UNIVERSITY OF SUSSEX

Division of General Counsel, Governance and Compliance

SENSITIVE TECHNOLOGY TRANSFERS AND EXPORT CONTROLS POLICY

Contents

1. STATEMENT BY THE VICE-CHANCELLOR

1.1 The University increasingly engages in international research collaboration and transnational education. While most of our activities are rightly free of constraints, nonetheless certain technology, equipment and partner organisations may be subject to legal restrictions to prevent sensitive capabilities falling into the wrong hands.

1.2 This policy sets out what is restricted and how we ensure that we comply in a proportionate way. The Export Control Director (ECD) has overall responsibility for this policy and the Export Control Manager (ECM) has operational responsibility; they can be reached via exportcontrols@sussex.ac.uk.

1.3 All staff concerned should familiarise themselves with this policy and cooperate fully with the ECD and ECM, as they may require, to put it into practice. Our compliance will not only avoid the risk of serious penalties and damage to our reputation, but it will help to ensure that we continue confidently to expand our international horizons in a world increasingly marked by strategic technological competition.

Professor Adam Tickell
Vice-Chancellor and President

2. OVERVIEW AND PURPOSE

2.1 Legal controls on transfers of sensitive technology, equipment and software are intended to manage the risks of their being misused to fuel conflict, threaten national security, support terrorism and crime, violate human rights or proliferate Weapons of Mass Destruction (WMD – nuclear, chemical and biological weapons, and missiles capable of delivering them). They include economic sanctions, designed to constrain the activities of target governments, organisations or individuals and pressure them to change their behaviour.

2.2 This policy applies to all academic staff, researchers, research students, research support staff, research managers, support staff and administrators. Failure to comply is a disciplinary and legal offence. Penalties range from up to 10 years imprisonment for individual staff to unlimited fines for the University, compounded by reputational damage which could have a serious impact on the University's overseas research links and numbers of overseas students.

3. EXPORTS/TRANSFERS

3.1 The controls apply to:

3.1.1 **Physical exports**, permanent or temporary, out of the UK of controlled equipment, components, materials, samples, chemicals and biological agents, and of software or technology stored in a physical format;

3.1.2 **Electronic transfers** out of the UK of controlled software and technology by email, video conference, teaching overseas and online learning, downloading or accessing of documents by a person located overseas, and by telephone if information is communicated so as to achieve substantially the same result as if the recipient had read it;

3.1.3 **Hand carrying** out of the UK controlled software or technology on paper or saved on a laptop, mobile phone or memory device;

3.1.4 **Transfers within or outside the UK** of any item if you have been informed, you know or you suspect that it is intended to be used in a WMD programme. This includes technology transferred to overseas students during a course in the UK;

3.1.5 **US-controlled items:** a US licence may be required to transfer US-controlled items to anyone in the University who is a foreign or dual national, or to anyone outside the University, in the UK or overseas. See section 7 below;

3.1.6 **Sanctions**: the transfer of any item or other economic resources to, or for the benefit of, a sanctioned individual or organisation. US sanctions extend in some case to supplying any US-origin or US-controlled item to sanctions targets in the UK and worldwide. Trade sanctions restrict the supply of certain items, primarily military, to target countries.

3.2 Controlled goods are those that meet the definitions of 'dual-use', military or WMD end-use, set out in the following section. Controlled technology is the information required for the development, production or use of controlled goods (NB a broader definition applies to nuclear technology). It includes data, research papers, designs, manuals, formulae, etc. Controlled software is generally software that is specially designed for the development, production or use of controlled goods.

4. RELEVANT DICIPLINES

4.1 University activities potentially affected are primarily post-graduate work involving:

4.1.1 **'Dual use':** nuclear engineering; viruses, pathogens, vaccines; chemicals with toxic properties; high strength materials; high specification electronics, computers, and telecommunications; automation; cryptography; optics and sonar; navigation; submersibles; aerospace; and space. The controls apply to certain items in these disciplines that meet technical criteria defined in the UK Dual-Use Lists;

4.1.2 **All military-related work**: any item is subject to control if it is specially designed for military use;

4.1.3 **WMD end-use**: any item, of any sort, if you have been informed, you know or you suspect that it is intended to be used in a WMD programme.

