

Controlled Goods Program

Working Together to Keep Canada Safe



The Controlled Goods Program (CGP) is a Federal Government Program administered by the Department of Public Works and Government Services Canada and is legislated by the *Defence Production Act (DPA)* and the *Controlled Goods Regulations (CGR)*.

Focus of the Directorate

The Controlled Goods Directorate (CGD) administers the Controlled Goods Program, a domestic industrial security program that helps strengthen Canada's defence trade controls and prevents the proliferation of tactical and strategic assets including weapons, satellite global positioning systems and communications equipment, military equipment and related intellectual property. This is done by regulating and controlling the examination, possession, and transfer of controlled goods and controlled technology in Canada. Anyone who conducts business in Canada and examines, possesses and/or transfers controlled goods/technology in Canada must comply with the *Defence Production Act (DPA)* and the *Controlled Goods Regulations (CGR)*.

Definition of controlled goods

For the purpose of the Controlled Goods Program, controlled goods and technology are defined under schedule (s.35) of the *Defence Production Act* as belonging to Group 2, Item 5504 of Group 5 and Group 6 of the *Export Control List*, published by the Department of Foreign Affairs and International Trade Canada (DFAIT). Examples of controlled goods include automatic firearms, combat or other aircraft specially designed or modified for military use, tanks, missiles, global navigation satellite systems, ground control stations, nuclear weapon design, missile testing equipment and technology and propulsion components and equipment. Controlled technology is that which is for the development, production or use of a controlled good.

Reasons for Registering

Registration under the CGP is legally required for anyone who examines, possesses and/or transfers controlled goods/technology in Canada.

Legal Requirements

- Register
- Propose a Designated Official (DO)
- Develop and implement a security plan to protect goods and users
- Implement and maintain a record keeping system
- Provide training to employees, temporary workers, and visitors
- Report Security Breaches
- Notify the CGP of corporation changes (change of DO, ownership, address, contact information, etc.)

Inspections

The role of the Compliance Inspections Division (CID) is to conduct compliance inspections authorized under the DPA. The CID will assist anyone in meeting the requirements of the DPA and the CGR. Prior to an inspection, registered persons are strongly encouraged to visit the Controlled Goods Directorate Web site (<http://ssi-iss.tpsgc-pwgsc.gc.ca/dmc-cgd/>) to review the pre-inspection checklist which will help to prepare of an upcoming inspection.

Penalties

It is illegal to examine, possess or transfer controlled goods or controlled technology without being registered with the CGP unless you have been exempted or excluded from registration. The DPA provides for severe penalties ranging from \$25,000 to \$2,000,000 or imprisonment for a term not exceeding 10 years or both.

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