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**PERMANENT MISSION OF THE REPUBLIC OF CROATIA  
TO THE OSCE, UN AND INTERNATIONAL ORGANIZATIONS  
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**NOTE VERBALE**

The Permanent Mission of the Republic of Croatia to the Organization for Security and Cooperation in Europe presents its compliments to all Permanent Missions and Delegations to the OSCE, and to the Conflict Prevention Centre, and has the honor to submit the annual reply of the Republic of Croatia to the information exchanges on Conventional Arms Transfers, on SALW Exports and Imports and on the Questionnaire on Conventional Arms Transfers.

The Permanent Mission of the Republic of Croatia to the Organization for Security and Cooperation in Europe avails itself of this opportunity to renew to all Permanent Missions and Delegations to the OSCE and to the Conflict Prevention Centre the assurances of its highest consideration.

A handwritten signature in blue ink, appearing to be 'M. M.'.



Vienna, 10 August, 2020

**To:**

**All Permanent Missions and Delegations to the OSCE,**

**The Conflict Prevention Centre.**

**Vienna**

**REPUBLIC OF CROATIA**  
**QUESTIONNAIRE ON OSCE PARTICIPATING STATES' POLICY AND/OR**  
**NATIONAL PRACTICES AND PROCEDURES FOR THE EXPORT OF**  
**CONVENTIONAL ARMS AND RELATED TECHNOLOGY**

**JULY 2020**

***1. Basic principles, policies and/or national practices on the export of conventional arms and related technology:***

The conventional arms and related technology export control is regulated by the *Act on the Trade Control of Military Goods and Non-military Lethal Goods* (Official Gazette 80/13), the European Council Common Position defining common rules governing the control of exports of military technology and equipment, European Council Common Position on the control of arms brokering, European Council Joint Action concerning the control of technical assistance related to certain military end-uses, UN policies and other international agreements, taking into account national and international security and related economic interests.

***2. National legislation governing the export of conventional arms and related technology:***

The legal basis for export of conventional arms and related technology is the *Act on the Trade Control of the Military Goods and Non-military Lethal Goods* (Official Gazette 80/13). List of Military Goods, aligned with the Common Military List of the European Union was adopted in 2013 (Official Gazette 101/13, 59/14, 23/15, 83/16, 70/17, 26/18, 37/18, 63/19), and the List of Defense-related Products was adopted with the same Act. In addition, the *Regulation on Transport of Military Goods, Defense Products and Non-Military Lethal Goods* (Official Gazette 104/13, 53/18) regulates the export procedures.

***3. Any international agreements or guidelines, other than OSCE commitments, covering the export of conventional arms:***

UN Arms Trade Treaty, Wassenaar Arrangement Control Lists, MTCR Technology Annex, European Council Common Position defining common rules governing the exports control of military technology and equipment, Agreement on Sub-Regional Arms Control (Florence), Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime.

***4. The procedures for processing an application to export conventional arms and related technology (the issuing authority, other authorities involved):***

Export of conventional arms and related technology is possible after obtaining a license issued by the Ministry of Economy and Sustainable Development (former Ministry of Economy, Entrepreneurship and Crafts; in further text: the Ministry). The Ministry issues its license for each individual export, based on the approval issued by the Committee composed of one representative from the ministries in charge of: the foreign affairs, defense, internal affairs, finance (Customs Administration) and economy. In order to issue an approval, all Committee members have to reach a consensus.

**5. Lists of conventional weaponry under national export controls and the basis for their control:**

Based on the *Act on the Trade Control of the Military Goods and Non-military Lethal Goods* (Official Gazette 80/13), the Government of the Republic of Croatia adopted a Decision on Adoption of the List of Military Goods and Defense-related Products (Official Gazette 101/13, 59/14, 23/15, 83/16, 70/17, 26/18, 37/18, 63/19) in accordance with  
- *Commission Directive 2012/47/EU of 14 December 2012 amending Directive 2009/43/EC of the European Parliament and of the Council as regards the list of defense-related products (Text with -EEA relevance) (OJ L 31, 31.1.2013)*  
*Common Military List of the European Union (equipment covered by Council Common Position 2008/944/CFSP (OJ C 90, 27.3.2013).*

**6. Principles and national regulations on the destination or end-user of the equipment  
Published list of destinations of concern:**

The Ministry shall refuse an application for a license concerning the export of conventional arms and related technology if the Committee establishes that the respective license would be contrary to the foreign policy or economic interests of the Republic of Croatia or to the Council Common Position defining common rules governing the control of exports of military technology and equipment.

