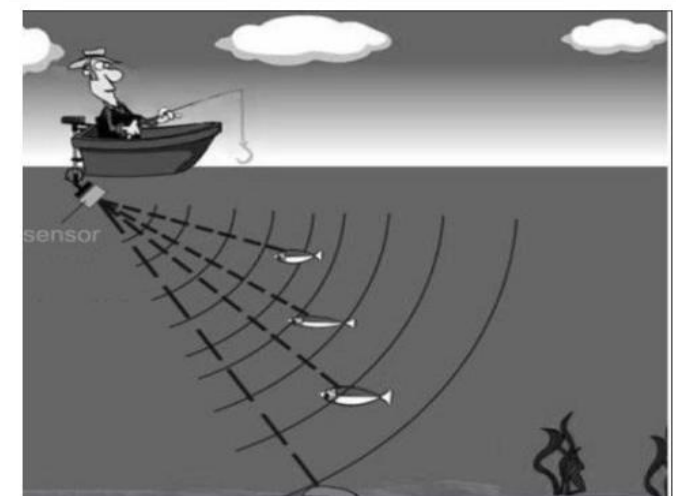
Document verification (often performed electronically)

-Technical inspection (metal, chemical ... detectors)

- Physical examination



?



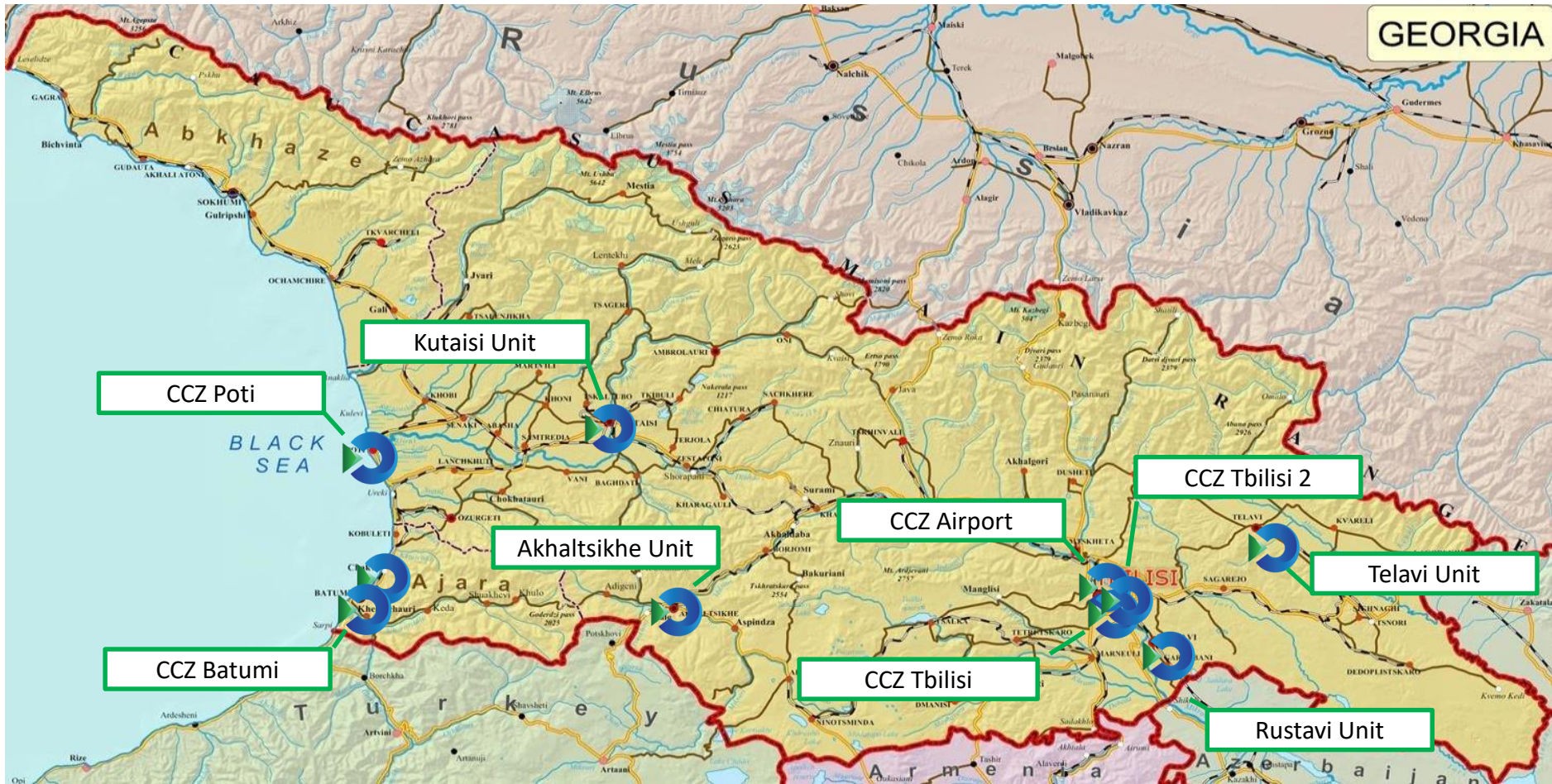
Structure of Customs Service



Procedures for customs control, identification of controlled goods and issuance of licenses takes place in economic zones (5: Tbilisi, Airport, Tbilisi-2, Poti, Batumi) and four branches (4: Telavi, Kutaisi, Akhaltsikhe, Rustavi) and the Customs Department.



On the map of Georgia are designated zones of customs clearance, where the identification of controlled goods occurs through the verification of documents, physical examination, etc.



