



Outreach to Industry in Japan

“Workshop on Strategic Trade Controls ”

Taipei, Taiwan

August 27-29, 2013

By

Pacific Forum CSIS

Institute of the International Relations, National Chengchi University

CISTEC

Hisashi RIKO

CISTEC: The Center for Information on Security Trade Control

Copyright CISTEC(C) 2013

All Rights Reserved



Contents

1. Government outreach to industry
2. Non-government outreach to industry
3. Proactive industry effort

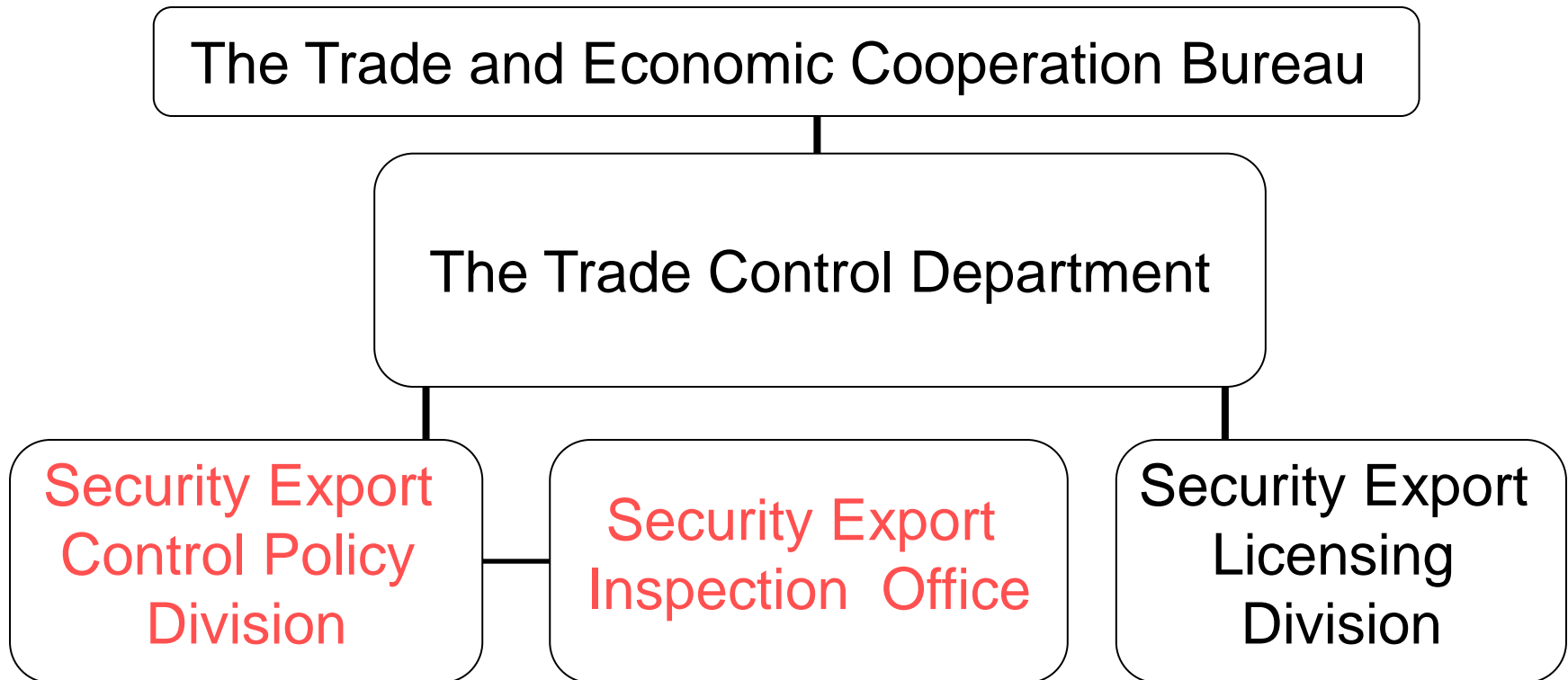


1. Government outreach to industry

Government holds outreach seminars to Industry **in Japan** and also **outside Japan**

- 1) Export Control Seminar
- 2) Seminar on Legal revisions
- 3) Asian Export Control (EC) Seminar
- 4) Joint Industry Outreach Seminar outside Japan

METI



Copyright CISTEC(C) 2013

All Rights Reserved

Copyright CISTEC(C) 2012 All rights reserved.

