



الهيئة العامة للصناعات العسكرية
General Authority for Military Industries

Import and Export Control Policy for Military Industries Sector

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Introduction

The 2030 Vision unleashes the potential of the economic sectors and promote economic development in the Kingdom of Saudi Arabia. The Saudi Vision 2030 included among one key objective, namely to localize no less than 50% of spending on military equipment by 2030. Council of Ministers issued a Supreme Decree to establish General Authority for Military Industries (GAMI). The Supreme Decree also aims to localize the military industries sector in the Kingdom and make it an important pillar of the national economy. Therefore, GAMI is the authority that is responsible for legislating the regulations of military industries in the Kingdom of Saudi Arabia, and responsible for regulating, developing it and monitoring its performance.

Due to sensitivity of military industry, technologies and services, their protection is a significant matter, and GAMI seeks to localize manufacturing military products, technologies and services and establish rules and principles that regulate this sector and prevent access to such industries, technologies and services by unauthorized persons.



Chapter I: General Provisions

Article 1: Definitions

The following terms, wherever mentioned herein, shall have the meanings assigned thereto unless the context otherwise requires:

Term	Definition
Kingdom	The Kingdom of Saudi Arabia.
GAMI	The General Authority for Military Industries.
Sector	Military Industries sector.
Policy	Import and Export Control Policy for Military Industries Sector.
Facility	An entity that operates in any of the military activities supervised or licensed by GAMI.
Military and Security Agencies	The Ministry of Defense, Ministry of Interior, Ministry of National Guard, Presidency of Royal Guard, Presidency of State Security, and General Intelligence Presidency.
Related Parties	The parties authorized to supervise the facilities operating in the military industries sector according to the applicable laws, regulations, decisions and the like.
Licensee	A legal person who licensed to practice any of the activities subject to the control and supervision of GAMI.
Main Contractor	The person legally responsible for a contract, including management of main contractors or subcontractors.
Subcontractor	Any legal person engaged by a main contractor appointed by GAMI to carry out specific works as part of a program or project.
Military Products Control List	The military and dual-use products, military technologies and services, as determined by GAMI.
Military Products	Products included in the Military Products Control List, which used in main systems or subsystems or the parts / components that provide or enable military capabilities.
Military Technologies	Technologies included in the Military Products Control List.
Transport	The transfer of military products and services resulting from sale, import or export by any means and in any form.
Import and Export Compliance Plan	The requirements and mechanisms that shall fulfilled and followed to obtain import and export services.

Article 2: Statement of Purpose

1. Identify and license public and private sector entities operating in military industries sector to practice import and export in order to protect military products, technologies and services.
2. Identify and apply appropriate controls for import, export, storage and transport processes related to military products, technologies and services.
3. Identify and apply appropriate controls for temporary import and export, storage and transport processes related to military products and technologies for purposes that GAMI determines, including participation in local and international military exhibitions, experiment or maintenance.

4. Surveil and control over military products, technologies, services and prevent access to such military products, technologies and services by unauthorized persons.
5. Provide necessary advices to facilities licensed to practice military industries activity in order to prevent access to military products, technologies and services by unauthorized persons and support the Kingdom's obligations in international covenants and agreements.
6. Follow up licensees in connection with protecting military products, technologies and services.
7. Support and enable supply chains for small and medium-sized enterprises licensed to practice military industries activity to be a part of global supply chains.

Article 3: Scope of Policy

This Policy shall apply to all facilities operating in military industries sector that practice any activity supervised or licensed by GAMI. In addition, this Policy shall not apply to Military and Security Agencies.

Chapter II: GAMI Role

Article 4: GAMI Role Regarding Import and Export

I: GAMI shall establish applications requirements and implement controls and mechanisms to control the military industry sector in coordination and cooperation with related parties in order to regulate, facilitate and control imports and exports in military industries sector.

II: GAMI shall surveil and control over the imports and exports of the industries sector after making cooperation with other regulatory and supervisory authorities, as GAMI deems appropriate.

III: GAMI shall determine clauses for Military Products Control Lists for purposes of implementing this Policy. In addition, GAMI shall issue regulations and instructions related to import and export of products included in such lists subject to relevant international laws.

IV: GAMI shall assume organizational and administrative supervision over and publish Military Products Control List, in addition to issuing updates and guidelines related to it.

