

Act on Control of Services and Items that may have Strategic Significance

No 58/2010, 14 June

Date of effect: 17 June 2010. Amendment 126/2011 took effect 30 September 2011. Amendment 81/2015 took effect 23 July 2015. Amendment 71/2019 took effect 5 July 2019.

Article 1

Objectives

The objectives of this Act are to strengthen international security and secure respect for human rights in accordance with international commitments by, inter alia, controlling, banning and/or subjecting to authorisation the export of items that may be used, directly or indirectly, to commit acts of terrorism or repression or for strategic purposes and by controlling services and investments related to such items.

This Act lays down rules on the secure keeping of items and information concerning items referred to in para. 1 and on services and investments related to such items, as well as on penalties and administrative remedies against violations of this Act.

Article 2

Scope

This Act applies to Icelandic and foreign nationals in accordance with the provisions of the General Penal Code No 19/1940 on criminal jurisdiction and, in addition, impose criminal liability on Icelandic nationals for acts committed abroad, even if such acts are not punishable under the laws of the State where the violations occurred.

The Act applies to legal persons registered or incorporated in accordance with Icelandic law, wherever they operate or are situated. Where a legal person is registered or incorporated abroad this Act applies to its activities to the extent that they are undertaken within Icelandic jurisdiction.

If a subject matter falls under the competence of a particular Minister by law this Act does not prevent the Ministry from granting an authorisation or setting rules based on this Act, provided consultations are held with the Ministry concerned or its subsidiary organs, as appropriate, on granting such authorisation or setting such rules. However, the Police Commissioner shall grant export authorisations for weapons covered by the Weapons Act, having consulted [the Ministry]. 1)

1) Act 126/2011, Article 528.

Article 3

Definitions

For the purposes of this Act:

1. A party shall mean a natural or legal person, including governments, corporations, consortiums, institutions, funds and organisations.
2. Defence related products shall mean weapons and ammunition of strategic significance, military vehicles, military equipment, military supplies, military technology, paramilitary equipment, and spare parts for the aforementioned items.
3. An item refers, inter alia, to goods, equipment, software and technology. Military goods are included.

4. Dual-use items shall mean items which can be used for both civil and military purposes, and shall include all items which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices.
5. Brokering shall mean intermediation in negotiating for the purchase, sale or supply of items or services, where the intermediary is neither a party to legal instruments concerning the transaction in his own name or in the name of the contracting parties. Brokering applies, inter alia, to trade between parties in foreign countries.
6. Export shall mean export and transit, including re-export, within the meaning of the Customs Act No 88/2005, whether or not for consideration. This also applies to sharing of software and technology by electronic means, facsimile or by telephone to a destination abroad.
7. Services refer, inter alia, to trade, brokering, supply, transport, financing, assistance, consultancy services and training, whether or not for consideration.

Export, import, service and investment authorisations pursuant to this Act, hereinafter referred to as “authorisations”, can be general, global or individual authorisations:

- a. General authorisations shall mean authorisations available to all parties vis-à-vis certain countries who respect its conditions of use. They shall be published in the Government Gazette, B Series.
- b. Global authorisations shall mean authorisations granted to one party, in respect of a type or category, which may be valid vis-à-vis one or more specified end recipients and/or in one or more specified countries.
- c. Individual authorisations shall mean authorisations granted to one party vis-à-vis a party in another country and covering one or more items, types of services or types of investments.

Article 4

Imports and Exports Subject to Authorisation

No one may export defence related products or dual-use items without an authorisation granted by the Minister, without prejudice to Article 2, para. 3, 2nd sentence. Lists of such defence related products and items shall be published in the Government Gazette, B Series. The lists shall be updated in conformity with the relevant obligations and commitments that Iceland has accepted as a member of international non-proliferation regimes for defence related products and dual-use items and of export control arrangements, or as a party to international agreements, as applicable.

The Minister may decide that an export authorisation is required for equipment which could be used for internal repression in other countries.

In addition to what is indicated in para. 1 and 2, it is not allowed to export items which the exporter knows, may assume or the Ministry informs him are or may be intended, in their entirety or in part, for military use, for terrorist acts or for the purpose of internal repression, and the export is in breach of Iceland’s international obligations or threatens its defence or security interests or those of its allies. The same applies to items if the exporter has been informed by the Ministry that the items in question are or may be intended, in their entirety or in part, for use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons, or other nuclear explosive devices, or the development, production, maintenance or storage of missiles capable of delivering such weapons.

The Minister may decide that an authorisation be required for the import to, or transit in, Iceland of items that can be used, in their entirety or in part, in connection with the development, production, handling, operation, maintenance, storage, detection,

identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons. Such authorisation may only be granted if it is established that such import or transit is not in breach of international agreements to which Iceland is a party.

Article 5

Services and Investments Subject to Authorisation

No one may provide services in connection with export of items referred to in Article 4, without an authorisation granted by the Minister, provided further rules have been set regarding such authorisation.

The Minister may decide that an authorisation be required for the brokering of items referred to in Article 4, irrespective of whether they are exported or not.

The Minister may decide that an authorisation be required for investment abroad in operations associated with the development, production, handling, operation, maintenance, storage, detection, identification, dissemination, provision, collection, use, ownership, transport, brokering or trade in items listed in Article 4, if the country concerned is not a party to international cooperation on export control that the Minister deems sufficient.

[The combined share of foreign parties in an Icelandic company that manufactures items that are subject to Article 4 or provides a service subject to this Article can at no time exceed 49% except with the authorisation of the Minister. This provision does not restrict rights according to international agreements Iceland is party to.] 1)

1) Act 81/2015, Article 5.

Article 6

Licensing Conditions

The Minister may set conditions in connection with the issuance of import, export, services and investment authorisations pursuant to this Act, including concerning disclosure of terms of sale, payment terms, credit terms, transport routes, document handling and statements about end-users and/or end use of goods and services.

The Minister may at any time alter the conditions of authorisations, once an authorisation has been issued, or revoke authorisations at any time, temporarily or permanently, when:

- a. the premises for the issuance of an authorisation are no longer valid,
- b. the holder of the authorisation has not met the conditions of the authorisation, or
- c. in case of urgent necessity in which case the holder of the authorisation shall return the authorisation to the Ministry without delay.

If a general import, export, services or investment authorisation has been issued and the holder of the authorisation becomes aware, or may assume, because of later events or other reasons, that the export, import, services or investment is in breach of Iceland's international obligations, the holder may not use the authorisation.

A party in question may at any time request that the Minister's decision on the conditions of authorisations, altering such conditions, revocation or rejection of an authorisation application be reconsidered in accordance with Article 24 of the Public Administration Act No 37/1993.