5. EXEMPTIONS: "IN THE PUBLIC DOMAIN"

5.1 Controls do not apply to software or technology that is "*available without restriction upon further dissemination (no account being taken of restrictions arising solely from copyright)*". The main considerations are:

5.1.1 the software or technology must be available to anyone without restriction e.g. on a website, at an exhibition or a conference open to the public;

5.1.2 it is not exempt if access to it is in any way restricted, except if it is available to anyone in return for payment, in which case it is exempt;

5.1.3 research intended to be published is not exempt until after it is published. Sending unpublished research work overseas e.g. in the course of teaching, research collaboration or for peer review is not exempt;

5.1.4 the act of publication is not itself subject to licensing unless the technology is otherwise restricted e.g. it contains official classified information.

6. EXEMPTIONS: "BASIC SCIENTIFIC RESEARCH"

6.1 Controls do not apply to technology that is "*experimental or theoretical work undertaken principally to acquire knowledge of the fundamental principles or phenomena or observable facts and not primarily directed towards a specific practical aim or objective*". The main considerations are:

6.1.1 Technology is exempt if it concerns purely experimental or theoretical work, undertaken to solely obtain new knowledge of the fundamental principles of phenomena or observable facts;

6.1.2 It is likely to be basic scientific research if the sole intended output is a published article in a peer reviewed scientific journal;

6.1.3 Technology Readiness Levels (TRL) 1-3, but TRL 3 is borderline and needs to be considered case-by-case;

6.1.4 It is not directed towards a specific short-term practical aim nor addressing a specific technical problem;

6.1.5 This exemption does not apply to software.

7. EXEMPTIONS: PATENT APPLICATIONS

7.1 Except for nuclear dual-use technology, the controls do not apply to the minimum technical information required to support a patent application.

8. US EXPORT CONTROLS

8.1 US legal restrictions apply to items and technology in the UK if they are: (a) US-origin military or dual-use; (b) made outside the US but incorporate any US-origin military components or over 25% (in most cases) by value of US-origin dual-use components; or (c) made outside the US on the basis of US-controlled technology. Although US law provides for a wide range of exemptions, a US export licence may be required to transfer such items or technology either within or out of the UK, or to allow access to it to a foreign or dual national within the University, including staff, students or visitors. Failure to comply with US requirements can result in fines and, ultimately, sanctions on the University.

8.2 Some US sanctions also prohibit the supply of <u>all</u> US-origin items (e.g. US-made laboratory equipment, laptops) to US sanctions targets, which include some organisations and their staff operating in the UK, and some foreign research institutions (notably in China) that may seek collaboration with UK universities, including sending staff or students to the UK.

PROCEDURES: (A) DUE DILIGENCE

9. STAFF AND STUDENTS: ATAS

9.1 The risk of a transfer of sensitive technology that might be used in a WMD programme occurring in the course of teaching or research in the UK is primarily managed by the government's Academic Technology Approval Scheme (ATAS). Students and researchers from certain countries applying to study or work in the UK at postgraduate level in certain sensitive subjects require an ATAS certificate before they can be granted a visa. A new ATAS certificate may be required if a student changes course while they are in the UK. Compliance with ATAS is managed by the HR Compliance Manager.

10. PARTNERS: SANCTIONS SCREENING

10.1 All prospective institutional and commercial partners - including those of the University and of individual researchers, overseas and in the UK - shall be screened against the UK, EU and US sanctions lists, and against the UK trade sanctions list. It is also recommended to conduct routine ongoing screening of current overseas partners (more or less frequently, depending on the level of risk) in case they become newly subject to sanctions. Work with some sanctioned organisations may not be prohibited but may require enhanced compliance measures, for example to prevent the supply of any US-origin or controlled items. In the event of any concerns, an enquiry should be submitted by the ECM to the Department for International Trade's 'End-User Advice' service.