V: GAMI shall coordinate with related parties in order to address and find solutions to the challenges or obstacles regarding to import and export of related products, technologies and services.

VI: GAMI shall issue, cease or cancel permits for licensees to transport dual-use military products, technologies and services and permits necessary for import and export.

VII: GAMI shall ensure that import and export request is compatible with domestic regulations without violation of provisions of any international agreement or laws and trade regulation laws with regard to the Kingdom's other international obligations, and GAMI has the right to disapprove the request if proven otherwise.

VIII: GAMI has the right to request import and export obligations plan from licensees in order to assess and approve such plan, taking in account, including but not limited to, facility size, activity type, product sensitivity, and compliance performance register, previous violations of facility or its employees and ability to effectively trace sensitive products.

IX: GAMI shall monitor compliance of the licensees according to GAMI laws, regulations and the like, coordinate with related parties by conducting inspection and reviewing documents and reports, self-assessment reports (SAR) and non-compliance reports (NCR).

X: GAMI shall collect necessary data as needed from licensees regarding details of Import and Export Compliance Program in order to assess facility's compliance level.

XI: GAMI shall raise awareness and provide guidance regarding international trade laws related to import and export after making coordination with related parties.

XII: GAMI shall coordinate with related parties in order to facilitate import of products and technologies that support developing the Kingdom's military industries sector.

Chapter III: Requirements and Conditions for Import and Export of Military Products, Technologies and Services

Article 5: Military Products, Technologies and Services Import and Export Permits

GAMI shall coordinate with entities related to issuing import and export permits of products determined in GAMI's Military Products Control Lists.

Article 6: Import and Export Request Assessment Criteria

Without prejudice to international regulations and laws and agreements related to import and export of military products, technologies and services, GAMI shall coordinate with related parties, assess import and export requests based on the following:

1. Compliance extent of the country of origin and final destination commitment to relevant international regulations and international standers.
2. Current situation of the country of origin and final destination commitment in terms of internal tension or armed conflicts.
3. Role of state of origin and state of final destination in maintaining regional and international peace, security and stability.
4. Position of state of origin and state of final destination towards international community, in particular its situation of terrorism, nature of its military alliances, and extent of its respect of international law.
5. Arrival risks of the military products in the state of final destination end up or re-exported to terrorist or hostile organizations.
6. Final product imports shall be subject to GAMI's assessment.

Article 7: Requirements for Import and Export of Military Products, Technologies and Services

1. The applicant shall be a holder of GAMI license.
2. GAMI approval shall be obtained before starting any imports or exports of military products, technologies and services, provided that the request is submitted within the term that GAMI specifies for considering the request and approving / rejecting it .
3. The products or technologies required to be imported shall conform to military license activities, while specifying their types, quantities and reason for export or import.
4. Import purpose shall be technically compatible with materials or products to be imported.
5. Abiding by any resolutions, circulars or requirements issued by GAMI.

Article 8: Temporary Export Requirements for Military Products, Technologies and Services

1. The applicant shall be a holder of GAMI license.
2. GAMI approval shall be obtained before starting any import or export of military products, technologies and services, provided the request is submitted within the period that GAMI determines for considering request and issuing approval or refusal.
3. The products or technologies required to be imported shall conform to military license activities, while determining their types, quantities and reason for export.
4. Temporary export period shall not exceed the period determined by GAMI with related parties by product type and export purpose.

Article 9: Temporary Import Requirements for Military Products, Technologies and Services

1. Specifying product type, quantities and temporary import purpose, including (research and development – exhibitions – experiments – maintenance, etc.)
2. Import purpose shall be technically compatible with materials and products.
3. Providing an undertaking of re-export of imported items within the term that GAMI specifies. In the event of failure to abide that term, necessary procedures shall be taken with concerned parties.

4. Military products, technologies or services that are temporally imported shall be used in intended purpose.

Article 10: Classification of Products Unlisted in Military Products Control Lists

Export of any products that are not included in Military Products Control List requires obtaining GAMI permit, after coordinate with related parties, whether export is permanent or temporary, if it turns out that such products are used in full or in part for the following purposes:

1. Design, manufacture, manage, operate, maintain, store, explore, distinguish or trade biological or chemical weapons, nuclear weapons or other explosive devices composed of nuclear materials; or design, manufacture, maintain or store projectiles or missiles used to carry such weapons.
2. Military purposes by virtue of United Nations Security Council Resolutions or the Kingdom's international obligations.
3. Install or assemble military products determined in Military Products Control Lists.
4. Any use of industrial, experimental or analytical products or any of their components in designing, developing, manufacturing or maintaining military products and services determined in Military Products Control Lists.
5. Any goods used whether it is partially manufactured in manufacturing or developing military products or services determined in Military Products Control Lists.

