Panel on PMSC: Regulations and National Experience
Presentation by Paul Gibson Director SCEG on 1st December 2015

Introduction

Chairman thank you for your kind words of introduction. I would like to thank you, the delegates, for extending this invitation to me to address you this morning and explain to you how responsible companies within the United Kingdom private security sector are embracing standards and regulations to ensure that their operations are transparent and accountable, compliant with international and national legislation and critically with human rights at the heart of their business models.

The Security in Complex Environment Group or (SCEG) was formed for UK based private security companies working abroad often in dangerous, hostile and certainly complex environments. It was established to promote professional standards across the UK private security industry, sharing best practice and providing for rigorous third party accreditation against exacting standards.

Language.

The term ‘private military and security companies’ is not one we recognise in the UK. The companies that I represent do not conduct offensive military operations instead they provide a range of risk management and protective services for their clients which are essentially defensive in nature. Weapons are rarely fired and then only for self-protection of the individuals or their clients. The ‘Rules for use of Force’ are explicitly for self-defence. Companies will make significant investment into risk mitigation measures, including improving their situational awareness, with the aim of reducing friction and avoiding conflict.

SCEG as a Catalyst

The SCEG was formed in January 2011, when we had representatives from just 3 companies working with ADS, a reputable and well established trade organisation, to create a group that would define and introduce robust, widely recognized professional standards for the UK private security sector. We now have well over 60 members, and represent the vast majority of the UK industry delivering security in challenging environments on land and at sea.

In June 2011, just 6 months after we were formed, and following a competitive selection process, the UK Government appointed the SCEG as its partner for the development and accreditation of standards for the UK private security industry. This was a significant achievement and created a unique construct whereby an industry body was trusted by government to be both a responsible partner and an authoritative voice for the industry.

This decision was not taken lightly. Serious discussion on regulation had commenced in the 1990s and continued during the tumultuous events in Iraq and Afghanistan which saw an unprecedented use of private security companies. After lengthy and sustained engagement and consultations the British Government decided that the best way forward was to encourage industry to be the catalyst for standards and regulation whilst maintaining very close links with the process - in other words to encourage self regulation.
In autumn 2011, our remit was extended to include the maritime sector in response to the rise of armed counter-piracy operations to protect shipping in the face of the threat from Somali pirates.

**Standards, Regulation, and the International Code of Conduct**

The first step in regulating private security companies was the 2008 Montreux Document\(^1\) governing the role of states in their relations with private security service providers. The next step was the development of the International Code of Conduct for Private Security Service Providers (ICoC) which focuses on the industry, setting out commonly-agreed principles for companies to sign up to. UK industry contributed to both of these international agreements. Before joining, all SCEG applicants are required to have read and agree to abide by the principles of the Code.

The International Code of Conduct envisaged two further steps: the development of international standards with human rights at their heart, and the establishment of an independent mechanism to monitor and oversee compliance with the Code.

PSC-1 was developed as the first standard to translate the requirements of the Code into specific, auditable measures for land-based private security. The standard assesses that a company’s policies and procedures – and crucially the implementation of these on the ground – reflect key issues around human rights risks, including the impact of operations on stakeholders, rules on the use of force, and weapons movement, storage and use. It was endorsed by the UK Government in 2013 and UK companies are being independently audited and certified to PSC-1. PSC-1 became a full international standard in the summer of 2015. This standard is ISO 18788.

SCEG aims to provide confidence that its members operate to high professional and ethical standards and SCEG members are required to demonstrate that they are working to achieve certification to ISO 18788

**ICOC Association**

The establishment of the International Code of Conduct Association in September 2013 laid the foundations for the second requirement of the Code. SCEG members played a constructive and influential role in the development of the Articles of Association and SCEG holds observer status within the Association. The Association is the governance and accountability for the Code and aims not only to oversee its implementation but also to promote the responsible provision of security services and raise industry standards across the globe. As a multi-stakeholder initiative the Association is governed jointly by its three main stakeholder groups: governments, private security companies and civil society organisations, each of whom has equal representation on a 12-member Board of Directors.

The core functions of the Association are threefold: certification, monitoring and handling complaints. Under certification member companies will need to demonstrate that systems and policies meet the Code’s principles and the standards derived from the Code. Through

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\(^1\) "Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict".
established human rights methodologies the Association will monitor member company’s operations to ensure that these comply with the Code. Member companies will be expected to manage an accessible, fair and effective complaints process whereby persons who claim to be aggrieved by alleged violations of the Code can seek redress.

SCEG has been very supportive of the Association and will continue to remain fully engaged to encourage others to develop coherent transparent affordable standards and oversight mechanisms.