10.2 All proposals for collaboration with any individual or organisation based in Cuba, Iran, the Crimean Region of Ukraine, Syria or North Korea shall be referred to the ECM who shall consult the ECD. No contacts with such prospective partners, including initial contacts, shall proceed without prior written approval from the ECD.

10.3 No MoU, research contract or other engagement with an overseas partner may be concluded without confirmation that no sanctions apply or, if sanctions apply but do not prohibit the engagement, without an approved plan in place to ensure compliance with the applicable restrictions. Sanctions screening is managed by the ECM.

11. RESEARCH PROPOSALS, MATERIAL TRANSFER AGREEMENTS (MTAs), TRANSNATIONAL EDUCATION (TNE), IP LICENSING

11.1 The process of approving a research proposal, MTA, education involving any person located outside of the UK, and IP licensing shall include a check on whether the work will involve military or dual use items or technology. This shall be focused on applications for research in any of the relevant disciplines listed under Section 3 above; and

11.1.1 any item related to the research/agreement (including unpublished research findings) may be transferred out of the UK; and/or

11.1.2 may involve any items that are subject to US military or dual-use export controls.

11.2 Such applications shall be accompanied by an Export Controls Enquiry form (Annex A) completed by the Principal Investigator (PI) or proposer. This form shall be checked by the R&E staff in consultation with the PI/proposer to determine whether any controls are applicable. In cases of doubt, an enquiry shall be submitted to the 'Classification Advice' service of the Department for International Trade.

11.3 All applications, whether or not accompanied by an Export Controls Enquiry form, shall be routinely assessed by R&E staff for the potential applicability of export controls and, wherever necessary, the PI/proposer shall be required to provide a completed form. All items that have been identified as subject to controls shall be flagged as such in documents, records and labels associated with the items e.g. large, bold, red lettering which should ensure that sufficient attention has been brought to any potential licencing requirements. If unpublished work is being sent for peer review, a licencing requirement should be highlighted either as set out above or in a covering letter as a courtesy. The process is summarised in the flowchart in Annex B. Research contracts and MTAs involving work with controlled items, or that might involve such items, shall include enhanced contractual provisions (Annex C).

12. **US EXPORT CONTROLS**

12.1 No activities of any sort related to items or technologies restricted by US laws may proceed without the written prior consent of the ECD. The procedures set out above should identify any prospective partner subject to US sanctions and any items or technology liable to come into the possession of the University that are subject to US controls. If any US sanctions or controls are or may be applicable, the ECM shall consult with those concerned, if appropriate seek external expert advice, and prepare a compliance plan for the approval of the ECD.

PROCEDURES: (B) EXPORT LICENCES

13. **LICENCE APPLICATIONS**

13.1 If an export licence is required, the ECM shall determine, on the basis of the export control classification of the specific item(s) and destination(s) concerned, which type of licence is required and shall register (in the case of Open General licences) or apply (in the case of Individual licences). The PI/proposer shall provide the ECM will all the details related to the proposed export/transfer that the ECM may require.

13.2 When an export licence is obtained, the ECM shall provide a copy to the PI or proposer and agree with them on how the conditions of the licence will be fulfilled, in particular:

13.2.1 **in all cases**: ensure that the items to be transferred, their destination country and recipients are covered by the licence;

13.2.2 **for physical exports**: ensure that the licence title and number are referenced on the shipping documents and on the export declaration completed by the freight forwarder;

13.2.3 **for electronic transfers**: ensure that the UK export control classification number and the export licence title and number are referenced on the documents and any covering emails; and

13.2.4 **for international travel**: any staff or student proposing to carry a controlled item overseas or to access controlled technology while they are overseas shall consult the ECM who shall ensure that the appropriate export licences are in place. This may include also obtaining an export licence from the destination country if it is intended to carry a controlled item back from there to the UK.