Article 11: Refusal or Cancellation of Import and Export Permits

GAMI shall be entitled, after coordinate with related parties, to cancel permit if required for public interest or for reasons attributable to national security. In addition, GAMI shall notify Licensee of cancellation, while stating reasons if appropriate.

Chapter IV: Obligations of Facilities

Article 12: Obligations of Facilities Operating in Military Industries Sector

I: Facilities shall obtain GAMI approval before carrying out any activities stipulated by Regulations on Organizing Military Industrial Activities and the activities related to military products, technologies and services, including but not limited to: (Import, export, storage, show, marketing, sale, resale, trading, experiment or transport).

II: Facility shall submit "Import and Export Compliance Program" Plan to GAMI for assessment and approval. The Program shall include the following:

1. Determining and working on classifying provided products, technologies and services.
2. Determining restricted parties, whether countries or end-users, by virtue of ban, punishments or any other restrictions.
3. Facility's Permit Management Plan, provided that it includes used technologies.
4. Manage facility's records.
5. Protection of products, technologies and services.
6. Employee training.
7. Risk management, self-assessment and continuous optimization.
8. GAMI shall be entitled to request any additional information if required.

III: Licensee shall classify products, technologies and services as military, military of dual-use or commercial only, and consult GAMI when needed.

IV: Licensee shall set identification code for products, technologies and services in order to facilitate their classification and tracking. In case of importing such products or services, Licensee shall obtain identification code for such products or services from principal factory.

V: Licensee shall appoint a liaison officer and "Import and Export Compliance Program" officer in order to monitor performance.

VI: Licensee shall maintain information of military products or services and numbers of their import and export permits, in addition to:

1. Information of end-user and delivery location.
2. Actual date of import or export.
3. Actual date of reimport with regard to temporary export permits.
4. Actual date of Re-export with regard to temporary import permits.
5. Military service delivery or provision dates.
6. Method of transport and information of all parties engaged in transportation and storing, in addition to method of transfer for processes that involve e-transfer of information, data or any military service.
7. Method of transport and information of all parties engaged in transport process, in addition to the method of transfer for the processes that involve e-transfer of information, data or any military service.

VII: Records that include all import and export activities authorized under permit shall be maintained for (10) years as of permit approval date.

VIII: A statement that includes determining and tracking manufacturing, military products and services, transport, storage and delivery to end-user shall be provided with regard to items included in Military Products Control List.

IX: Information, reports and records shall be submitted to GAMI when requested according to the period that GAMI determine.

X: Facilities shall give GAMI access to its facilities and sites to ensure their compliance.

XI: If the licensee is a Main Contractor, it shall ensure that Subcontractors have internal compliance program in line with international best practices.

Chapter V: Violation of Policy

Article 13: Violations & Administrative Penalties

Any violation of this Policy by any facility, GAMI may apply the appropriate administrative penalties according to type, nature and severity of violation, including for example:

1. Administrative warning to the violating facility, including details of the violation, the action to be taken by the facility, and the period granted for correction by GAMI .
2. Suspension of the license for the period GAMI deems appropriate and renewable for other periods if the facility fails to rectify the violation.
3. Disqualification from future military tenders and procurements.
4. Temporary import prohibition for the period GAMI deems appropriate and renewable for other periods if the facility fails to rectify the violation.
5. Cancellation of license.

Chapter VI: Final Provisions

Article 14:

1. GAMI may interpret, review and update this document when needed, and to submit the update proposal to GAMI's Board of Directors.
2. For matters not covered herein, the laws, regulations and the like issued by GAMI or the relevant legislative authorities in the Kingdom shall apply.
3. Without prejudice to the regulatory requirements contained in other laws and regulations, this Policy is binding and all parties and individuals working in the sector shall work to facilitate and enhance compliance herewith within the sector.
4. This Policy shall enter into force as from its date of approval and publication.