

CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

Unofficial translation

December 16, 1997 Riga

Regulations No. 421(protocol. No. 70 25ĩ¬,))

REGULATIONS OF CONTROL OF STRATEGIC GOODS

Issued in accordance with Article 14 chpt. 3 of the Law ^^On the Structure of the Cabinet of Ministers^^.

I. General Provisions

1. Glossary of the Regulations>

1.1. Import Certificate - a document containing a statement of a company or enterprise registered in the register of Enterprises of the Republic of Latvia (hereinafter - ^^the Company^^) to the exporter that the goods shall be used solely for the stated purposes and the Latvian Development Agency (hereinafter - ^^the Agency^^) shall control the use of the goods<

1.2. Licence - permit issued for each export, import or transit consignment of strategic goods<

1.3. Strategic Goods - articles, materials, technologies, software and services listed in the lists authorised and published by the Control Committee of Strategic Goods.

2. These Regulations are establishing procedure of control of export, import, transit, production, use and stockpiling of strategic goods in accordance with Latvian national security and international security interests and are directed against proliferation of nuclear, chemical, bacteriological and other weapons of mass destruction and means of their delivery.

II. Control of Strategic Goods

3. The control of export, import, transit, production, use and stockpiling of strategic goods shall be done by the Control Committee of Strategic Goods (hereinafter - ^^the Committee^^).

4. The Committee issues licences and import certificates.

5. The Agency issues statements, Delivery Verification Certificates, and End Use Certificates.

6. Statements, licences, certificates and other documents are issued for a fee. For governmental institutions these documents are issued free of charge.

7. Licences for strategic goods transferred into or from the Republic of Latvia temporarily (warranty repairs, exhibitions e.t.c.) are issued free of charge.

8. The Committee and the Agency>

8.1. supervise the use of strategic goods in accordance with the declared usage<

8.2. independently or with assistance of international inspections carry out control of production, usage and storage of strategic goods. Such controls may be also carried out on request of export control authorities of exporting country with or without participation of representatives of said authorities.

9. The Committee and the Agency has rights in accordance with legislative acts to require free of charge information related to strategic goods from state authority and other governmental institutions and companies using, producing, stockpiling, exporting, importing and transferring in transit strategic goods.

10. The Committee and the Agency has rights to verify the documents related to strategic goods in companies.

III. The Rights and Obligations of Exporters, Importers and Performers of Transit Operations

11. The Company shall have a licence for every export, import or transit transaction of strategic goods. Licence is not required for import of conventional arms and munitions performed by National Armed Forces and Ministry of Interior in accordance with regulations of the Ministry of Defence and Ministry of Interior.

12. The Company may receive an import certificate or an End User Certificate before import transaction of strategic goods, if required so by export control authorities of the exporting country.

13. If the transit of strategic goods is supplied with export licence of exporting country and import certificate or licence of importing country (or equivalent documents) and the transaction is not performed by Company, Latvian transit licence is not required.

14. The licence is required if the goods are transferred by the Company in transit outside the Republic of Latvia.

15. The transit licence is required if transit of strategic goods is performed in accordance with international agreements.

16. If the goods for export, import or transit are complicated chemical substances, technologies, software, materials or equipment, the technical experts of the Agency on request of the Company shall determine within 20 days whether the goods are strategic goods or not. If the goods are not strategic goods, the Agency issues a statement for customs authorities.

17. The statement mentioned in article 16 of these Regulations is valid indefinitely and for any transaction with goods having the same name, technical characteristics, customs code and other codes as the goods in the statement, if afterwards the goods are not included in the lists of controlled goods.

18. The Company shall perform export, import or transit of strategic goods in accordance with the trade name, technical characteristics and quantity of the goods stated in the licence. The Company shall observe special conditions or notes which may be introduced into export and import licences or into End Use Certificates.