13.3 Records of all such exports and transfers, as required by the licence, shall be stored in [a suitable database…] by the PI/ECM for at least four years. The ECM shall verify periodically that this is being done correctly.

14. **USING A LICENCE**

14.1 When a licence is obtained, the ECM shall provide a copy to the PI or proposer and agree with them on how – subject to the approval of the ECD - the conditions of the licence will be fulfilled, in particular:

14.1.1 In all cases: ensure that the items to be transferred and their destination country and recipients (consignees, end-users) are covered by the licence;

14.1.2 For physical exports: ensure that the licence title and number are referenced on the shipping documents and on the export declaration by the freight forwarder;

14.1.3 For physical and electronic exports: keep records of each export or transfer, as required by the licence.

15. **AUDITS AND BREACHES**

15.1 If the University obtains one or more export licences, the University will become subject to external audits by the Department for International Trade (unless the licences are only individual licences for physical exports), to check compliance with the conditions of the licence(s) and that no items requiring a licence are being exported without a licence.

15.2 If an external or internal audit finds any failures of compliance, or if these come to light in the course of routine business, the ECD and ECM shall be responsible for immediate investigation and corrective action, and submitting a disclosure to HM Revenue and Customs.

AWARENESS, GUIDANCE AND TRAINING

16. **ACTIONS TO RAISE AWARENESS AND UNDERSTANDING**

16.1 All relevant staff are required to undertake export controls training, to be arranged by the ECD and ECMs to provide the appropriate level of awareness and understanding to enable them to comply with the law.

Annex A: Export Controls Enquiry Form

This form should be completed for all applications or proposals for research projects, material transfers, transnational education or IP licensing that concern work at post-graduate level in a 'Relevant Discipline':

nuclear engineering; viruses, pathogens, vaccines; chemicals with toxic properties; high strength materials; high specification electronics, computers, and telecommunications; automation; cryptography; optics and sonar; navigation; submersibles; aerospace; and space; and

a) may involve the transfer of sensitive technology or other items out of the UK; and/or
b) may involve any items that are subject to US export controls.

Before completing this form, please refer to the Policy on Sensitive Technology Transfers, Export Controls and Sanctions. For the purposes of this form:

- 'Item' includes technology or technical information in any form (e.g. research results, data, models, designs, plans, formulae, etc.), and equipment, components, materials, biological agents or software.
- 'Transfer' includes physical export, carrying in personal luggage, sending by email, video conference, online learning, downloading or accessing of documents by a person located overseas, and by telephone if information is communicated as if the recipient had read it.