In the event that an export application has been submitted relating to a country that is subject to restrictive measures adopted by the UN, EU, OSCE or other international organization, in which the Republic of Croatia participates, the license may be issued only in case of use for humanitarian purposes or by peace-keeping forces.

**7. Requirements for the provision of an end-user certificate in an export license application, or of non-re-exportation clauses or of any other type of certification before and after delivery for conventional arms export contracts:**

The application for export of conventional arms and related technology contains the original copy of the end-user certificate verified by the competent authority of the importing country. The end-user certificate must contain the name and address of the state authority that issued the certificate, the number and date of the certificate, type and quantity of goods, the end use of the goods and a statement confirming that the goods in question will not be further exported, re-exported or re-sold. Depending on the end-user of the goods, the Ministry may note in the export license that after the delivery of goods to the end user, the exporter must provide to the Ministry a confirmation of the receipt of goods.

**8. National definition of transit and transshipment (including free zone) of conventional arms, together with associated legislation and compliance procedure:**

Authorization for conventional arms and related technology transit through the territory of the Republic of Croatia issues the Ministry of the Interior, alongside the approval of the Ministry of Defense.

**9. The procedures governing companies wishing to export arms:**

The export of conventional arms and related technology may be performed by legal persons and

tradesmen entered in the Register of exporters and importers of military and non-military lethal goods for commercial purposes. Prior to initiating export activities one must apply for entry in the Register maintained by the Ministry.

A company submits its application for entry into the Register consisting of the following:

- a certified copy of the decision issued by the Ministry of the Interior on the performance of arms manufacture or transportation activities;
- a company tax number;
- a certificate issued by the competent authority confirming that the applicant, or the responsible legal person or trade & craft is not under investigation and has not been convicted for having committed a criminal offense involving irregularities in handling military goods - not older than six months;
- name of bank and the bank's certified copy of the newest balance and profit and loss account;
- certificate that the company's assets have not been frozen in the last six months;
- a copy of specimen signatures, a statement on the number and structure of employees and a statement whereby the responsible legal person or trade & craft undertakes to enable the competent supervisory body to perform supervision of business activities in the field of export and control of the accommodation facilities and transportation means.

Companies entered in the Register must submit all changes that occur in the data based on which the company was initially registered, and they must do so in writing, within 15 days from the day the change occurred.

***10. Policy on the revocation of export licenses once they have been approved:***

*The Act on the Export and Import of Military and Non-military Lethal Goods* regulates that the Ministry shall pass a decision on the revocation of an issued export license if it establishes that one or more conditions by virtue of which the license was issued ceased to exist, or if the license was issued based on incorrect or incomplete data that the applicant was aware or must have been aware of. Revocation will be enforced as well if so requested by the license holder.

***11. The penal and administrative implications for any exporter failing to comply with national controls:***

*The Act on the Trade Control of the Military Goods and Non-military Lethal Goods* prescribes penal and misdemeanor provisions to be applied in the case of violation of its provisions. An imprisonment sentence lasting from one to five years is pronounced against the responsible person in the legal person or trade & craft for which the judicial authorities of the Republic of Croatia establish that they exported goods included in the List of Military Goods without having obtained the required license or that they have done so using a falsified end-user certificate, as well as against a person who provides services without holding the necessary permit. If the criminal offense has resulted in the death of multiple persons or large scale material damage has been caused, the perpetrator shall be punished by imprisonment for at least five years. The same sentence shall be pronounced against a natural person - individual who performs export of goods included in the List of Military Goods without holding the required license. In addition to the imprisonment sentences, monetary fines may also be pronounced ranging from HRK 5,000.00 to 500,000.00.

