

Industry Outreach

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Ministry of Economy, Trade and Industry (METI)
Japan

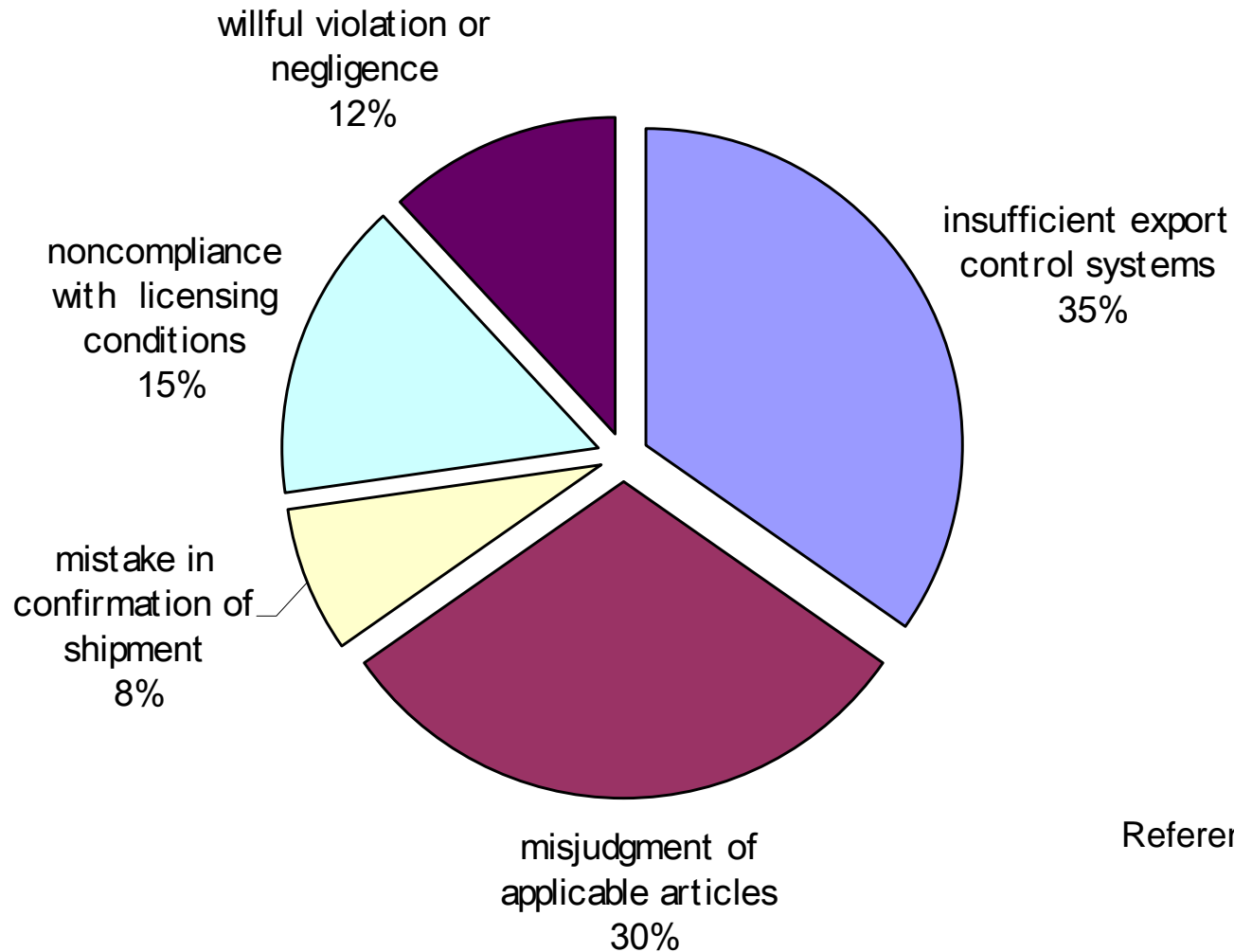
Outline

- Need for Industry Outreach
 - Types of Unintentional Illegal Exports
- Steps for Industry Outreach
 - Awareness Raising
 - Supporting Establishment/Implementation of Internal Compliance Program
- Recent Trend

