

## INFORMATION SHEET 4 FOR LOGISTIC SERVICE PROVIDERS:

### PARTIES CONCERNED

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Collaborating with different entities in the logistics chain inevitably leads to additional risks. In this respect it is important to properly assess the reliability of the various parties in order to avoid the risk of improper use of dual-use goods. This information sheet for logistics service providers focuses on the two most important parties for them, namely the contracting authority and the consignee and/or final consignee of the goods. Of course, such screening may also be carried out on other entities involved in the transaction. In order to better screen the different parties involved, this information sheet contains a list of 'red flags' that can be used for this purpose.

**Key words:** contracting authority - (end)consignee - red flags

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#### Contracting authority

The main source of information on which the risk analysis will be based is the data provided by the contracting authority. Obtaining this information in a timely manner obviously depends on the nature of the customer with whom cooperation is undertaken and his access to (reliable) information. Making a correct assessment of this reliability can help to reduce the risk of violations related to dual-use export control. In addition, it may also be useful, in the case of exports outside the EU, to have the contracting authority sign a declaration stating that the goods are or are not subject to authorisation pursuant to the dual-use Regulation 428/2009. In order to screen (new) contracting authorities, the following list of '**red flags**' questions can be used. A positive answer to one or more of the questions below may indicate an increased risk of diversion of the goods.

- Is the contracting authority a new customer and/or is the information provided incoherent and/or is there only limited or no information available about the customer on the internet?;
- Is the contracting authority a trader/distributor where there is a suspicion that he/she is insufficiently aware of the nature of the goods offered?;
- Is knowledge of the goods insufficient to be able to rely on the information provided?;
- Is the country of destination/final destination not yet known or unclear?;
- Does the contracting authority refuse to provide further information about entities or addresses that appear in the documents and are not linked to the specified destination?;
- Is the applicant unfamiliar with the goods and therefore has no or insufficient knowledge about the possible applications?;
- Are there any requirements set by the contracting authority that are not in conformity with the standard handling of goods with a specified goods code?;
- Does the contracting authority specifically ask not to use a certain goods code on the application?;
- Do you yourself have any doubts about the goods code provided by the contracting authority?;

- Is the contact information provided different from the company under which the application was made?;
- Does the contracting authority refuse to fill out and sign a dual-use declaration (see annex)?;
- Doesn't the specified address match the actual business location?;
- Does the contracting authority merely provide limited information, and does he behave in an evasive manner or does he clearly put speed above any other criterion?;
- Is the contracting authority a well-known producer of dual-use goods?;

### Consignee and/or final consignee

If you are not sure in advance about the entity to which the goods will be delivered and where it is located, it may be useful to request this information from the contracting authority. A good risk analysis stands or falls with the screening of the (final) consignee. The screening of the consignee and/or final consignee is obviously linked to the country of (final) destination, which increases the risk for countries subject to a European or international embargo or specific Flemish measures. After all, sanctions lists always contain a list of persons and entities with which trade is prohibited and restrictions may also be imposed on exports of certain products.

As for the contracting authority, a number of **'red flags' questions** that you can ask in order to properly assess the risk can be used here. A positive answer to one or more of the questions below may indicate an increased risk of the goods being rejected:

- Is it difficult to find information about the (end) consignee on the Internet?;
- Is the (end) consignee established in a country where international or European trade restrictions are in force?
- Is the (end) consignee mentioned in the sanction regulations for the country of (final) destination in question?
- Are the customer's business activities unclear?;
- Does the (end) consignee only have a P.O. Box address?
- Do the phone numbers, email addresses or other contact details on accompanying documents include country codes or references to countries other than the stated country of (final)destination?
- Is the (end) consignee linked to military or police entities?;
- Is the (end) consignee in a free trade zone outside the EU where it is known that the countries in this zone do not have an effective export control system?;
- Are the terms of payment or delivery unclear?;
- Is the (end) consignee a distributor and is it unclear who the end customers are?