



PERMANENT MISSION OF FINLAND  
TO THE OSCE

FSC.EMI/245/11/Corr.1\*)

16 February 2012

ENGLISH only

WET7054-49

### VERBAL NOTE

The Permanent Mission of Finland to the OSCE presents its compliments to the Permanent Missions and Delegations to the OSCE and to the Conflict Prevention Centre and has the honour, with reference to the Decision 17/10 of the Forum for Security Cooperation, to submit Finland's One-off Information Exchange on present Regulations concerning Brokering Activities with Regard to Small Arms and Light Weapons.

The Permanent Mission of Finland to the OSCE avails itself of this opportunity to renew to the Permanent Missions and Delegations to the OSCE and to the Conflict Prevention Centre the assurances of its highest consideration.

Vienna, 28 June 2011

To all Delegations / Permanent Missions to the OSCE  
To the Conflict Prevention Center  
Vienna



\*) Change of distribution status, text remains unchanged

Original: ENGLISH

**DECISION No. 17/10**

**AN INFORMATION EXCHANGE WITH REGARD TO  
OSCE PRINCIPLES ON THE CONTROL OF BROKERING IN  
SMALL ARMS AND LIGHT WEAPONS**

**QUESTIONNAIRE**

**Question Sources Question YES NO**

**1 PoA II.14 Does your country have laws, regulations and/or administrative procedures governing brokering in SALW?**

Yes

**2 List laws and/or administrative procedures regulating SALW brokering in your country.**

Act on the Export and Transit of Defence Materiel (242/1990, with amendments 900/2002);

Decree on the export and transit of defence materiel (108/1997, with amendments 1178/2002);

Decision of the Council of State on the General Guidelines for the export, transit and brokering of defence materiel (1000/2002);

Decision of the Ministry of Defence on the implementation of the Decree on the export and transit of Defence Materiel (192/1997, with amendments 59/2002, 543/2002).

**3 GGE Report, paragraph 63(i)**

**Are those laws and procedures part of the national export control system?**

Yes

**4 Does your country have a definition of brokering activities by persons and entities?**

Yes

**4a If yes, please provide.**

In Finland, brokering means activities where the parties are brought in contact with each other with the view to concluding a contract involving export or transfer of defence materiel.

Brokering covers buying and selling where the products come into legal possession of the broker as well as activities where the title is transferred directly from seller to buyer.

A broker is a private person or a legal entity negotiating or arranging a contract, that involve the export or transfer of defence materiel from third country to another.

**5 Does your country require brokers to register before they can apply for brokering licences?**

No.

Comments: -

**6 Does your country require a licence to engage in brokering activities?**

No

Comments: -

**7 Does your country make a background check on past involvement in illicit activities before registering a broker or issuing brokering licences?**

No

Comments: There is no requirement for registering.

**8 PoA II.14 Does your country keep a register of SALW brokers/traders?**

No

Comments: -

**9 Does your country require a licence for SALW brokering activities on the territory of your country regardless of the nationality of the brokers?**

Yes.

Comments: -

**10 Does your country control brokering activities outside your territory carried out by brokers of your country's nationality?**

Yes.

Extraterritorial scope of application: When the brokering transaction takes place outside the Finnish territory, licensing requirement applies whenever the broker is a Finnish national, a Finnish legal entity or a Finnish resident.

**11 Does your country control brokering activities outside your territory carried out by non-citizen residents who are established in your country's territory? FSC.DEC/8/04:**

Yes

Comments: See answer 10.

**12 BPG, Brokering, V (1)**

**What is the policy on deciding which State's jurisdiction is appropriate for each brokering transaction?**

[type text]

**13 Does your country have requirements for end-use documentation that must be met before each brokering activity is authorized?**

Yes.

13(a) BPG, Brokering, V (5(i))

If so, describe: see answer 15.

**14 PoA II.14 Does your country require a licence, permit or other authorization for each brokering transaction?**

Yes

**15 GGE Report paragraph 44: Are such applications for a licence, permit or other authorization considered for approval on a case-by-case basis?**

Comments: Brokering licences are processed basically on the same basis as the export licences.