Need for Industry Outreach

- Legal framework, adequate licensing, stringent enforcement are all essential for effective export controls
- Exporters' observance to the export control system is also essential, while more compliance is needed for some exporters
- There is a room for the government to support and cooperate with industry to enhance export control systems as a whole

Types of Illegal Exports in Japan (1998-2004)



Most violations are unintentional

Types of Unintentional Illegal Exports

(1) Insufficient export control systems

- Lack of knowledge on export control related laws
- Inappropriate judgment of goods or technology
 - Lack of information on annual revision of law
 - Lack of multi-checking procedures
 - Excessive entrustment to manufacturers

Types of Unintentional Illegal Exports

(2) Misjudgment of applicable articles

- Lack of knowledge on services controlled under laws and regulations
- Misinterpretation on conditions for exception such as small amount rule or exception to accessories
- Misjudgment of specifications for goods
- Misinterpretation of laws and regulations to be applied

Types of Unintentional Illegal Exports

(3) Noncompliance with licensing conditions

- Misunderstanding the scope of licensed goods
- Misunderstanding the scope of destination
- Misunderstanding expiration
- Disobedience of conditions such as reshipment

(4) Mistake in confirmation of shipment

- Disagreement between the licensed goods and the goods to be actually shipped

Steps for Industry Outreach

1. Awareness Raising

2. Supporting Companies to Establish/Implement
Internal Control Program

Awareness Raising

1. Distributing Pamphlets

- brief outline of export controls
- 140,000 already distributed



Awareness Raising

2. Internet Website

- Information on legislation, application procedures, among others

The screenshot shows the website for Trade Security Management (安全保障貿易管理) in Japan. The page is displayed in a Microsoft Internet Explorer browser window. The main content area is titled "安全保障貿易管理" and includes a navigation menu with links such as "貿易管理とは", "キャッチオール規制", "企業の自主管理", "Q & A・用語集", and "サイトマップ". The main content area is divided into several sections, including "新着・更新情報" (New/Updated Information) with a date of April 8, 2015, and "TOPICS" (Topics) with various links related to trade security regulations and application procedures. The sidebar on the left contains links to "リスト規制 該非判定の流れ" (List Regulation: Flow of Determination) and "キャッチオール規制" (Catch-all Regulation). The sidebar on the right contains links to "申請書・添付書類" (Application Forms and Attachments) and "関係法令集" (Related Laws and Regulations).

Awareness Raising

3. Seminars

- Mainly for companies in local areas
- Held 47 times for 3,500 companies (Japan in FY2004)

4. Telephone Consultation

- Around 100 consultation per month (Japan)

Support to Establish /Implement Internal Compliance Program

1. Elements of ICP

1. Basic Policies

2. Organization

3. Procedures

4. Shipment Confirmation

5. Audit

6. Training

7. Record keeping

8. Guidance for Subsidiaries

9. Violations and Reporting

Support to Establish /Implement Internal Compliance Program

2. Advantage of Establishing ICP

- 1.Minimize the burden of the company
- 2.Effective not only for exports of goods but also for intangible transfer e.g. e-mail , fax , people's knowledge
- 3.Facilitation of communication between authority and industry