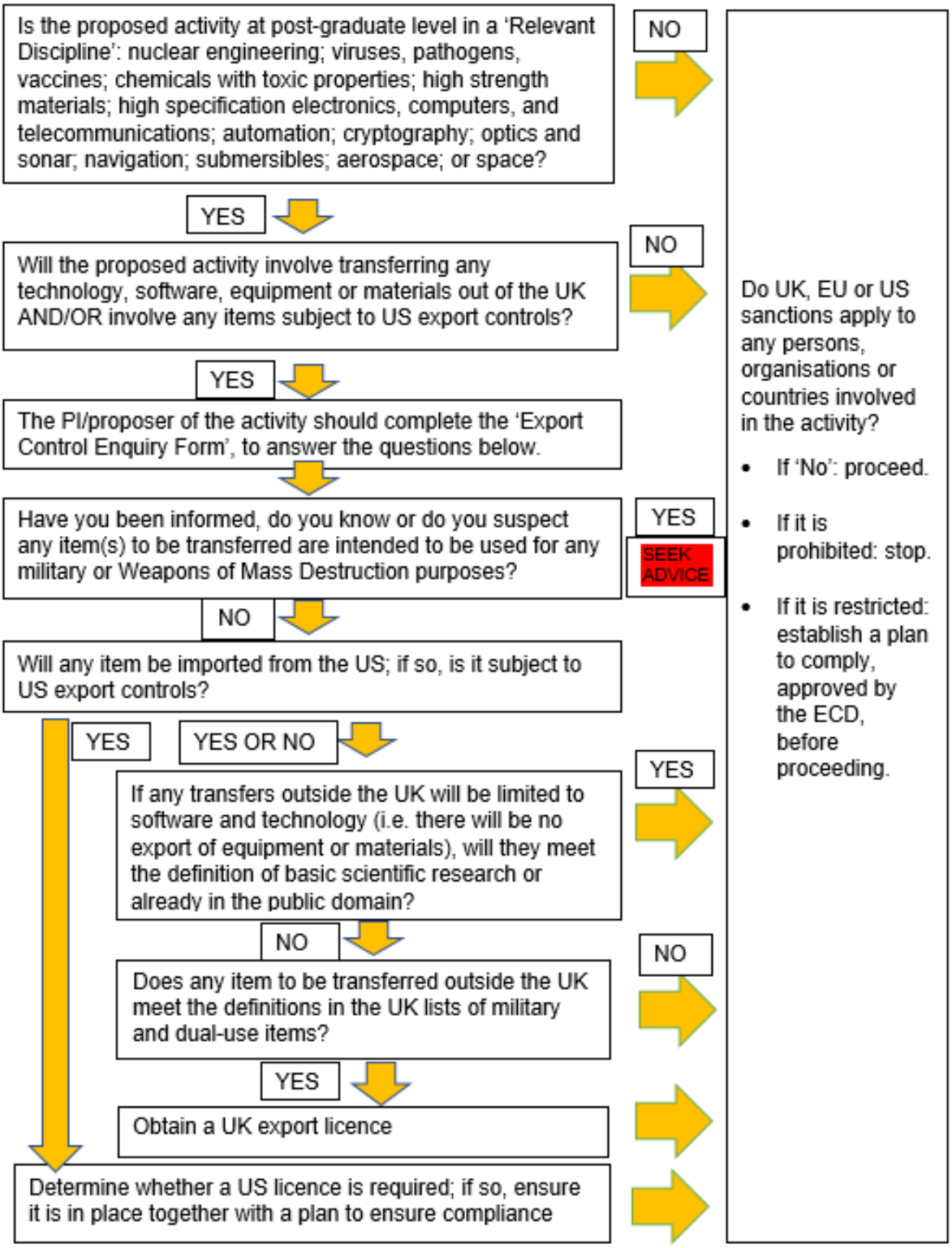
If you have any questions, please consult the Export Controls Manager [exportcontrols@sussex.ac.uk].

Section 1: Project Information	
Project Title	
Project number	
PI or Proposer	
Collaborators, Co-investigators	
Department	
Telephone Number	
Email Address	
Funder (if any)	
Date	
Section 2: Item Information	
Description of the item(s)	
Intended overseas recipient(s) (including their country and address)	
How will the items be transferred or exported (e.g. digitally, physically)?	

Section 3: End-Use				
1.	How is the item(s) intended to be used?			
		Yes	No	Unsure
2.	Have you been informed, do you know or do you suspect that the items are intended to be used in a programme related to Weapons of Mass Destruction i.e. nuclear, chemical or biological weapons or missiles capable of delivering them?			
3.	Have you been informed, do you know or do you suspect that the items are intended to be used for any military purpose?			
Section 4: US-controlled items				
		Yes	No	Unsure
1.	Will any item or component be imported from the United States?			

