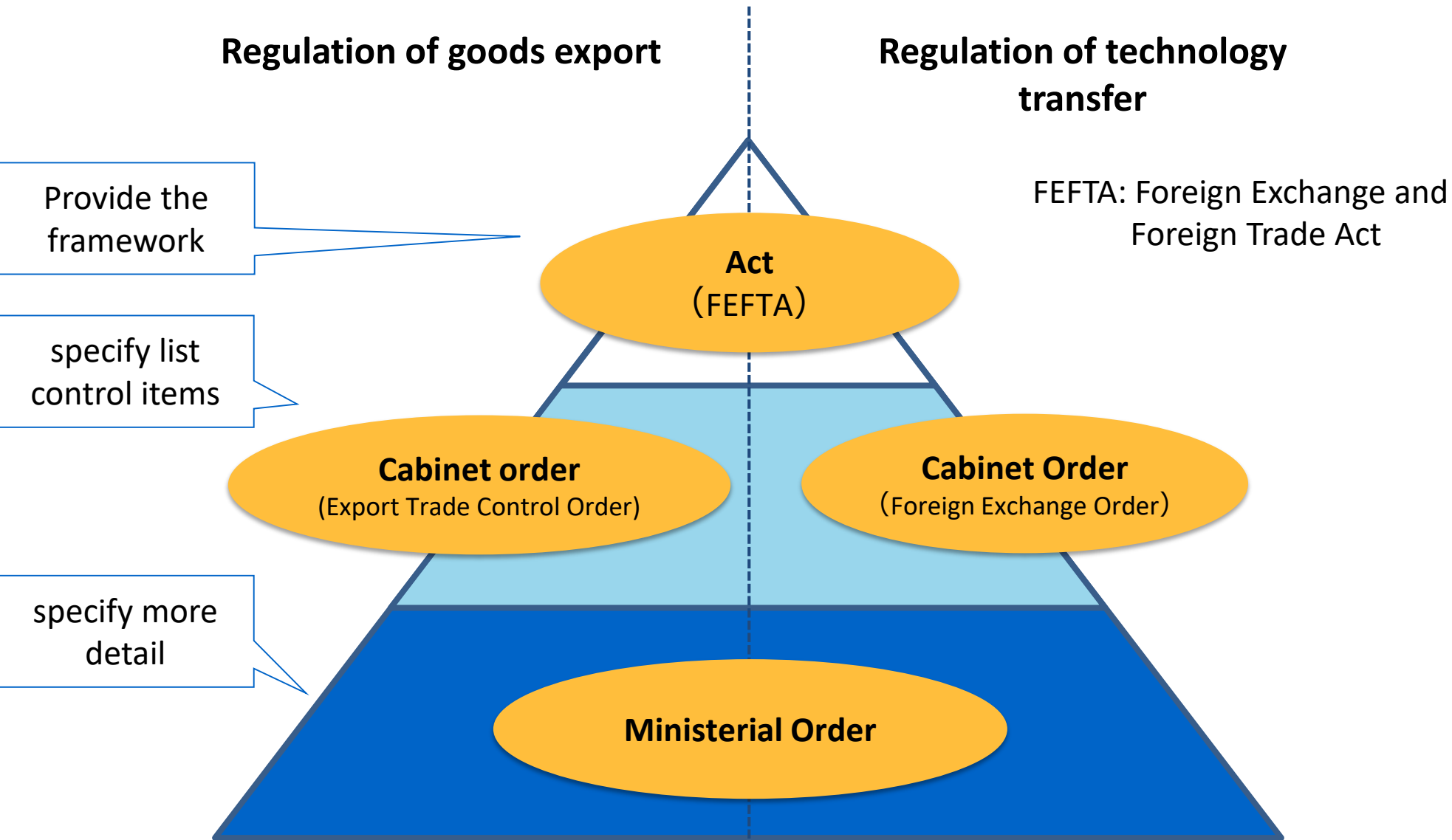


Security Export Control System in Japan (Basic Legal Structure under FEFTA)



Security Export Control System in Japan (Detailed Legal Structure of FEFTA)

- FEFTA also sets forth catch-all control for items which could contribute to WMD related or military end-use activities.