Supporting Companies to Establish /Implement Internal Compliance Program

3. Measures to be taken

(1) Support to Establish ICP

- Pamphlets
- Model internal compliance program for reference

(2) Support to Implement ICP

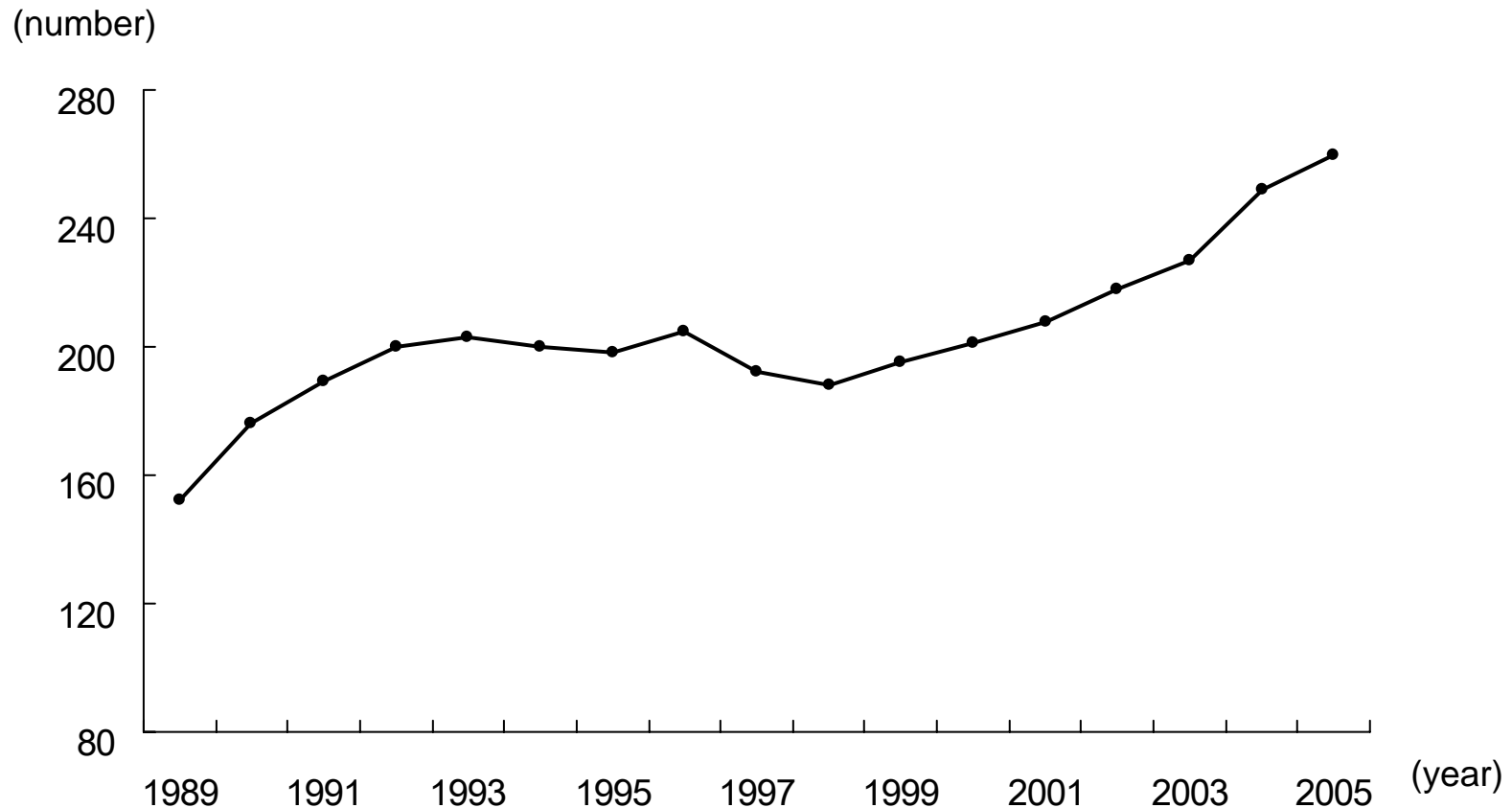
- Visit and advise companies
- Declaration from companies
- Carrying names of companies with ICP on website

NPO as a bridge between government and industry

Center for Information on Security Export Control (CISTEC)

- Research and Analysis
- Supporting Industry
 1. Various guidance and consultation
 2. Publication
- International cooperation with other institute

Number of Associated Members of CISTEC



- Most of the top 50 companies covering two thirds of exports in Japan are included
- They have own compliance program

Recent Trend

- There is a concern of sophisticated procurement such as circumvention and international illegal network.
- Exporting companies might be unintentionally involved in illegal export.
- Outreach to Small & medium enterprises and academy is also important
- The need for industry cooperation is higher than ever

Summary and Comments

- Stringent export control system in government authority and cooperation from industry are both essential
- Communication by both sides and establishing ICP is an essential step
- Survey results shows the need for cooperation for effective industry outreach in a region