2.	If yes, is any item known to be subject to US export controls? (The supplier should be asked to advise.) If the US 'Export Control Classification Number is known, please provide it here:…….			
	Section 5: Exemptions			
		Yes	No	Unsure
1.	Does all the technology related to this proposal meet the definition of 'basic scientific research'? This is defined as "*experimental or theoretical work undertaken principally to acquire knowledge of the fundamental principles or phenomena or observable facts and not primarily directed towards a specific practical aim or objective*". The main considerations are: • Technology is exempt if it concerns purely experimental or theoretical work, undertaken to solely obtain new knowledge of the fundamental principles of phenomena or observable facts; • It is likely to be basic scientific research if the sole intended output is a published article in a peer reviewed scientific journal; • Technology Readiness Levels (TRL) 1-3, but TRL 3 is borderline and needs to be considered case-by-case; • It is not directed towards a specific short-term practical aim nor addressing a specific technical problem.			
2.	Does all the software and technology related to this proposal meet the definition of 'already in the public domain'? This is defined as "*available without restriction upon further dissemination (no account being taken of restrictions arising solely from copyright*". The main considerations are: • the software or technology must be available to anyone without restriction e.g. on a website, at an exhibition open to the public; • it is not exempt if access to it is in any way restricted (except if it is available to anyone in return for payment); • research intended to be published is not exempt until after it is published. Sending unpublished research work overseas e.g. in the course research collaboration or for peer review is not exempt; • the act of publication is not itself subject to licensing unless the technology is restricted e.g. official classified information.			
	Section 6: Military and Dual-Use Controls			
		Yes	No	Unsure
1.	Is any item specially designed or modified for military use? If yes, please refer to the 'Goods Checker' tool, check all relevant key terms, and provide your best estimation of the item's classification (e.g. "ML22.a" for most forms of technology required for military items):……			
2.	Is any item listed in the UK's Dual-Use lists? Please refer to the 'Goods Checker' tool, check all relevant key terms and, if any item may meet the criteria, provide your best estimation of its classification (e.g. "9E001" for technology required for the development of certain aircraft engines): …..			

Export Controls Due Diligence Flow Chart



ANNEX C: ENHANCED CONTRACTUAL PROVISIONS

The following provisions should be included in all contracts to which export controls apply or to which there is judged to be a heightened risk.

Research Contracts

The Parties shall comply with all sanctions and export control laws to which they are subject and which are applicable to any items, including but not restricted to goods, materials, biological agents, software, data or technology transferred between them. Each Party shall specifically inform the other Party, before the transfer of any such item, of all sanctions and export control conditions applicable to the transfer and the item. Each Party may terminate this contract immediately, without incurring any liability, if it reasonably apprehends that continuing to service this contract would be in breach of any applicable sanctions or export control laws. In the event that an application by a Party for an export licence is denied, the other Party hereby indemnifies and shall hold harmless that Party against all and any liability resulting from the licence denial.

Material Transfer Agreements

Both Parties shall comply with all sanctions and export control laws to which they are subject and which are applicable to any items, including but not restricted to goods, materials, biological agents, software, data or technology transferred between them. The Provider shall verify whether the supply of the Materials under this Agreement requires any export licence and shall obtain any such licence before the Materials are transferred. The Provider shall specifically inform the Recipient, before the transfer of any such item, of all and any sanctions and export control conditions applicable to the transfer and the Materials. The Provider may terminate this contract immediately, without incurring any liability, if it reasonably apprehends that continuing to service this Agreement would be in breach of any applicable sanctions or export control laws. In the event that an application by the Provider for an export licence is denied, the Recipient hereby indemnifies and shall hold harmless the Provider against all and any liability resulting from the licence denial.

National Security and Investment Act 2021 Overview

1. What is the National Security and Investment Act?

The National Security and Investment Act 2021 (the **NSI Act**) came into force on 4 January 2022. The NSI Act establishes a new, stand-alone statutory regime for government scrutiny of, and intervention in, acquisitions and investments for the purposes of protecting national security.

2. Why does this affect the University?

The new rules cover qualifying acquisitions of certain entities and assets, which are likely to affect some parts of the higher education and research sectors. UoS should have full awareness of the NSI Act and the new legal duty to notify the government when collaborating with other parties to acquire, sell or develop qualifying entities or assets. The government will have powers to block or unwind transactions and impose sanctions for non-compliance.