Brokering licences are processed basically on the same basis as the export licences. A brokering licence shall not be granted if it jeopardises Finland's security or is contradiction with Finland's foreign policy.

Applications are processed in accordance with a product-based general assessment:

- EU Common Position on Arms Exports, denial notifications
- International treaties and principles (OSCE, WA etc.)
- Foreign and security policy aspects
- Analysis of the situation prevailing in the recipient country, especially with regard to human rights, including attitudes of other States vis-à-vis the recipient country;
- Characteristics, intended use and military significance of the item to be exported;
- In ambiguous cases, restraint is preferable.

Documents to be submitted to the licensing authority:

1. Official application;
2. Original end-user certificate (EUC) (compulsory requirement if complete products are exported) or Own production declaration (OPD) (if components are exported for use in the purchasers own production);
3. Import licence/dealer's licence if the importer is a private person or company;
4. Other documents requested.

**16 Are there exceptions to the requirement to hold a licence or authorization for a brokering transaction?**

No.

**16a Details (e.g. if the transaction is on behalf of the police or armed forces or other government officials) -**

**17 What are the criteria for granting a licence, permit or other authorization? [type text]**

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**18 Is *ex post facto* licensing possible?**

No.

**18(a) If yes, under which conditions? -**

**19 Does your country have measures to validate the authenticity of documentation submitted by the broker?**

Yes.

19 (a) If so, describe those measures: We can use expertise of different authorities, like Ministry of Defence, Security Police, Ministry for Foreign Affairs and embassies and Defense Forces.

**20 Does your country keep records of all licences or written authorizations issued? If yes, how long are the records kept for?**

Yes. Indefinitely.

(a) 10 years

(b) Indefinitely x

(c) Other

**21 Does your country require brokers to report regularly on their activities?**

Yes.

If so, describe: Anyone who has been granted an export or brokering licence shall provide the Ministry of Defence with a Customs clearance certificate issued by the Customs authority of the recipient country as a verification of import of the licenced export as well as on a quarterly basis, of the materiel exported or transported in transit.

**22 PoA II.3 Is it a criminal offence to engage in a SALW brokering transaction without a licence or authorization in your country?**

Yes.

Comments

**23 Does your country share with other States information on such matters as the disbarment of brokers and revocation of registration? -**

Comments

**24 Does your country regulate activities that are closely associated with the brokering of SALW?**

If so, which of the following activities are regulated (check relevant boxes)?

(a) Acting as dealers or agents in SALW

(b) Providing for technical assistance

(c) Training

(d) Transport

(e) Freight forwarding

(f) Storage

(g) Finance

(h) Insurance

(i) Maintenance

(j) Security

(k) Other services

Comments [type text]

**25 Are these activities regulated by legislation on brokering or any other**

**legislation?**

**26 PoA II.14 What penalties or sanctions does your country impose for illegal brokering activities?**

The same sanctions apply to illegal export and transit as well as to illegal brokering. The penalties range from a fine up to a maximum of 4 years imprisonment.

According to the Act on arms export and transit any person who illegally exports defence materiel or who assigns or transfers abroad a licence to manufacture defence materiel or who transports, through Finnish territory, defence materiel to a third country, or brokers defence materiel, or attempts to do so, shall be fined or imprisoned for a maximum period of four years for committing an export offence.

Any person who, for the purpose of obtaining an export or brokerage licence, provides false information or conceals relevant information shall also be punished for committing an export offence.

Any person who in any other manner violates the provisions of this Act or provisions issued under it shall be fined for committing an export violation.

**27 PoA II.14 If the answer to question 1 is "no", does your country wish to request assistance in developing laws, regulations and/or administrative procedures to regulate brokering in SALW?**

-

**28 What kind of assistance do you require?**

-

**29 Has your country developed a project proposal for assistance?**

-

**29(a) Does your country require training on controlling brokering activities in SALW?**

-

**30 PoA II.6 During the reporting period, was action taken against groups or individuals engaged in illegal brokering (e.g., prosecution)?**

No.

**30(a) Please give details.**

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**31 Is your country content for these replies to be published on the OSCE website?**

Yes.