



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 26 October 2006

14397/06

LIMITE

**PESC 999
COARM 54
CODUN 24**

NOTE

from :	Secretariat
to :	Permanent Representatives' Committee
Subject :	Draft Council Common Position defining common rules governing the control of exports of military technology and equipment

1. On 8 June 1998 the Council adopted the EU Code of Conduct on Arms Exports. The Code builds upon the Common Criteria for arms exports adopted in 1991 and 1992 and includes denial notification and consultation mechanisms, the first such mechanisms ever to apply to conventional arms exports. The adoption of the Code marked a qualitatively new stage in the EU's development of a common approach to arms exports as an important element of the Common Foreign and Security Policy.
2. In December 2003, after five years' operation of the Code, Member States felt that the time was ripe to update and strengthen the Code.

3. During 2004 and the first half of 2005 the Working Party on Conventional Arms Exports (COARM) worked on the drafting of a revised Code: the scope of the Code was clarified by explicitly making its provisions applicable not only to applications for licences for physical exports, including those for the purpose of licensed production of military equipment in third countries, but also to applications for licences for brokering, transit or transshipment, and any intangible transfers of software and technology by means such as electronic media, fax or telephone; references to relevant instruments and documents which had come into being since the adoption of the Code in 1998 were included.
4. On 30 June 2005, the Permanent Representatives' Committee agreed on the revised text, to take the form of a CFSP Common Position, to be entitled "Council Common Position defining common rules governing the control of exports of military technology and equipment" (doc. 10569/05). Its provisions would therefore be legally, and not only politically, binding upon Member States.
5. However, the Committee considered that adoption of the Common Position by the Council would take place at the appropriate juncture.
6. The Presidency feels that the moment may now be opportune to revert to this issue. Should the Permanent Representatives' Committee consider it is indeed now appropriate for Council to adopt the Common Position, it is invited to:
 - suggest to the Council that it adopt as a "A" item the Common Position defining common rules governing the control of exports of military technology and equipment, as set out in the annex to document 10569/05 PESC 568 COARM 34 CONOP 34 CODUN 13 (to be finalised by the legal linguistic experts).