19. Export and import of strategic goods shall be performed after receiving the licence within the term stated in the licence. Transit of strategic goods shall be performed within the term set by the Customs Office on the border of the Republic of Latvia not exceeding 5 days.

20. If an extension of the term of validity of the licence is necessary, all the application documents mentioned in article 24 and 25 of these Regulations shall be submitted by the Company once more. The application for extension of the term of validity of the licence shall be submitted 15 days before expiration of the previous term. The application shall contain information about the already transferred amount of goods and the amount still to be transferred.

21. The unused licences and import certificates shall be returned to the Agency within 15 days after expiration of the term of validity.

22. The Company shall inform the Agency immediately about any discrepancies in documents on delivery of the goods and about any other changes.

23. The Company shall inform the Committee if it is aware of any possibility that the exported goods might be used for production, use or development of chemical, bacteriological, nuclear or other weapons of mass destruction, or in any other possible way to harm the international security.

IV. The Order of Issuing Licences

24. In order to obtain a licence the Company shall hand in to the Agency an application declaration, registration certificate of the Company and a special permit (licence) for several specified entrepreneurial activities if such permit is required in accordance with normative

acts.

25. Licences are issued after consulting the ministry or the state institution responsible for the special permit, The corresponding ministry or state institution shall confirm its consent or denial to issue the licence within 7 days.

26. Together with the declaration specified in article 24 of these Regulations the following documents shall be produced>

26.1. if the strategic goods are for export>

26.1.1. the description of the goods (giving the international registration number for chemical substances)<

26.1.2. the agreement or invoice (or a copy)<

26.1.3. the International Import Certificate of the importing country (or an equivalent document - statement, permit etc.) and if required by the Agency - the End Use Certificate

26.2. if the strategic goods are for import

26.2.1. the description of the goods (giving the international registration number for chemical substances)

26.2.2. the agreement or invoice (or a copy)

26.3. if the strategic goods are for transit

26.3.1. description of the goods (giving the international registration number for chemical substances)<

26.3.2. copy of agreement

26.3.3. the International Import Certificate of the importing country (or an equivalent document - statement, permit etc.) or the End Use Certificate.

27. To obtain an import certificate the Company shall hand in to the Agency an application with full information about the goods and transaction partners, registration certificate and special permit (licence) for several specified entrepreneurial activities if such permit is required in accordance with normative acts.

28. If the supplied information is not sufficient, the Committee has rights to require also other documents stating the origin of goods, technical characteristics and end use.

29. The foreign International Import Certificate (or an equivalent document) and End Use Certificate may be written in any language. If the International Import Certificate (or an equivalent document) or End Use Certificate is not written in Latvian, English, German or Russian languages, an official translation shall be provided.

30. The Agency shall verify the information in the presented documents and issues the licence or import certificate or notifies about denial of the licence or import certificate within 20 days.

31. If additional verification of the supplied information is necessary, the Committee decides to prolong the term of issue and the applicant shall be informed on this. In this case the Committee within 30 days decides to issue or to deny the licence or import certificate.

32. If the Company changes its address or address of the warehouse during processing of the licence or certificate or during the term of their validity, the Company shall inform the Agency on this within 10 days. If this information is not provided the Committee has rights not to issue the licence or certificate or to annul already issued licences or certificates.

33. The Committee may not disclose to the Company the reasons for denial of the licence or import certificate if denial is based on use of classified information.

34. In a case of denial of import licence or certificate the Committee shall notify the Customs Department within 3 days.

35. The Agency shall issue the export and import licences of strategic goods in four copies printed on special paper with raster design, transit licence - five copies, import certificate - three copies, which shall be used as follows.

35.1. one copy of the licence shall be produced at the Customs border control point and it accompanies the goods 35.2. one copy of the licence (two copies for transit) shall be produced to the Customs border control point to be later returned to the Agency for statistics<

35.3. one copy of the licence shall be kept in the files of the Company

35.4. one copy of the licence and import certificate shall be kept in the files of the Agency since the moment of issue

35.5. one copy of the import certificate shall be sent to the export control authorities of the exporting country.