FEFTA	Cabinet Order	List Control	Catch-all control of WMD	Catch-all control of Conventional Weapons
Article 48	Export Control Order	category 1-15 List of Goods	category 16	
Article 25	Foreign Exchange Order	category 1-15 List of Technologies	category 16	
		<u>Regulated Items</u> •weapons •listed dual use items related to WMD and conventional weapons	<u>Regulated Items</u> All items or technologies that could contribute to WMD related or military end-use activities	
		<u>Regulated Destination</u> All countries	<u>Regulated Destination</u> All countries except for White countries	

※As of July, 2019

White Countries : 27 countries※ which are member countries of all export control regimes and have comprehensive export control systems

UN arms embargo countries※ in the context of catch-all control: Afghanistan, Central Africa, Democratic Republic of Congo, Iraq, Lebanon, Libya, North Korea, Somalia, Sudan, South Sudan

Security Export Control System in Japan (List control under FEFTA)

- Japan's control list is fully consistent with the international regime lists.

category	List control	International Regime List
1	Weapons	WA (Wassenaar Arrangement) / ML (Munitions)
2	Dual-use items	NSG (Nuclear Suppliers Group)
3	↓	AG (Australia Group) (Biological/Chemical Weapons)
3-2		
4	↓	MTCR (Missile Technology Control Regime)
5		WA / BL (Basic List) • SL (Sensitive List)
~		
13	↓	WA / ML (excluding item 1)
14		
15	Dual-use items	WA / VSL (Very Sensitive List)
16	Catch-all	Catch-all control

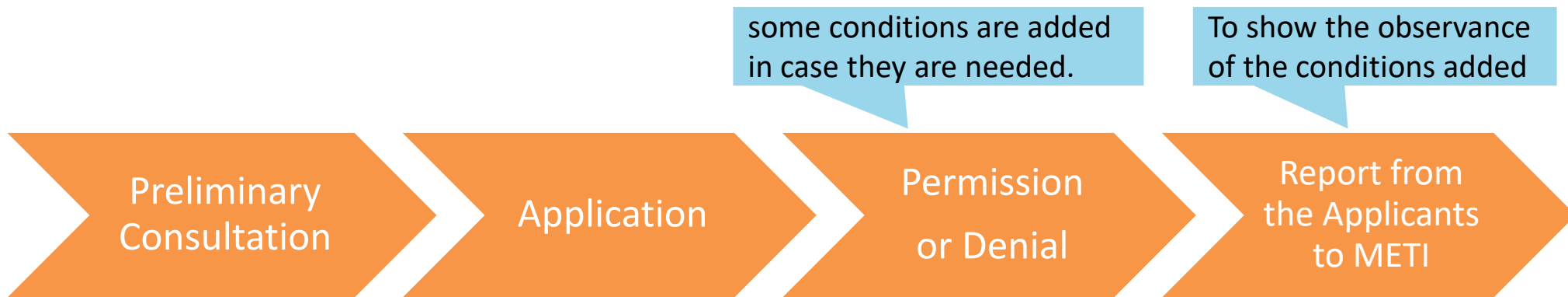
(Ref) The comparative list of Japan's List and EU list:

http://www.cistec.or.jp/service/eu_taihi.xls (Only in Japanese)

Security Export Control System in Japan

(Procedure for Individual License Application)

- The exporter has the responsibility to classify whether the export item is subject to control list. As a result of the classification, if it is found that the item is covered by the control list, it must apply for export license to the Ministry of Economy, Trade and Industry (METI).
- METI examines the appropriateness of the end-use and the end-user of the license application, and decides whether to permit or deny the application. Additional conditions may be imposed on export licenses (e.g., monitoring of export machines, prior consent in the case of the re-transfer of items.).



Security Export Control System in Japan (Individual License and Bulk License)

• Individual License

- Transaction-based examination.
- Check the contents of each transaction.

(Ref) 4 Pillars of examination

1. Whether the goods will be actually delivered to the end user.
2. Whether the goods will be actually used by the stated end user.
3. Whether the goods will not be used for the purposes of impeding the maintenance of international peace and security.
4. Whether the end user will appropriately control the goods.