3. What are the elements of the NSI Regime?

The NSI regime implements a legal requirement for proposed acquirers of shares or voting rights that meet certain thresholds, in companies or entities undertaking activities in sensitive sectors in the economy, to seek authorisation from the Secretary of State for Business, Energy and Industrial Strategy (**SoS**) before completing the acquisition. There is both a mandatory and a voluntary element to the notification regime. The proposed acquirer/investor is responsible for making the notification. In the absence of a voluntary or mandatory notification the SoS will have powers to "call in" transactions for review, and has the power to block or impose conditions on the transaction, due to national security concerns.

3.1 A *Qualifying Transaction* (trigger event) where all of the below apply:

- Acquiring a right or interest in, or in relation to, a **Qualifying Asset or Qualifying Entity**
- The **Qualifying Asset or Qualifying Entity** is from, in, or has a connection to the UK
- The level of control acquired over the entity or asset passes a certain threshold (below)

3.2 A *Qualifying acquisition* is one that meets any of the following:

- The acquisition of votes or shares in a qualifying entity exceeding threshold of 25%, 50% or 75%.
- Acquisition of voting rights that allow acquirer to pass or block resolutions
- Acquirer will have the ability to "materially influence" the policy of the qualifying entity e.g. right to appoint members of the board
- Acquirer will have the ability to use a qualifying asset, or to direct or control its use.

3.3 *Qualifying Entities* include:

- A University which is a registered charity (i.e. the University of Sussex), a Trust, a University spin-out, a University subsidiary, a research organisation
- A private company or corporation doing contractual work with a higher education institution or research organisation.

3.4 Qualifying Assets will include:

- any tangible property (e.g. laboratory equipment), land, and intellectual property (e.g. designs, plans, software, trade secrets, algorithms etc).

3.5 *The Mandatory Notification Requirement*

The NSI Act defines 17 sensitive sectors (below) where there will be a legal requirement to make an online notification regarding a qualifying acquisition (from 4 January 2022).

Advanced Materials	Critical Suppliers to Government	Quantum Technologies
Advanced Robotics	Cryptographic Authentication	Satellite and Space Technologies
Artificial Intelligence	Data Infrastructure	Suppliers to the Emergency Services
Civil Nuclear	Defence	Synthetic Biology
Communications	Energy	Transport
Computing Hardware	Military and Dual-Use	

The precise definitions of these 17 mandatory sectors continue to be developed by the government and the latest definitions can be found **here**.

The mandatory notification requirement only applies to the acquisition of qualifying entities and not assets (such as intellectual or tangible movable property).

Failure to submit a mandatory notification when required will render the relevant transaction void, as well as providing grounds for criminal penalties and significant fines. Transactions falling within the mandatory regime will therefore require government clearance prior to completion.

3.6 Voluntary Notification

Acquisitions or investments which do not meet the thresholds for mandatory notification, but which could give rise to national security concerns, may be called in for review by the SoS. As such if clarity is wanted over whether the government is going to call in an acquisition, it is possible to make a voluntary notification. Once submitted the government has 30 working days to respond and provide clearance (but the deadlines can be extended). The government is considering feedback on the terms of a draft statement designed to give clarity over what transactions may be called in (draft statement).

In the absence of a mandatory or voluntary notification, any transaction can be called in up to six months after the SoS becomes aware of the transaction, subject to a longstop of five years following completion.

4 Examples of how this could affect the University?

Could include (but is not limited to):

- ***Research & Enterprise*** - private companies, governments and other organisations are frequently involved via agreements in University research which may be in one of the 17 sensitive sectors. If through these agreements, they gain control over the University's qualifying assets (tangible or intellectual property etc) where such assets are licensed out (exclusively or non-exclusively) then this is a qualifying acquisition requiring mandatory notification.

- ***Developing spin out companies*** - A university spin-out may be set up to develop research for commercial application, where the spin-out is a private company but shares or intellectual property are retained. If a spin-out company is acquired, or the spin out gains control of qualifying assets of a university (e.g. intellectual property) this could be a qualifying acquisition.

