Explanatory Statement

Issued by the Authority of the Minister for Trade

Export Market Development Grants Act 1997

Export Market Development Grants (Iran Sanctions) Declaration 2008

The Export Market Development Grants Act 1997 (the Act) establishes a scheme of assistance grants to encourage Australian exporters in the creation, development and expansion of export markets for Australian goods, services, intellectual property and know-how. Section 44 of the Act provides that the expenses of an applicant are excluded if they were incurred in respect of an eligible promotional activity related to trade with a country that the Minister declares, by legislative instrument, for the purposes of section 44, to be subject to trade sanctions.

The United Nations Security Council (UNSC), in Resolutions 1737 of 23 December 2006, 1747 of 24 March 2007 and 1803 of 3 March 2008, has imposed sanctions on the supply, sale or transfer directly or indirectly to, or for the use in or benefit of, Iran, of all items, materials, equipment, goods and technology which could contribute to Iran’s enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems.

In addition, paragraph 9 of Resolution 1803 (2008) calls upon Member States of the United Nations to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, in order to avoid such financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006).

In light of the imposition by the UNSC of trade sanctions on Iran, and the UNSC’s call for vigilance in relation to public provided financial support for trade with Iran, the Minister for Trade has declared, by this instrument, Iran to be subject to trade sanctions for the purposes of section 44 of the Act.

Public consultation was not undertaken under section 17 of the Legislative Instruments Act 2003 before the making of this instrument as the declaration by the Minister for Trade is concomitant to decisions that the UNSC has made under Chapter VII of the Charter of the United Nations and that Article 25 of the Charter requires Australia to carry out.