

Asia Export Controls: Updates, Issues, and Prospects

20th Asia Export Control Seminar
February 26-28, 2013
Tokyo, Japan

Presentation Topics*

- **Recent Developments In Asia Export Controls**
- **Issues For Consideration In Asia Export Controls**
- **Regional Examples (And Resources)**
- **Summary Observations**
- **Conclusion and Q+A**

** This presentation is for informational purposes only, and does not reflect the views or opinions of any government or organization*

Recent Developments In Asia Export Controls (1)

- **Asia-Pacific**

- Australia: incorporates comprehensive brokering controls into system
- Malaysia: commences Customs verification of export permits
- Philippines: working on strategic trade control bill
- Singapore: announces Advance Export Declaration (AED), to become effective April 1, 2013
- Taiwan: issues new internal compliance program (ICP) guidance and implications

Recent Developments In Asia Export Controls (2)

- **Eurasia**
 - Azerbaijan: introduces new *Icazeler* electronic permit system and new Customs Code with strengthened strategic trade enforcement provisions
 - Kazakhstan: publishes draft resolution on end-user certificates and verification
 - Russia: institutes more rigorous ICP auditing and certification procedures, and government outreach obligations
- **Southwest Asia**
 - Several countries working to introduce or enhance strategic trade control legislation

Asia-Pacific Export Control Landscape

- **10 countries and areas in Asia-Pacific (out of 24)* currently have dual-use export control systems; of those:**
 - All with some form of controls on transits and/or transshipments (most with exceptions and/or end-use-based)
 - 7 with controls on intangible transfers of technology (ITT) (at least 3 with some form of “deemed” export control)
 - 6 with controls on brokering dual-use items (3 end-use-based only)
 - 4 with special destination/diversion-risk control list-based licensing

** Using one of several definitions of who and how many constitute “Asia-Pacific”*

Issues For Consideration In Asia Export Controls

- **Differences in inter-regional export control systems and approaches and their potential impact on regional trade**
- **Multi-lateral export control regime adherence**
- **“Silk Road” and similar regional connectivity initiatives and their implications**
- **Extent of regional cooperation and coordination in the area of strategic trade enforcement**

Issues For Consideration In Asia-Pacific Export Controls

- **Countries/areas at different stages of export control development**
- **Countries/areas with different control lists and item coding systems**
- **Implementation of “full-scope” export controls in the areas of brokering, transit/transshipment, and ITT control**
- **Export controls and free trade/special economic zones**
- **Incorporation of export controls into regional/sub-regional “Single Window” systems**

Asia-Pacific Examples (And Resources) (1)

- Korea, Ministry of Knowledge Economy (MKE) “Catch-All” List

The screenshot shows the 'Strategic Trade Information System' website. The header includes navigation links: Introduction, Policy & Regulations, Classification & Licensing, and Notices & In. The main content area is titled 'Regulations' and 'Policy & Regulations'. It features a 'Catch-all License Items' section with a description of items subject to a catch-all license. Below this is a table with 7 items, each with a number, item name, and specification. A 'File Download' button is visible on the right side of the table.

Strategic Trade Information System
Provides information on export control of materials to exporting companies in Korea

Regulations Policy & Regulations

Home > Policy & Regulations > Reg

Catch-all License Items

Items subject to a catch-all license as defined by Clause 13, Paragraph 3, Article 19 of the Foreign Trade Act; and the 14, Paragraph 1, Article 39 of the Public Notice on Trade of Strategic Items and Technologies No. 2007-161 (2007.1) are as follows.

File Download

No.	Items	Specification
1	Vacuum freeze dryer	- Dryer capable of vacuum freezing
2	Forming machine	- Hydro-forming machine - Isostatic press
3	(Computer) Numerical controller	- Positioning accuracy with equal to or less than 15μm or less according to ISO 230/2 (1988) or national equivalents along any linear axis
4	Machining center	- No consideration
5	Flow/Spin forming machine	- No consideration
6	Measuring instrument	- Dimension/displacement measuring instrument - Surface tester - Vibration sensor & analyzer - Balancing machine
7	Stainless steel plate	- Plate that contains nickel and nickel compounds with a minimum width of 600mm and a thickness greater than 10mm