Example 1

- A venture capital fund that is backed by multiple investors invests in an established university spin-out, in return for a 27% equity stake. The university spin out carries out research and produces goods in one of the 17 sensitive areas of the economy that are specified in the notifiable acquisition regulations.

The venture capital fund (the acquirer) will be legally required to notify the government of its planned acquisition and obtain approval before completing it, otherwise the acquisition will be void.

Example 2

- A foreign corporation provides funding for a UK university to carry out a research project on the foreign corporation's behalf. The foreign corporation sits on the steering board for the research project. The foreign corporation will also be entitled to all intellectual and tangible moveable property generated from the research.

  The government may be able to call in this contemplated acquisition for assessment if it reasonably suspects the acquisition may give rise to a risk to national security. There is no mandatory notification requirement.

5. What needs to be done?

- Important for those working within the 17 sensitive sectors to have an awareness of the NSI Act and be familiar with the government guidance (see below).

- Build consideration of the NSI regimes mandatory or voluntary notification requirements into due diligence processes.

6. Guidance

The Department for Business, Energy & Industrial Strategy have published the following guidance:

- ***HEI specific guidance*** - National Security and Investment Act: guidance for the higher education and research-intensive sectors

- ***General guidance –***

  National Security and Investment Act: prepare for new rules about acquisitions which could harm the UK's national security

  How the National Security and Investment Act could affect people or acquisitions outside the UK

  The National Security and Investment Act alongside regulatory requirements

- Market guidance notes will also be published within 6 months of commencement of the NSI Act and will draw on analysis of notifications received over time, as well as market monitoring intelligence, to help parties in deciding whether to voluntarily notify.

7. Making a notification

Notifications must be made through the online service provided by the Department for Business, Energy and Industrial Strategy: https://nsi.beis.gov.uk/

Guidance on submitting a mandatory, voluntary or retrospective notification: https://www.gov.uk/government/publications/national-security-and-investment-notification-service-mandatory-voluntary-and-retrospective-forms

The Export Controls Manager should be made aware of any submissions to the BEIS.

Scenario 1: Am I in scope of the Artificial Intelligence part of the regulations?

A School within the University establishes a new spin-out company - Company A - to co-design learning software for a robotic control system.

Company A designs a robot which can pick and pack a range of objects but does not produce the robot itself. Company A sells the technology to Company B who integrate the system into their warehouses and stock management system.

Company C would like to buy Company B.
Company C is required to notify the regulator, the Investment Security Unit of the Department for Business, Energy & Industrial Strategy (BEIS).
This is because the integration of the standalone software capability into the broader automated robotic solution constitutes the development or production of advanced robotics capabilities.

Company A will need to comply with any requests by BEIS for information and also with any remedial orders that BEIS subsequently issues.

Company A designs a robot which can pick and pack a range of objects and provides Company B with the necessary systems integration capability.

Company C would like to buy Company B.
Company C is not required to notify the UK government because Company B is a consumer and not the developer or the producer of a broader advanced robotics solution.

Scenario 2: Am I in the scope of the Quantum Technologies part of the regulations?

A School within the University establishes a new spin-out Quantum Technology research company - Company AI.

Company AI is approached by Company B, a pharmaceuticals company, to access its quantum computer to speed up its processing of information.

Company C would like to buy Company B.
Company C is not required to notify the BEIS.
This is because Company B did not produce or develop any quantum technology.

Company AI's work is only concerned with research of quantum information science.

Company AI is not required to notify BEIS about its work, because it is not within the scope of the regulations.

Review / Contacts / References	
Policy title:	Export Controls Policy
Date approved:	August 2021
Approving body:	UEG
Last review date:	August 2022
Revision history:	v1.2
Next review date:	January 2022
Related internal policies, procedures, guidance:	*Export Controls due diligence flow chart*
Policy owner:	*GCGC*
Lead contact / author:	*Chloe Ratcliffe Schofield (GCGC)*