

The Report of the Survey on Current Practices
Related to
“APEC Key Elements for Effective Export Control
Systems”

2 NOV,2005

Economy: JAPAN

Outline

1. Background and Purpose
2. Methodology
3. Average Points
4. Trend in Each Answer
5. Open-ended Questions
6. Analysis and Comments
7. Conclusion

1. Background and Purpose

1. Commitments toward effective export controls in Bangkok Declaration (2003)
2. Identification of key elements for effective export control systems by Ministerial Statement in Santiago (2004)
3. Concrete step for effective export controls are required this year
4. The survey aims to provides a step for cooperation by analyzing capacity-building need regarding key elements

2. Methodology

- A. Average point system
- B. Trends in each answer
- C. Open-ended questions

3. Average Points

“Legal and Regulatory Framework”

	All Economies	Regime Member Economies	Regime non-member Economies
Controls on arms brokering and other intermediary activities.	2.6	2.3	3.0
Controls on transfers of unlisted items, services, and technologies of potential concern, if the transfers are intended for programs involved in weapons of mass destruction, their delivery systems, or conventional weapons ("catch-all" controls).	3.3	3.7	2.8

3.Average Points

“Legal and Regulatory Framework” (Cont’d)

	All Economies	Regime Member Economies	Regime non-member Economies
Comprehensive export control laws and regulations that control transfers of items, technology, and related services.	4.2	4.7	3.7
Laws and regulations that control technology in both tangible (blueprints, for example) and intangible (e-mails and verbal communications, for example) forms.	3.8	4.3	3.2
Legal authorities that permit denial of licenses without excessive threat of appeal or demand for compensation by trade companies.	4.1	4.7	3.5
Controls on foreign-origin items re-exported from an economy	4.3	5.0	3.7

3. Average Points

“Licensing Procedures and Practices”

	All Economies	Regime Member Economies	Regime non-member Economies
Procedures, databases, and watch lists for evaluating parties involved in transfers, paying particular attention to those considered to be suspicious, unreliable, or presenting a high risk of diversion.	3.8	4.7	2.8
Procedures to confirm, as appropriate, that licensed items have reached their stated end-users and are being used for their stated end-use.	4.0	4.3	3.7

3. Average Points

“Enforcement, Investigation, and Prosecution”

	All Economies	Regime Member Economies	Regime non-member Economies
Legal authorities to permit routine, advance review of detailed manifest data to analyze for suspicious transfers.	3.5	5.0	2.0
Procedures to apply risk management and targeting strategies, using trade information and intelligence, to detect suspect transfers and to minimize impediments to legitimate trade.	4.5	5.0	4.0
Effective cooperation among policy officials, enforcement agencies, licensing officials, technical experts, and intelligence agencies to establish whether specific transfers involve items or transactions that are controlled or are contrary to member economies' interests.	4.5	5.0	4.0

3.Average Points

“Industry Outreach”

	All Economie s	Regime Member Economie s	Regime non- member Economies
Effective outreach to raise the awareness of companies and commercial individuals, universities, and centers of research and development -- including conventions and trade shows -- about their responsibilities under the economy’s export control system	3.9	5.0	2.6
Strong relationships with industry to identify suspect sales and deliveries.	4.1	5.0	3.0
Efforts to encourage industry to develop internal compliance practices that incorporate checks on end-users and end-uses of concern.	3.0	4.3	1.4

4. Trends in Each Answer

Elements with multiple “c”

- “Comprehensive export control laws and regulations” (two)
- “Controls on transit and transshipment” (two)
- “Foreign-origin re-exported items” (two)
- **“Controls on arms brokering and other intermediary activities” (five)**
- “Procedures, databases, and watch lists about suspicious end-user” (two)
- “Procedures to confirm between customs and export licensing authorities that an item being exported is subject to a control list and appropriately licensed, such as quick and transparent reference between shipping documentation, control lists and export licenses” (two)
- “Procedures to confirm stated end-users and end-uses afterwards” (two)
- **“Effective outreach to raise the awareness” (three)**
- “Strong relationships with industry” (two)
- **“Efforts to encourage industry to develop internal compliance practices” (four)**

4. Trends in Each Answer

Elements with Fewer “a” and more “b”

- “Controls on arms brokering”
(three a’s and three b’s)
- “Catch-all controls”
(four a’s and five b’s)
- “Efforts to encourage industry to develop internal compliance practices”
(four a’s and three b’s)

4. Trends in Each Answer

“d” answered elements

- “Controls on tangible and intangible technology transfer” (one)
- “Catch-all controls” (one)
- “Legal authorities that permit denial of licenses without excessive threat of appeal or demand for compensation by trade companies” (one)
- “Provisions that protect the confidentiality of commercial information, while permitting information-sharing with other governments to enhance international efforts against proliferation” (one)
- “Procedures, databases, and watch lists about suspicious end-user” (one)
- “Permitting advance review of detailed manifest data” (two)

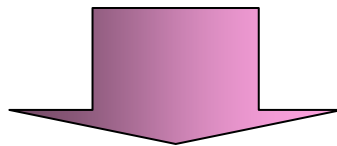
5. Open-ended Questions

- (1) Technical assistance for programs related to WMD non-proliferation
- (2) Technical assistance and training programs to detect illegal transfers that violate export control laws
- (3) Training and resources necessary to investigate and prosecute
- (4) Commodity identification
- (5) Developing HS concordance list with multilateral regimes' control lists

6. Analysis & Comments

Following elements with multiple “c” answer indicates needs for capacity-building, while experience and knowledge are accumulated in a region

- "comprehensive legal and regulatory framework"
- "controls on transit and transshipment"
- "procedure to confirm stated end-users and end-uses afterwards."

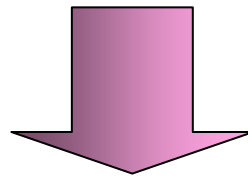


Information sharing and seminars would be useful

6. Analysis & Comments

Following elements with fewer “a” answer and more “b” answer indicates less accumulation of experience and knowledge in a region

- "controls on arms brokering "
- "catch-all controls"



Study groups, workshop by experts will be useful for accumulation of knowledge and implementation

6. Analysis & Comments

- Elements in Industry Outreach shows low points in general
- This indicates that some economies are in the process of upgrading other elements and have not worked on this section.
- However, cooperation with industry is essential for effective export controls

Seminars for awareness raising and supporting internal compliance in industry is required

7. Conclusion

Trends in capacity-building needs are identified in general APEC economies should applaud unilateral, bilateral, and multilateral capacity building efforts and supports for following purposes

1. Keep the momentum of the Bangkok Declaration
2. Contribute to the APEC goals through establishing infrastructure for free and open trade
3. Support other international institutions and regimes efforts