Source: Korea MKE “Yestrade” website, http://www.yestrade.go.kr/portl/html/eng/sub02/s02_4.jsp

Asia-Pacific Examples (And Resources) (2)

- **Taiwan's Bureau of Foreign Trade (BOFT) “Red Flags”**

1. Overseas traders who are named on the international export control list or those named specifically by the competent authorities.
2. Overseas traders or agents who are not willing to provide the end-use or end-users of the commodities, or traders with virtually no business background.
3. Product functions and specifications are not consistent with business demands of overseas traders or technological standards of the importing countries.
4. Selling prices, trade terms or payments that are not consistent with international trade norms.
5. Overseas traders who are not familiar with product functions, but insist on buying the said commodities, or overseas traders who refuse routine installation, training or follow-up maintenance services.
6. Without justification the dates of transportation and destination are uncertain, the end-consignee for the forwarder or the consignee and place have been suddenly changed.
7. Without justification the packing methods, shipping routes or labels of commodities are suspicious.

Source: Taiwan BOFT website,

http://www.trade.gov.tw/App_Ashx/File.ashx?FilePath=../Files/PageFile/298_333455/Provision+governing+types+of+SHTC%2c+specific+SHTC+and+exportation+to+restricted+regions.doc

Asia-Pacific Examples (And Resources) (3)

- Thailand Department of Foreign Trade (DFT) “Dual-Use Goods” website

**Export Control
dft for Dual-Use Goods**

HOME KNOWLEDGE FAQs SEMINAR RELATED LINKS CONTACT US

**ระบบฐานข้อมูล
สินค้าที่ใช้ประโยชน์ได้สองทาง**
ซึ่งอ้างอิงจาก EU List สัมพันธ์กับรหัสผลิตภัณฑ์ตามบัญชีศุลกากร (HS Code)

Dual-Use Data ML Data

Keyword :	Nuclear
HS CODE : (4, 6, 8 or 10 letters)	840110
CAS Number (Chemical Only) :	111-48-8
Dual-Use CODE : (5 or 6 letters)	QA001a

☒ Search by ten categories on the EU List. (First character)

- ☒ Category 0 : Nuclear Materials, Facilities, and Equipment
- ☒ Category 1 : Special Materials and related Equipment
- ☒ Category 2 : Materials Processing
- ☒ Category 3 : Electronics
- ☒ Category 4 : Computers
- ☒ Category 5 : Telecommunications and "Information Security"
- ☒ Category 6 : Sensors and Lasers
- ☒ Category 7 : Navigation and Avionics

Source: Thailand DFT website, <http://www.dft.go.th/Default.aspx?tabid=75>

Asia-Pacific Examples (And Resources) (4)

- China Ministry of Commerce (MOFCOM) Regional Export Control Officer Contact Information

 中华人民共和国出口管制 中华人民共和国商务部机电和科技产业司							
首页 新闻动态 法律法规 文件规定 管制清单 管理目录 办理指南 知识之窗 相关链接							
当前位置: 首页 > 相关链接							
全国省级商务主管部门（敏感物项和技术出口）联系方式（2012年3月更新） 2012-02-20 14:49 文章来源: 产业司 文章类型: 原创 内容分类: 新闻							
序号	机构名称	姓名	职务	办公电话	传真	通讯地址	邮编
1	北京市商务委员会 机电进出口处 (010)	白岩京	处长	85163037		北京市东城区 朝内大街190号	100010
		张永祥	主任科员	65257159	65252258		
		林兵	处长	58665736			
2	天津市商务委员会 机电和科技产业处 (022)	邹丽	副处长	58665738		天津市和平区 大沽北路158号	300040
		石智强	副调研员	58665765	58665751		

Source: China MOFCOM website,
<http://exportcontrol.mofcom.gov.cn/article/b/201105/20110507557000.shtml>

Asia-Pacific Examples (And Resources) (5)

- Vietnam Chamber of Commerce and Industry (VCCI), Strategic Trade Control Compliance Workshop