METI

■ Security Export Control Policy Division

Manages export control regulations

Joins discussions in export control related regimes

Organizes **International outreach** activities (meetings, seminars)

■ Security Export Inspection Office

Makes inspections of exporters

Domestic **outreach** activities

1) Export Control Seminar

Where: Tokyo, Osaka, Nagoya, other 20
major local cities

Who: METI (Ministry of Economy, trade and Industry) with assistance of JETRO, Chamber of Commerce, JMC, CISTEC

How many: **28Times** in F.Y.2013

What: Importance of Export Control (EC),
Recent Trend and Topics on Int'l EC Regime, EC in Japan, Penalty, Enforcement etc.
Establishment of Internal Compliance Program (ICP)

2) Seminar on Legal Revision

Where: Tokyo, Osaka, Nagoya

Who: METI, JMC, CISTEC

How many: Once a year (**When major revisions take place**)

What: Explanation on revisions of related laws and regulations

3) Joint Industry Outreach Seminar

Where: **Asian neighbors**

F.Y.2013: Taiwan, Philippine

F.Y.2012: Thailand, Vietnam, Indonesia

F.Y.2011: HongKong, Taiwan, Malaysia, Philippine

Who: METI, Local Government,
local/Japanese Industry, CISTEC,

What: Importance of Export Control (EC),
Recent Trend and Topics on Int'l EC Regime,
EC in local Country/Japan, Penalty, Enforcement
etc.

Establishment of Internal Compliance Program
(ICP)