***12. Any circumstances in which the export of arms does not require an export license:***

All export of conventional arms requires an export license.

***13. Licenses for temporary export (e.g. demonstrations or testing), the period allowed and any special conditions attached to the license, including verification of return procedure:***

The *Act on the Trade Control of the Military Goods and Non-military Lethal Goods* defines export as a customs procedure governed by customs regulations involving goods that are permanently or temporarily leaving the customs area of the Republic of Croatia and the provisions of this Act prescribe that temporary export of conventional arms and related technology (for demonstrations, testing or repair) are subject to the application of the same provisions as regular export. Licenses are issued with six months validity and the company that obtained the license must, within 15 days from the day the temporarily exported goods returned to the country, report to the Ministry, on whether the license was used, at the same time submitting the relevant customs declaration.

In case of the transfer of goods within the EU for the purpose of testing or demonstration, a general license for the transfer shall be issued.

***14. License document and any standard conditions attached to it:***

The application for export of conventional arms and related technology is submitted on the prescribed form. Along with the export application, the import license issued by the competent authority of the country into which the goods are being exported must also be submitted. The import license does not need to be submitted if the end-user country does not require a license for the import of conventional arms and related technology; however, this must be stated in the end-user certificate. In the event that the authenticity or legal validity of the submitted documentation is under doubt, the Ministry shall, at the proposal of the Committee, forward the documents to the competent authorities for further action.

***15. Different types of licenses and what they are used for:***

There are three types of licenses for the export of conventional arms and related technology (license for export of military list goods, general license for export of military list goods and license for temporary export of military list goods) and the general, global and individual licenses for the transfer of defense-related products within the EU.

***16. Advice given to exporters as to licensibility, such as the likelihood of approval for a possible transaction:***

Prior to concluding a contract on the purchase or sale of conventional arms and related technology, companies may request from the Ministry its opinion on whether transactions with a specific broker, importer, end-user and the country of end use are in violation of the provisions of the *Act on the Trade Control of the Military Goods and Nonmilitary Lethal Goods*.

The Ministry organizes seminars and workshops for the producers and exporters of goods from the List of Military Goods and the List of Defense-related Products, with the aim of introducing exporters to the export control procedures in the Republic of Croatia.

***17. The average number of export licenses issued annually and the staff engaged in the export licensing procedure:***

There are four employees executing tasks related to the procedure for issuing export licenses in the Ministry. In 2019, 523 export licenses were issued, (271 export licenses for military goods, 79 for temporary export, 28 general licenses for export of conventional arms and 145 export licenses for non-military lethal goods).

***18. Any other relevant information pertaining to the export of conventional arms and related technology:***

The Act on the Manufacture, Overhaul and Trade in Arms and Military Equipment prescribes that manufacture of conventional arms for export purposes be performed based on a contract concluded between the manufacturer and the buyer, with the prior approval of the Croatian Government Agency (Official Gazette 33/02, 173/03 and 146/08). This approval must also be submitted along with the export application. In the event of import for the purpose of export into a third country, the applicant must, at the request of the Ministry, submit along with the export application, the approval issued by the competent authority of the country of origin of the goods or by the country from which the goods are planned to be imported, giving approval for the export of the goods in question to a third country. In the case of export of previously imported goods, the same Ministry may request from the export applicant to accompany their application with the authorization for the change of the end-user of the goods, issued by the competent authority of the country from which the goods were imported. The Ministry has the obligation to participate in the exchange of information on export activities with other EU Member States, including services. The Ministry maintains a database on licenses applied for, issued, realized and revoked and on refused applications for the export of conventional arms and related technology and the provision of related services. Based on that data, the Ministry prepares an annual report by 30 April of the current year for the previous year and delivers it to the Government of the Republic of Croatia.

***19. Are all guidelines governing conventional arms transfers nationally published?***

All national guidelines regulating conventional arms transfers are published in the Official Gazette of the Republic of Croatia and on the internet site of the Ministry.