• Bulk License

- For specific destination and specific items, repeated transaction, etc.
- Do not examine each transaction.
- Check the exporter's compliance (ICPs, etc.).

Security Export Control System in Japan

(Individual License and Bulk License-types of bulk license)

Bulk License

Valid for multiple transactions for 3 years

General Bulk Export License

- Export of specific items to white countries
- Only electronic application is acceptable.
- ICPs and prior on-site check are NOT required.

Special General Bulk Export License

- Exports of specific items to specific countries (i.e. export of WA/BL to non-WA countries, etc.).
- ICPs and prior on-site check are required.

Special Bulk Export License

- Repeated exports of specific items to specific customers.
- ICPs and prior on-site check are required.

Special Bulk Export License for Repair or Replacement

- Re-exports of arms and arms-related items (category 1) to the country of origin for repair or replacement.
- ICPs and prior on-site check are required.

Special Bulk Export License for Overseas Subsidiaries

- Exports of specific items to subsidiaries in foreign countries.
- ICPs and prior on-site check are required.

Security Export Control System in Japan

(Regulations on critical goods and technologies under FEFTA)

Type of Regulations	Regulation Object	Target detail	License
List Control	<ul style="list-style-type: none"> ➤ Goods Export ➤ Technology Transfer 	<ul style="list-style-type: none"> ➤ Control List (category 1 - 15) 	<ul style="list-style-type: none"> ➤ Individual License ➤ Bulk License
Catch-all control	<ul style="list-style-type: none"> ➤ Goods Export ➤ Technology Transfer ➤ 	<ul style="list-style-type: none"> ➤ WMD (Weapons of mass destruction) (category 16) ➤ Conventional Weapons (category 16) 	<ul style="list-style-type: none"> ➤ Individual License
Brokering Control	<ul style="list-style-type: none"> ➤ Goods 	<ul style="list-style-type: none"> ➤ Control List (category 1) ➤ Catch-all control of WMD (category 2 - 16) 	<ul style="list-style-type: none"> ➤ Individual License
Transshipment Control	<ul style="list-style-type: none"> ➤ Goods 	<ul style="list-style-type: none"> ➤ Control List (category 1) ➤ Catch-all control of WMD (category 2 - 16) 	<ul style="list-style-type: none"> ➤ Individual License

Security Export Control System in Japan (Catch-all Control of WMD)

- In case there are concerns that the goods or technologies in question could contribute to WMD proliferation program, exporters have to apply for an export license.

Region

All regions except for white countries

Items

Any Items which are not on the list (except for food, etc.)

The Commodity Watch List [40 +21* items]

(*only for Syria)

Conditions

(1) Exporter's Initiative = The "Know" Condition

- In case exporters have come to know that the items will be used for the development, manufacture, use, storage etc. of WMD
- In case exporters have come to know that the end user is/was involved in WMD-related program through relevant documents such as Foreign End User List, except for the case the item in question will be apparently used for a purpose other than the WMD-related activities

(2) METI's Initiative = The "Informed" Condition

- The "inform" is given when METI considers that the items in question are/may be intended for WMD.

Security Export Control System in Japan (Catch-all Control of Conventional Arms)

- In case there are concerns that the goods or technologies in question could contribute to military end-use, exporters have to apply for an export license.

Region

Countries under UN arms embargo

Non-white Countries except for UN Arms embargo countries

Items

Any Items which are not on the list (except for food, etc.)

The Commodity Watch List [34 items]

Conditions

(1) Exporter's Initiative

= The "Know" Condition

In case exporters have come to know that the items will be used for the development, manufacture or use of conventional arms in UN embargo Countries

(2) METI's Initiative = The "Informed" Condition

The "inform" is given when METI considers that the items in question are/may be intended for a military end-use.

Security Export Control System in Japan (Penalties under FEFTA)

Criminal Penalty

【Individual】

- No more than ten years of imprisonment
- No more than thirty million yen or no more than five times in value of the items

【Company】

- No more than ten years of imprisonment
- No more than one billion yen or no more than five times in value of the items

Publication

- METI may issue a warning, which would be made public on the METI website

Administrative Penalty

- Prohibition of exports for no more than three years