4) Asian Export Control Seminar

Where: Tokyo

Who: METI, MOFA, CISTEC

How many: Once a year, since 1993

Whom: Asian neighbors

What: the latest EC related issues,
Networking of participants

Participants in 2012: 15 Countries from Asia,

10 Supporting countries,

11 Supporting Org. (UN, WCO, ASEAN, etc.)

4 Regimes (WA, NSG, AG, MTCR)

Copyright CISTEC(C) 2013

All Rights Reserved



Other ways than Seminars

In addition to seminars, Government provides other tools to industry,

Homepage exclusively for EC

EC Handbook

EC Leaflet

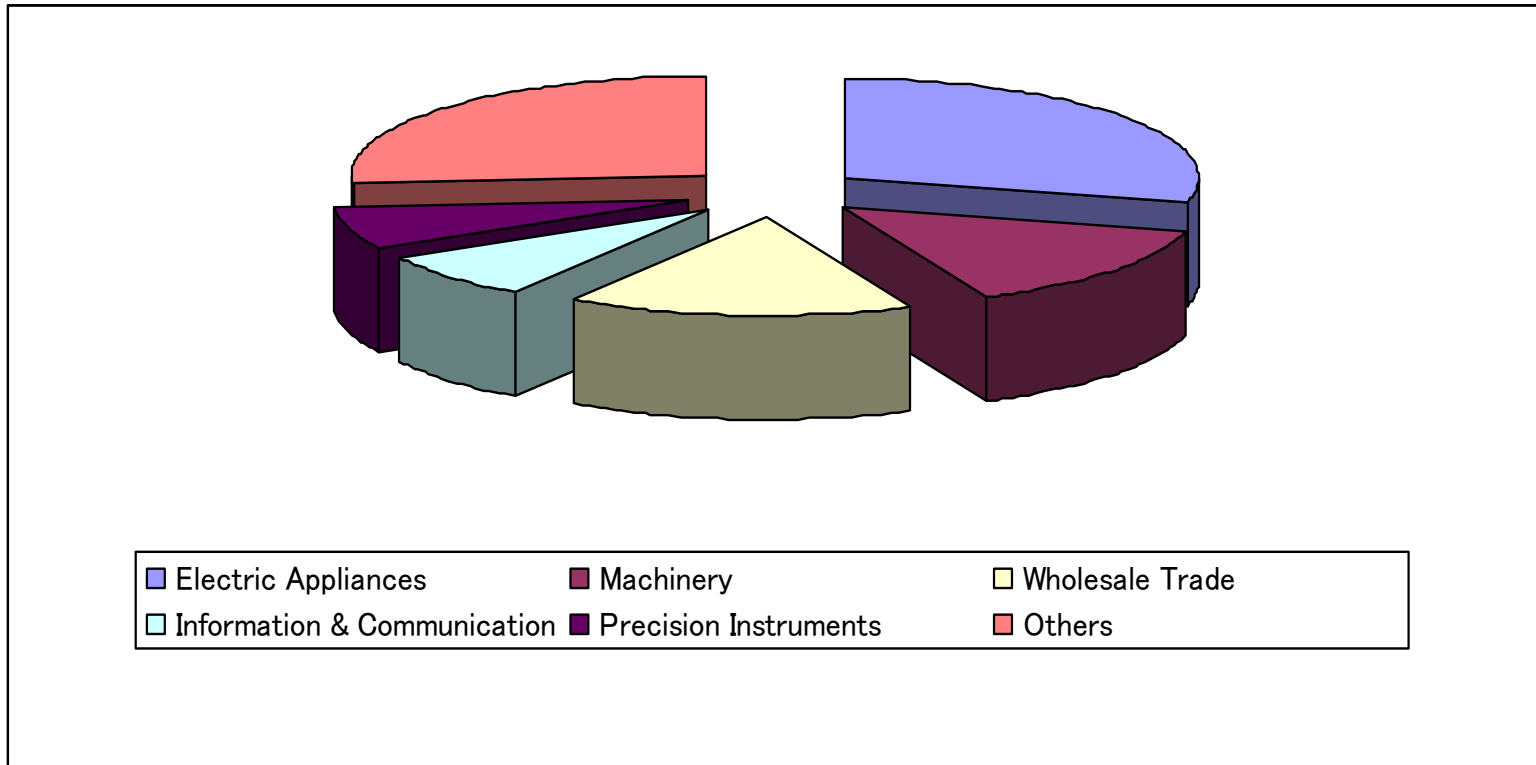
2. Non Government outreach to Industry

- CISTEC
- JMC, JFTC, Chamber of Commerce
- KEIDANREN
- US Gov., Law Firms, Consulting Firms

CISTEC

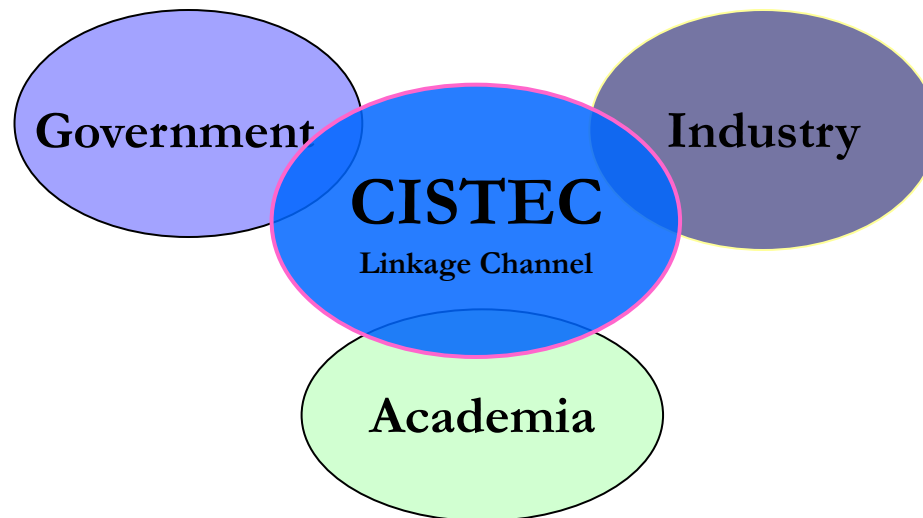
- Founded in April 1989
- non-profit, **non-governmental** organization dealing with security export control issues comprehensively.
- Associated members: 404
- Associated University members:24

