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run contrary to Canadian foreign policy, whether it involves national or global security or because it violates bilateral or multilateral agreements. With new products and complex technologies appearing almost daily, identifying where your product fits within Canada's export control regime may seem like a maze. But it doesn't have to be. ECD can help you find your way before you invest resources into a controlled or "permit-required" product or trade opportunity.

To help exporters avoid lengthy delays at customs, ECD has stepped up its outreach efforts to inform and prepare companies. If you are a Canadian company planning to export, let the Export Controls Division help you. To learn more about Canada's export permit requirements, visit

Test your knowledge of permit requirements

Permits are required if goods and technology are:

- (a) Destined for a country on Canada's Area Export Control List
- (b) Subject to a United Nations Security Council embargo
- (c) On Canada's Export Control List
- (d) Of U.S. origin
- (e) Designed for military application
- (f) All of the above

Answer: f

the ECD website at www.exportcontrols.gc.ca, or call (613) 996-2387 to speak with an officer or to order *A Guide to Canada's Export Controls*.

Export controls system going online March 31

The Export Controls Division (ECD) of International Trade Canada is going online with a new system designed to improve export control procedures. What does this mean for its clients? It means improved service delivery, a simplified process for submitting permit applications, a more streamlined business process and an improved tracking capability.

On March 31, 2006, Export Controls Online, or EXCOL, will be available to all Canadian exporters. EXCOL will support applications for all permits and certificates, requests to amend permits and applications, utilization reporting and local printing of select permits. It will be using Government of Canada Secure Channel infrastructure to allow the secure transmission of all applications from your desktop to the application server.

The new system will support two types of users: recognized and not yet recognized. To begin with, all exporters will be considered 'not yet recognized' until they go through both an application and enrolment process.

Exporters who have been issued more than two export permits since January 1, 2004, will automatically be sent an enrolment kit with instructions. If you would like an enrolment kit, simply go to www.exportcontrols.gc.ca, where you will find the forms to download.

If you don't want to complete an application or enrol, you can still access the website. ECD, however, is encouraging Canadian exporters to become recognized users to take full advantage of all the functions available under this new system.



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The Controlled Goods Directorate:

Strengthening Canada's defence trade controls

In 2003, Canada imported an estimated \$366 billion worth of goods and services from the U.S. and exported an estimated \$282 billion to the U.S. Some 75% of all Canadian exports and a total of 77.6% of Canadian aerospace and defence industry goods and services are destined for the U.S., making trade across the border extremely important to the livelihood of many Canadian businesses.

These figures confirm that the Canadian defence industry forms a large portion of the manufacturing and service market of the Canadian economy. To that end, Public Works and Government Services Canada's Controlled Goods Directorate (CGD), was created to support the trade of controlled goods with the U.S., thereby strengthening Canada's economy at large.

What are controlled goods?

They refer to goods and technologies specifically designed or modified for the military, and are listed in the Export Control List (ECL) administered by International Trade Canada. Technology necessary for the development, production or use of controlled goods, including technical data and technical assistance, is also controlled. For a complete list and description of these goods, go www.exportcontrols.gc.ca.

Public Works and Government Services Canada, through the CGD, is responsible for regulating access to controlled goods and technology in Canada. The Controlled Goods Program (CGP) was established in 2001 to maintain the Canadian Exemption, as specified in the U.S. International Traffic in Arms Regulations (ITAR). The amended ITAR granted Canada a partial exemption from licensing requirements, thereby greatly facilitating the trade of controlled goods with the U.S.

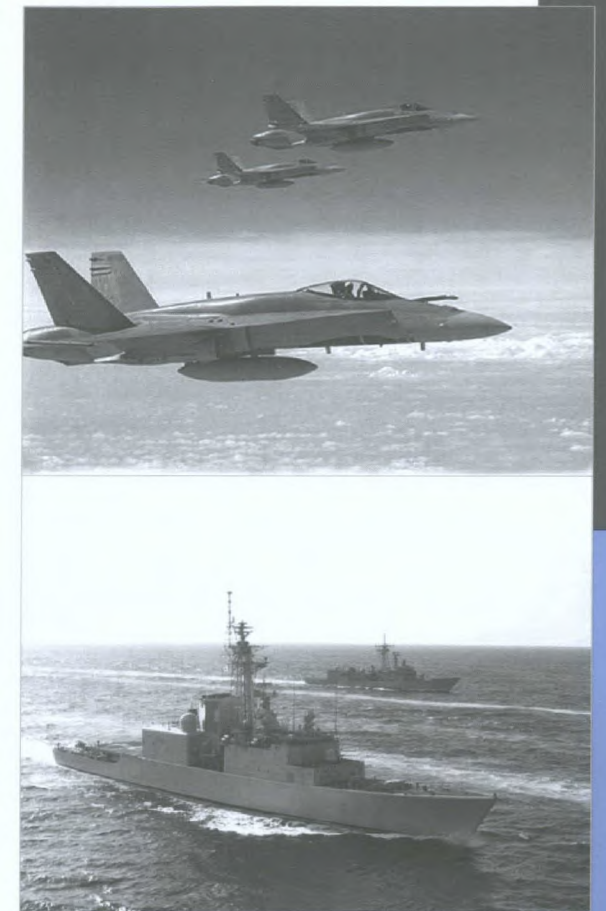
Legislated by the *Defence Production Act*, the CGP is an industrially oriented domestic security program that requires Canadian businesses to register with the CGP before they may examine, possess or transfer controlled goods.

Compliance

Businesses in Canada with access to controlled goods are required to comply with the legal requirements identified in the *Defence Production Act* and the Controlled Goods Regulations.

Businesses must:

- Register with the CGP;
- Propose a designated official to perform security assessments on employees with access to controlled goods;
- Develop and implement a security plan to safeguard controlled goods that businesses possess;
- Maintain a complete and comprehensive record keeping system;



- Apply for exemptions from registration for foreign visitors and foreign temporary workers;
- Provide training programs and security briefings for employees and visitors with access to controlled goods; and
- Report security breaches.

Once registered, businesses are also required to submit to compliance inspections by the CGD. The objective of these inspections is to assist registrants in meeting the above-mentioned legal requirements.

For more information, or to register, contact the CGD, tel.: 1-866-368-4646, fax: (613) 948-1722, email: ncr.cgd@pwgsc.gc.ca, website: www.cgd.gc.ca.