

Japan's Security Export Control System

November 2017

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1. Change of Security Environment
2. History of Japan's Security Export Control System
3. Security Export Control System in Japan
4. Current and Future Efforts
5. Sanctions against North Korea

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1. Change of Security Environment (Overview)

- Non-state actors are rapidly expanding their presence, causing serious terrorism in many parts of the world. It has become a reality and threat that non-state actors use WMD by acquiring sensitive technologies.
- North Korea's nuclear tests and series of ballistic missile launches are serious threat in east Asia.

[Europe]

- Terrorist attacks in Paris in Nov 2015. Truck attack in Nice in Jul 2016.
- Bombings in Brussels in Mar 2016.
- Terrorist attacks in Manchester in May 2017.
- Truck attack in Barcelona in Aug 2017.
- Terrorists seeking atomic materials (dirty bomb). Possible use of drones for CBW.

[North Korea]

- 4th and 5th nuclear tests in Jan and Sep 2016
- 6th nuclear tests in Sep 2017
- Series of ballistic missiles launches including satellite launch and SLBM. (more than 20 times in 2016, 20 times in 2017 (until Sep))

[South East Asia]

- Bombing in Bangkok in Aug 2015.
- Bombing in Jakarta in Jan and Jul 2016.
- Attack in Dhaka in Jul 2016.
- Assassination with VX nerve agent of Kim Jong-nam in Malaysia in Feb 2017.

[Africa]

- Shopping mall attack in Nairobi in Sep 2013.
- Continuous terrorist attacks.

[Middle East]

- Conflicts in Syria and Iraq. Actual use of chemical weapon (mustard gas, chlorine gas).
- Ballistic missiles launch by Iran in Mar 2016.
- Airport attack in Istanbul in Jul 2016.
- Continuous terrorist attacks

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1. Change of Security Environment (Overview)

United Nation Security Council Resolution 1540

• Participants in this Resolution must:

- In accordance with their national procedures, **adopt and enforce appropriate effective laws** which prohibit **any non-State actor** to manufacture, acquire, possess, develop, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery (WMDs)., as well as attempts to engage in any of the foregoing activities, participate in them as an accomplice, assist or finance them
- **Take and enforce effective measures** to establish domestic controls to prevent the proliferation of WMDs, including appropriate laws and regulations to **control export, transit, trans-shipment and re-export** and **controls on providing funds and services** related to such export and trans-shipment such as financing, and transporting that would contribute to proliferation, as well as establishing **end-user controls**

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1. Change of Security Environment (Overview)

	Nuclear Suppliers Group (NSG)	Australia Group (AG)	Missile Technology Control Regime (MTCR)	Wassenaar Arrangement (WA)
Controlled items	- Nuclear related items	- Chemical weapons related items - Biological weapons related items	- Complete rocket systems and UAV - production facilities, etc.	- Munitions items - Dual-use items (Special Materials, Materials Processing, Electronics, Computers , etc.)
Year of establishment	1978	1985	1987	1996
Number of participating countries	48	41+EU	35	41

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1. Change of Security Environment (Overview)

- Civil technology becomes an important element of advanced defense equipment and the importance of civil technology in terms of security is increasing.

<Carbon Fiber>



Golf shaft



Structural material
for fighter

<Power Semiconductor>



Power amplifier



Rader for naval ship

- Asian countries are increasing their production capacity of sensitive dual use items. In addition, the importance of Asian ports as a hub for global and regional trade is rising.



Countries and regions where
machine tools are
manufactured

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1. Change of Security Environment (Example of diversion for Concerned Purpose)

	Concerned Purpose		Civil-use	
Machine tool	Manufacturing of Centrifuge		Manufacturing of Car	
Sodium cyanide	Manufacturing of Chemical Weapon		Metal Plating	
Filter	Manufacturing of Bacteriological Weapon		Desalting	
CFRP	Missile		Airplane	

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1. Change of Security Environment (Diversified Procurement Activities)

- Although many countries have established export control systems, entities of concern have diversified procurement activities by circumventing trade, using third country, front company or falsifying information, etc.