Members' Proportion by sector



NOTE : The Sectors are as Specified by the Securities Identification Code Committee (SICC), and the Sectors in “Others” include Transportation Equipment, Chemicals, Services, Glass & Ceramics etc. (NOTE)

LINKAGE CHANNEL among Industry, Government and Academia



Functions of CISTEC

- Support through Individual Consultation for Companies
- Assist Internal Control Program (ICP)
- Provide Export Control Resources (Parameter Sheets, Guides, etc.)
- Offer Training Seminars for Businesses
- Dispatch of Instructors
- Assist commodity/technology classification
- Hold Exams for Security Trade Certification
- Publication of Certain Items after Company's Self-Classification
- Research and Representation of Opinions from Businesses on Security Export Control
- Transmits Opinions from Businesses and Recommendations to the Government
- Collect and Analysis of Fundamental Data on Goods and Technologies
- Study and Research for Domestic and International Export Control Regulations
- Research for Methods and Resources which Can Be Useful for Export Controls
- Provision of information on security export control
- Provision of Information regarding Current Security and End-Users
- Journals and other publications
- International cooperation on security export control
- Holding Export Control Seminars for Asian Countries
- Networking with Foreign Industrial Associations and Research Institutions

Outreach of CISTEC

- **Holding Seminars (FY 2012, 29times)**
 - Basic Course (Procedures, License, Classification)
 - Management Course
 - Theme-Oriented Courses
 - (US Re-Export Controls, EU Export Controls, Export Controls for Overseas Subsidiaries/Affiliates)
 - Specific sector Course (Machine tool, Carbon fiber etc.)
- **Dispatching Instructors (FY 2012)**
 - **In-House Training (96 times)**

■ Providing Information through Online

□ Portal Site Service

- Online Store
- FAQ Corner
- Web Seminar
- e-Learning
- Community site

■ ...and more



□ Database Service (Fee-Based)

- Consolidated Parties List of Reference Information
- Parameter Sheet for Commodity Classification
- Japanese Export Control Law and Regulation

JMC

- **The Japan Machinery Center for Trade and Investment (JMC)** is a non-profit organization that was established, under the authorization by the Japanese government (Ministry of Economy, Trade and Industry), in 1952 by the major **electronics** and **machinery manufacturers** and **trading companies**.
- The purpose of JMC was to promote sound development of foreign trade and direct investment by preventing unfair trade practices and removing barriers in the foreign markets, in accordance with the Export and Import Transaction Law.

JFTC

- Japan Foreign Trade Council, Inc. (JFTC) founded in June 1947
- JFTC was reorganized in June 1986 to take the form of a trade-industry association with **trading companies (Shoshas)** and trading organizations as its core members.
- Supporting members consisting of manufactures, financial institutions, shipping companies, and other companies and organizations with interest in international trade.

Keidanren

- KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,285 representative companies of Japan, 127 nationwide industrial associations and 47 regional economic organizations (as of March 29, 2012).
- KEIDANREN establishes consensus in the business community on a variety of important domestic and international issues for their steady and prompt resolution.



US Gov. seminar

Where: Tokyo

Who: DOS, DOC, US Embassy in Japan

Whom: Industry, academia etc.

What: Explanation on the latest status of US regulations, EAR, ITAR etc.



3. Proactive industry effort

- 1) Establishing ICP (internal control program)
- 2) Conducting Internal outreach seminar

ICP

- METI's strong advice to industry since 1987
- **Legal requirement since 2010**
- Registration of ICP at METI
approx 1500 exporters as of May 2013
- Publication of approx. 600 registered company name on METI HP
- Condition for obtaining **bulk license**
- **Annual check** by METI if the performance is in accordance with ICP
- **On-site inspection** by METI,



Internal outreach seminars

- For top management
- For middle management
- For persons in charge/staffs
- For overseas offices
- For subsidiaries/affiliates
- By specific business sectors
- By specific themes



Thank you very much !!

謝謝