The screenshot shows the VCCI website for the Da Nang branch. The header features the VCCI logo and the text 'Cổng thông tin KINH DOANH MIỀN TRUNG VIETNAM CENTRAL BUSINESS'. A navigation bar includes links for HOME, VCCI Da Nang, News & Events, Business Central, Enterprise, Membership, and Training Workshop. The main content area is titled 'THE TRAINING COURSE' and describes a business management seminar for Vietnam, organized by the U.S. Embassy and VCCI. It includes the title 'Management strategies for commercial enterprises in Vietnam' and the time 'Starting at 9:00 AM - 17:00 PM on 29/11/2012'. A 'CONFERENCE PROGRAM' section lists the schedule from 09h00 to 12h00, including opening messages, lessons on strategic trade control, internal compliance, and controlled activities, and a coffee break. The right sidebar features a Google search bar, a congratulatory banner for the Da Nang branch, and a 'SUPPORT UNITS' section listing the Da Nang and Da Nang District People's Committees.

VCCI
CHI NHÁNH ĐÀ NẴNG

Cổng thông tin KINH DOANH MIỀN TRUNG
VIETNAM CENTRAL BUSINESS

HOME | VCCI Da Nang | News & Events | Business Central | Enterprise | Membership | Training Workshop

THE TRAINING COURSE

Business management business strategy for Vietnam

In the framework of the program and support business cooperation between the U.S. Embassy and the Vietnam Chamber of Commerce and Industry (VCCI), export control program and border security (EXBS) of the Ministry of Foreign Affairs United States will hold the seminar:

"Management strategies for commercial enterprises in Vietnam"

- Time : Starting at 9:00 AM - 17:00 PM on 29/11/2012

CONFERENCE PROGRAM

09h00 - 09h30: Opening and administrative messages

09h30 - 10h30: **Part 1**

Lesson 1: "Why strategic trade control and the importance of collaboration between government and businesses in strategic trade control" (20 minutes)

Lesson 2: The basic elements of the internal compliance program ICP (20 minutes)

Q & A (20 minutes)

10h30 - 10h45: Coffee break in the morning

10h45 - 12h00: **Part 2**

Lesson 3: "controlled activities" (15 minutes)

Lesson 4: Jurisdiction with activities - Export, transit, transshipment, re-export, import, trade services (15 minutes)

Lesson 5: Building the ICP program (30 minutes)