36. The licence or import certificate is issued to the person with corresponding warrant. The licence may be used only by the Company stated in the licence.

V. The Procedure of Export, Import or Transit of Strategic Goods

37. Export, import and transit of strategic goods shall be performed only through the border control points appointed by the decision of the Customs Department. The particular possible border crossing point shall be indicated on the corresponding licence.

38. Strategic goods shall be stored only in the customs warehouses appointed by decision of the Customs Department.

39. Transfers of strategic goods connected with long term (more than 5 days) storage in the warehouses appointed by the Customs Department, shall not be considered as transit. After storage exceeding 5 days transportation of such goods outside the Customs territory of the Republic of Latvia shall be considered as export.

40. If after packing of strategic goods the contents of the packages or containers change (e.g., adding goods from other loads), the transfer of the goods shall not be considered as transit and transportation of the goods outside the Customs territory of the Republic of Latvia shall be considered as export.

41. Importing Company performs import of strategic goods after receiving confirmation from the export control authorities of the exporting country that export is permitted to his business partner.

42. If the export control authorities of the exporting country require the End Use Certificate, the Company obtains this document at the Agency and forwards it to his business partner.

VI. The Control Procedure of Strategic Export, Import and Transit

43. Exporters, who receive export licences with special note, shall submit to the Agency a Delivery Verification Certificate or an equal document, issued or certified by the export control authorities of the importing state within 120 days after export of strategic goods.

44. If the export control authorities of the exporting country require the Delivery Verification Certificate, the Company - importer submits an application to the Agency and produces customs declaration confirming that the goods has been transferred into customs territory of the Republic of Latvia.

45. Application for a Delivery Verification Certificate mentioned in article 44 of these Regulations together with other documents shall be processed by the Agency within 10 days and the Delivery Verification Certificate or notification of denial shall be issued.

46. If the Company has received an import licence with a special note the Company shall report to the Committee on the use of strategic goods within 10 days after the end of each quarter of the year.

47. Re-export of strategic goods shall be performed only with a special permission of the Committee, observing export control legislation of the country of origin of goods.

VII. Liability

48. For violations of these Regulations the Committee has rights to decide not to issue export, import or transit licences of strategic goods.

X. Final Provisions

49. To consider invalid

49.1. Regulations of the Cabinet of Ministers, June 27, 1995 No. 179 ^^Regulations of Export, Import and Transit of Strategic Goods, Production, Services and Technologies^^ (Latvijas Vestnesis, 1995, No. 104< 1996, No. 70, 116, 164)

49.2. Regulations of the Cabinet of Ministers, April 9, 1996 No. 110 ^^Amendments to Regulations of the Cabinet of Ministers, June 27, 1995 No. 167 ^^Regulations of the Control Committee of Strategic Export and Import^^ and to Regulations of the Cabinet of Ministers, June 27, 1995 No. 179 ^^Regulations of Export, Import and Transit of Strategic Goods, Production, Services and Technologies^^ (Latvijas Vestnesis, 1996, No. 116)

49.3. Regulations of the Cabinet of Ministers, July 2, 1996 No. 236 ^^Amendments to Regulations of the Cabinet of Ministers, June 27, 1995 No. 179 ^^Regulations of Export, Import and Transit of Strategic Goods, Production, Services and Technologies^^ (Latvijas Vestnesis, 1996, No. 116)

49.4. Regulations of the Cabinet of Ministers, September 24, 1996 No. 363 ^^Amendments to Regulations of the Cabinet of Ministers, June 27, 1995 No. 179 ^^Regulations of Export, Import and Transit of Strategic Goods, Production, Services and Technologies^^ (Latvijas Vestnesis, 1996, No. 164).

Prime Minister G. Krasts

On behalf of the Minister of Foreign Affairs J. Kaksitis