

EMBASSY OF THE
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واشنطن

Export Control and Combating Terror Financing

With the Arabian Gulf's largest seaport and airport, the United Arab Emirates recognizes the need for extraordinary diligence on security. The UAE is committed to continually improving its own security—and those of its allies—by limiting and preventing illegal transshipments and money flows.

The UAE Strongly Supports and Fully Enforces UN Sanctions

The UAE has expressed its deep concerns about Iran's nuclear activities. The Iran program is not transparent and has not adhered to international regulatory standards and agreements. The UAE fully supports and enforces UN resolutions barring shipment of sensitive materials and technologies to Iran.

A Stringent Export Control Law with Stiff Penalties

The UAE tightened export control laws and enforcement to prevent the movement of illicit goods and materials across its borders. In August 2007, the UAE government enacted a stringent export control law that includes stiff penalties for parties involved in the diversion of controlled shipments. Federal Law Number 13 of 2007, addressing commodities subject to import and export control procedures, does the following:

- Authorizes government bodies to restrict or ban the import, export or re-export of goods deemed a threat to the UAE's national security, foreign policy, natural resources, public health and safety, or the environment.
- Bans the export or re-export of strategic goods, including arms and military hardware, chemical and biological materials, and dual-use items without a special license.
- Establishes a national committee with clear oversight and management responsibility for UAE export control procedures. This committee has the ability to categorize goods and technologies as strategic and controlled, if they can be used for military purposes or in conventional weapons or weapons of mass destruction.
- Specifies penalties, up to imprisonment for one year and/or fines totaling over US\$270,000.

In September 2008, the UAE amended the export control law to toughen its implementation. In April 2009, the UAE cabinet formed the UAE Committee on Commodities Subject to Import and Export Control, reporting directly to the Council of the Ministry of Foreign Affairs, which reports to the President of the UAE. The committee includes representatives from across the UAE government. The changes

resulted from a review of compliance and enforcement of the current law and a review of its effectiveness.

Strong Enforcement Leads to Interdiction

As a result of the law, the UAE has shut down about two dozen international and local companies involved in money laundering and proliferation of dual-use and dangerous materials banned under the Nonproliferation Treaty and multiple UN resolutions.

UAE security forces have interdicted scores of ships suspected of carrying illicit cargo, based on intelligence from its own and third-country agencies. In 2008 alone, the UAE interdicted or seized numerous sensitive shipments bound for Iran that could be used for the manufacture of weapons systems. This included specialized aluminum sheets, titanium, high-speed computers and sophisticated machine tools.

Further Improvements Underway

Further upgrades on export control procedures are planned, in order to meet recommended guidelines of the Nuclear Suppliers Group. Initial meetings have taken place.

The UAE Works with US Partners

The UAE and related agencies and companies are involved in bilateral and multilateral initiatives designed to enhance safety and control processes:

- The UAE joined the Nonproliferation Treaty in 1996, is a member of the International Atomic Energy Agency, and cooperates with the Missile Technology Control Regime.
- The UAE participates in the **US Container Security Initiative** (CSI), a security regime that includes a team of US Customs and Border Protection officers permanently stationed inside Dubai's ports, where they work closely with Dubai Customs to screen containers destined for the United States.
- The UAE is working with the US Department of Energy to implement the **Megaports Initiative**, a cooperative effort aimed at deterring terrorists from using the world's seaports to ship illicit materials; detecting nuclear or radioactive materials if shipped via sea cargo; and interdicting harmful materials so they cannot be used by terrorists.
- The UAE is a signatory to the Arab Convention for the Suppression of Terrorism.
- Ports operated by Dubai Ports World participate in the **Security Freight Initiative**, a US Department of Homeland Security pilot program to test the methods used to screen US-bound cargo for radiation.
- The UAE is a signatory to the **Proliferation Security Initiative** (PSI), which is aimed at stopping shipments of weapons of mass destruction, their delivery systems, and related materials worldwide.
- Dubai Ports World has been certified as a partner in the **Customs-Trade Partnership Against Terrorism**, a government-business cargo security initiative led by the US Department of Homeland Security's Customs and Border Protection component.

- The U.S. Department of State, through its Export Control and Related Border Security Assistance program, is helping the UAE improve its enforcement and licensing capabilities aimed at curbing the transshipment of illicit materials.

The UAE Combats Terrorist Financing

The UAE has frozen the accounts of known terrorists and enacted aggressive anti-money-laundering initiatives. New counter-terrorist financing laws and regulations have been introduced and enforced. The UAE:

- Committed to the International Convention on the Suppression of the Financing of Terrorism, in 2005.
- Ratified the UN Convention Against Transnational Organized Crime in 2007.
- Supported the creation of the Middle East North Africa Financial Action Task Force (MENAFATF) and assumed its presidency in 2008.
- Belongs, through the Gulf Cooperation Council, to the Financial Action Task Force, which supports non-proliferation principles and enforcement.

What Others Are Saying

There is broad acknowledgement of the UAE's progress in export control and efforts against terrorist financing.

“There is a very strong alliance on all issues between the US and the UAE and the issue of Iran as well. They also take seriously their commitments as a country that has articulated its support for the Financial Action Task Force principles and they take very seriously the future of their financial system and the reputation of their financial system.”

Stuart Levey, US Treasury Undersecretary for Terrorism and Financial Intelligence, November 19, 2008

“The UAE is committed to preventing the proliferation of weapons of mass destruction; it endorsed the Proliferation Security Initiative in early 2006. In August 2007 the UAE passed a comprehensive export control law empowering the federal authorities to take action against companies or shipments threatening UAE national security. The US has actively engaged Emirati authorities via the Export Control and Related Border Security program to provide training and discussed ongoing issues of bilateral concern via the bilateral Counter Proliferation Task Force.”

Richard Olson, Ambassador to the UAE, July 23, 2008

“The UAE has been particularly willing to take on difficult challenges in this area [terrorist financing]. ... The UAE was forward-leaning in its attempts to tackle these issues. ... More recently, the UAE also launched an initiative to try to regulate the many brokers located there. ... The UAE has taken some other important steps recently to more closely regulate its business sector. In August 2007, the UAE passed a law allowing it to restrict exports for national security reasons. Soon after, the Emiratis detained a ship bound for Iran to determine whether chemicals on board

violated either the UN resolutions or its recently passed export-control law.”

The Money Trail: Finding, Following, and Freezing Terrorist Finances, Washington Institute for Near East Policy, November 2008

“The United States and UAE are allies and partners in the continuing struggle against terror and extremism. The UAE provides the US and Coalition forces access to its ports and territory and other critical and important logistical assistance. The UAE and the United States continue to work together to undercut the violent ideology used to justify extremism and prevent terrorist attacks against our people and common interests and the terrorist financing that supports terrorist organizations. The UAE also enhances global security by actively participating in various initiatives to counter illicit shipments of dangerous goods and materials.”

Office of the Spokesman, US State Department, November 17, 2008

“The UAE is implementing new export control laws put in place at Washington’s recommendation. In order to crack down on Iranian front companies, the UAE in 2008 sharply reduced the number of business licenses and work visas to Iranian citizens.”

Mark Fitzpatrick
Drawing a Bright Redline: Forestalling Nuclear Proliferation in the Middle East
Arms Control Today, January/February 2009

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