**Maritime Standard**

In recognition of the increasing threat of piracy in the Indian Ocean, discussions between the International Maritime Organisation and ISO began in earnest in January 2012 to decide how best to develop an international standard for armed security guards on ships in the High Risk Area. Four months later IMO’s Maritime Safety Committee approved MSC Circular 1443 - *Interim Guidance to Private Maritime Security Companies providing Privately Contracted Armed Security Personnel on board Ships in the High Risk Area*. It also concluded that ISO should develop an international standard to be known as ISO 28007 and for it to be completed as a matter of urgency. The publication of ISO 28007 in March 2015 meant that maritime security companies had a robust auditable standard. It is recognised by the UK government as an important contributor to the promotion of high professional standards amongst maritime security providers.

**What these Standards deliver**

Both these standards have common elements and have been uniquely tailored to the specifics of the industry – on land, offshore and at sea. Both require a core examination of the company and particularly its compliance with all aspects of international law including human rights law and international humanitarian law.

Companies seeking accredited certification against these standards have to demonstrate that the recruiting, vetting and training of their personnel is compliant and that their responsibilities for duty of care are fully discharged including the provision of medial assessments and treatment. Critically companies are required to demonstrate that they have the appropriate licenses for the procurement and export of weapons and the requisite licenses for the carriage of weapons are fully compliant with local, national and international law. The training of individuals on the use and maintenance of weapons is thoroughly examined. Individuals are required to demonstrate that they have a comprehensive knowledge and understating of the rules for the use of force which are used in self-defence.

In order to comply with these exacting standard companies have established fully accountable and transparent management structures. Respect for human rights is an integral part of the business not only as regards the use of force but also the human rights impact the company may have on the local community.

**Third Party Audits and Accredited Certification**

The key to the success of these standards has been the identification of independent 3rd party accreditors who ensure that companies claiming to comply with the standard do so fully and in a properly auditable fashion. The United Kingdom Accreditation Service has accredited 4
certification bodies and they conduct rigorous third party audits of companies to certify them against PSC1 and ISO 28007.

As part of their audits the certification bodies will assess how well the company’s human right impact assessments have been incorporated into their management processes. The audits will also examine the legal framework in which the companies are operating including examination of the licenses issued by the host nations.

These auditors visit head offices, regional offices, hubs and outlying places where private security companies operate. The auditors put on their flak jackets, helmets and life jackets and examine what is happening on the ground. Their investigations include how the company cascades down its obligations to its sub-contractors. They check that ‘third country’ and local nationals understand all the core policies, operational directives and processes. Auditors talk to clients and to civil society and human right organisations. The auditors have been trained by human rights experts and often deploy with them. These audits are conducted every 6 months or sooner if required.

Other Legislation

Private Security Companies like those in other more mature sectors have accredited certification for a range of management standards and they are of course fully compliant with the law and take for example the legal requirements of the UK Bribery Act, the UK Counter Terrorism and Security Act and the Modern Slavery Act very seriously indeed.

Underpinning the International Standards

In support of these international standards SCEG has undertaken additional work across a spectrum of activity to support these standards and improve compliance.

Within the UK for those seeking employment in the industry as armed security personnel we have established an enhanced vetting process using a highly credible and respected national body the Disclosure and Barring Service.

City and Guilds supported by SCEG members has developed a Maritime Security Operative Qualification which encapsulates all the core competencies required by ISO 28007 so that clients can have confidence that the armed security personnel are properly trained.

The UK government has put in place a rigorous and responsive license regime so that the export, control and disposal of weapons being used by private security companies is subject to exacting standards and scrutiny.

Clients

Private Security companies seek to manage risk thorough a culture of risk assessment and prevention. The industry does this on behalf of clients across a broad spectrum from Governments, International organisations such as NATO and UN, NGOs and major multinational companies in the extractive industries.

It is key that clients, both state and private sector recognise the importance of standards in the private security sector. It is their recognition of the relevance of standards to local
communities, the global security environment and to their own exposure to risk that will ensure that security companies investing in quality are not disadvantaged commercially.

**Evolution of the Industry**

The security landscape is changing and those changes are radical and are having a dynamic impact on the private security sector. Western defence spending is declining without a commensurate decline in political ambition. A strategic deficit is being created which will increase the trend to outsource contracts to the private sector in areas that until recently were considered to be the sole jurisdiction of the military. SCEG companies are already involved in capacity building and a wide range of risk consultancy activity. This trend will continue.

The security companies that I represent within SCEG have a high sense of corporate responsibility and are committed to best practice in governance and accountability. They operate transparently and are leading the way in the implementation of human right issues into their core business models.

Thank you