SUPPORT UNITS

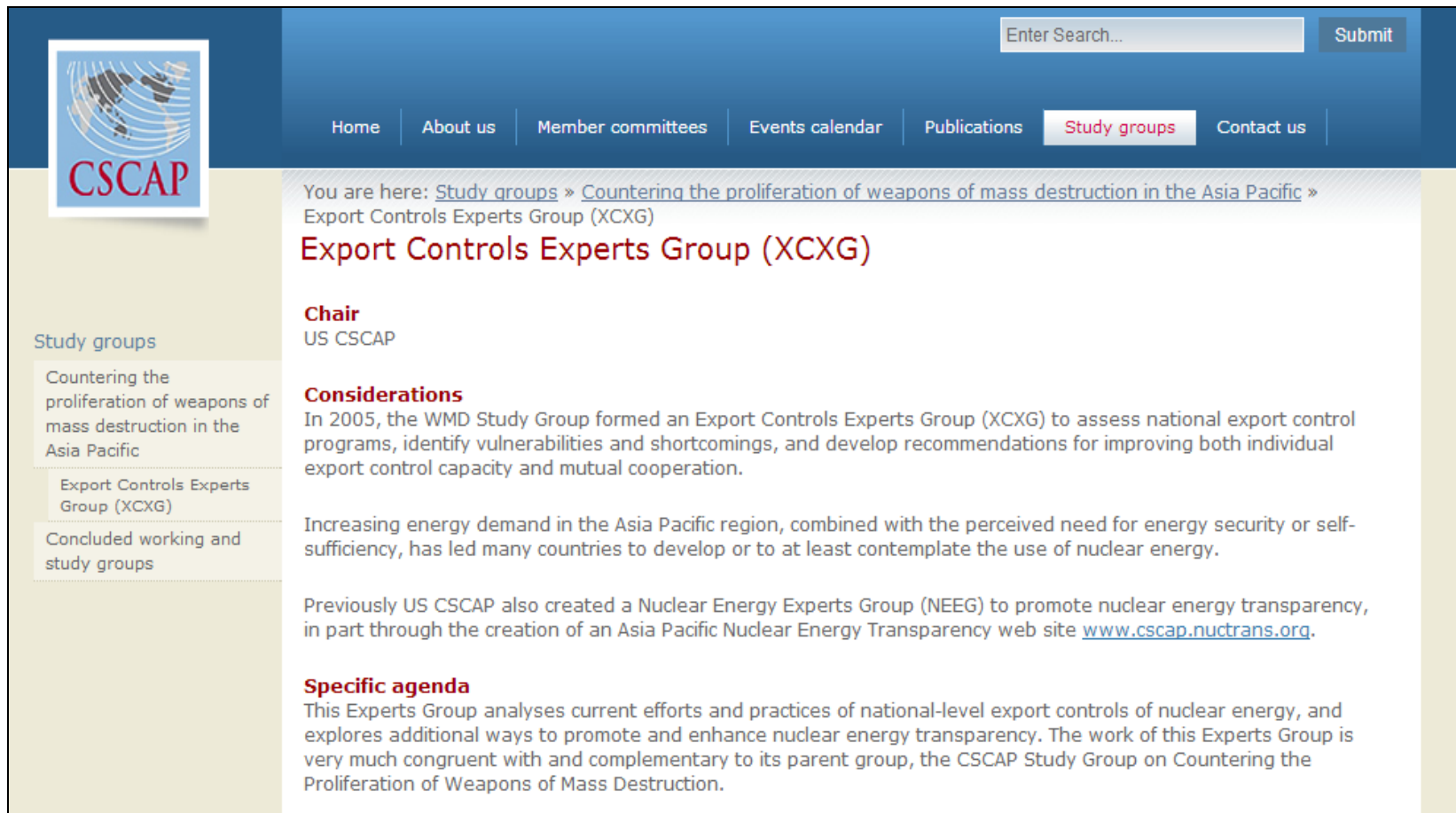
ỦY BAN NHÂN DÂN
TỈNH BÌNH ĐỊNH

ỦY BAN NHÂN DÂN
TỈNH ĐẮK NÔNG

Source: VCCI website, <http://www.vccidanang.com.vn/63-51-1105/Quan-ly-thuong-mai-chien-luoc-cho-doanh-.aspx>

Asia-Pacific Examples (And Resources) (6)

- **CSCAP Export Controls Experts Group (XCXG)**



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Export Controls Experts Group (XCXG)

Chair
US CSCAP

Considerations
In 2005, the WMD Study Group formed an Export Controls Experts Group (XCXG) to assess national export control programs, identify vulnerabilities and shortcomings, and develop recommendations for improving both individual export control capacity and mutual cooperation.

Increasing energy demand in the Asia Pacific region, combined with the perceived need for energy security or self-sufficiency, has led many countries to develop or to at least contemplate the use of nuclear energy.

Previously US CSCAP also created a Nuclear Energy Experts Group (NEEG) to promote nuclear energy transparency, in part through the creation of an Asia Pacific Nuclear Energy Transparency web site www.cscap.nucltrans.org.

Specific agenda
This Experts Group analyses current efforts and practices of national-level export controls of nuclear energy, and explores additional ways to promote and enhance nuclear energy transparency. The work of this Experts Group is very much congruent with and complementary to its parent group, the CSCAP Study Group on Countering the Proliferation of Weapons of Mass Destruction.

Study groups

- Countering the proliferation of weapons of mass destruction in the Asia Pacific
- Export Controls Experts Group (XCXG)
- Concluded working and study groups

Source: CSCAP website, <http://www.cscap.org/index.php?page=export-controls-experts-group-xcxg>

Summary Observations

- **Several important developments and signs of continued progress in Asia (and Asia-Pacific) export controls**
- **Until more countries institute some form of export controls, export control “inequality gap” in the region may continue to widen, as may its implications**
- **Among countries and areas with export control systems, even greater intra- and inter-regional parity in terms of control lists and types worth considering**
- **Many solid examples of “best practices” in the region that could serve as models (or even resources) for others**
- **Maximizing existing regional/sub-regional institutions and strengthening (or creating) new ones → from ASEAN to the CSCAP XCXG to formal expert networks**

Conclusion And Q+A

- *Thank you for your time and attention!*

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