At customs crossing points (there are twenty in Georgia, three of them are open in free economic zones) where customs control and identification of goods is conducted.

If it is impossible to make identification at customs crossing points, the goods under customs control are sent to the customs clearance zone.

In the process of making a decision, customs officers can seek advice and assistance from more qualified and knowledgeable employees of the non-tariff control department of the Customs Department dealing with strategic trade control.

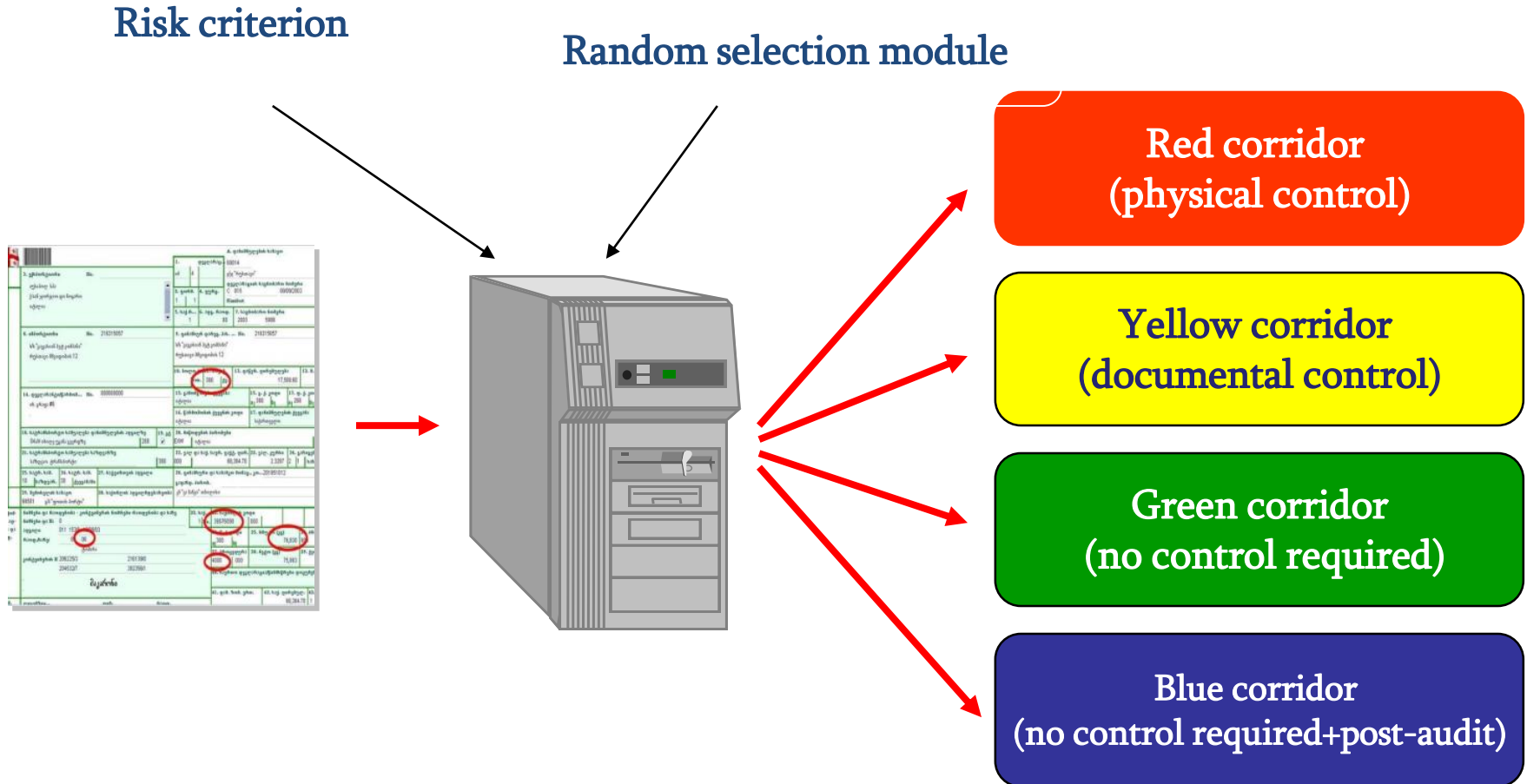


Unified Electronic System of Licenses and Certificates

(<https://eservices.rs.ge/>)

- Permit seekers can apply through “Unified Electronic System of Licenses and Certificates”, as well as receive a response (permit) in electronic form.
- Permits uploaded to the “Unified Electronic System of Licenses and Certificates” are deemed to be submitted at the border crossing point.
- Ministries and authorized agencies issue permits / licenses / certificates through this system.

As in other countries, the control over strategic trade is carried out by Georgian customs using the Risk Assessment System for the detection of suspicious cargo.



Unfortunately, during the analysis and assessment of risks, the problem is created by the dual nature of strategic goods and a number of similar products.

In conclusion, I want to note with gratitude that Georgia has a fairly effective legal framework and an export control system, and we achieved this with the help of experts from the European Union and the United States.

- National legislation was developed with active cooperation of The Federal Office for Economic Affairs and Export Control of Germany (BAFA) and with the assistance of the US government.
- Trainings and seminars on identification of goods and technologies for export control were conducted quite often, and these trainings were conducted together with experts from the Export Control and Border Security Program (EXBS), the Argonne National Laboratory, the P2P Program, BAFA, The World Customs Organization (WCO), etc.

• .



THANK YOU FOR YOUR ATTENTION