- In addition to circumventing trade, entities of concern have acquired sensitive technology through
 - (A) academic activities and research project - access to and exchange of information and data via intangible technology transfer (ITT)
 - (B) business alliance and corporate acquisition - direct acquisition of R&D capability, access to new business network
- (Ref) Japan is addressing to increase effectiveness of enforcement and investment control.
http://www.meti.go.jp/english/press/2017/0303_003.html

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2. History of Japan's Security Export Control System (Overview)

■ 1949

The Foreign Exchange and Foreign Trade Control Act (FEFTA) was enacted

■ 1952

Japan acceded to COCOM (Coordinating Committee for Multilateral Export Controls)



Implementation of export control based on FEFTA



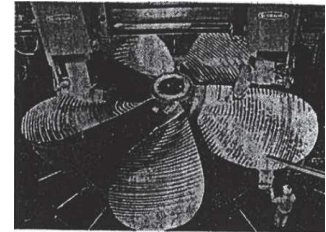
■ 1987

Japanese Company Incident

(Export of machine tools from Japan to the Soviet Union)



Strong anti-Japan feeling in the US



(1987 Mainichi Shimbun, Evening paper)

- ✓ Loss of Japan's credibility
- ✓ Replacement of the executives of the firm which exported machine tool
- ✓ Shareholder lawsuit

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2. History of Japan's Security Export Control System (Action after the incident)

After the incident, the Government of Japan and Japanese industries improved export control.

Government

- ✓ Expanded capacity of export control organization
- ✓ Strengthened penalties
- ✓ Extended the prosecution prescription for illegal export
- ✓ Introduced Internal Compliance Program (ICP)

Industries

- ✓ Introduced and implemented strict export control with ICP
- ✓ Implemented new way to stop extra-purpose use by end-users. (ex. Relocation Detection Devices)



Restoration
of credibility

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2. History of Japan's Security Export Control System (Importance of Export Control)

- ✓ **Lose international credibility by only single incident.**

Implementing strict export control promotes foreign direct investments and lead to economic development

- ✓ **A system is not enough, actual implementation is necessary.**
- ✓ **Human resource development is a key to implement export control (e.g. raising experts through effective trainings)**

Lack of effective implementation is equivalent to lack of the system.

- ✓ **International cooperation is necessary to treat newly evolved concerns**

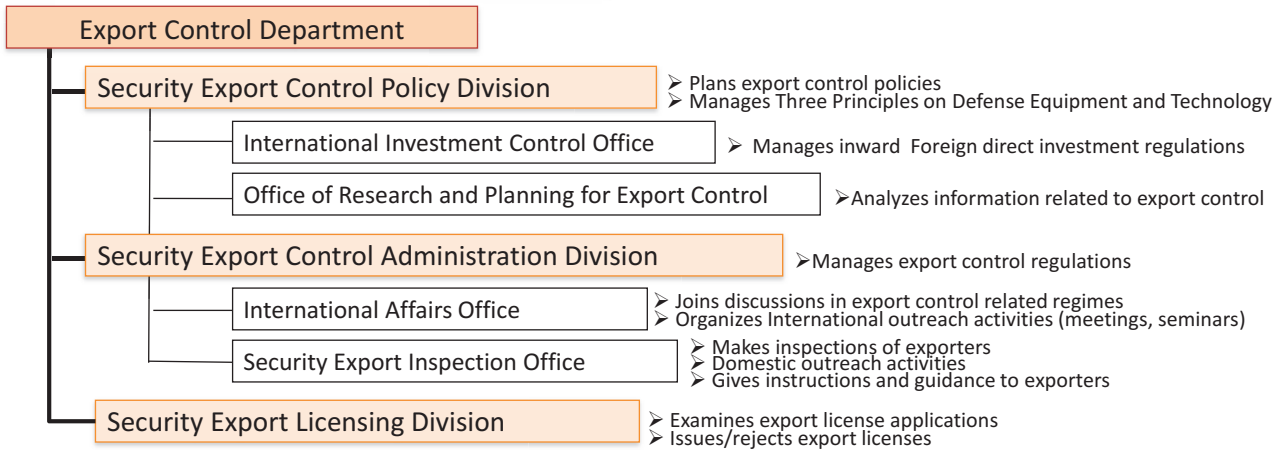
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3. Security Export Control System in Japan (Recent Organizational Change for Security Export Control in METI)

- METI is in charge of export control with about 100 staff concerning the security field.
- An export license is issued only by METI under Foreign Exchange and Foreign Trade Act.
- Security export control divisions in the Headquarter of METI control and examine trade of sensitive items while twelve local branches deal with less sensitive items.
- METI changed the organization of security export control last June in order to strengthen the policy planning, direct inward investment, outreach for academia and overseas and collaboration with enforcement authorities.

METI Trade and Economic Cooperation Bureau

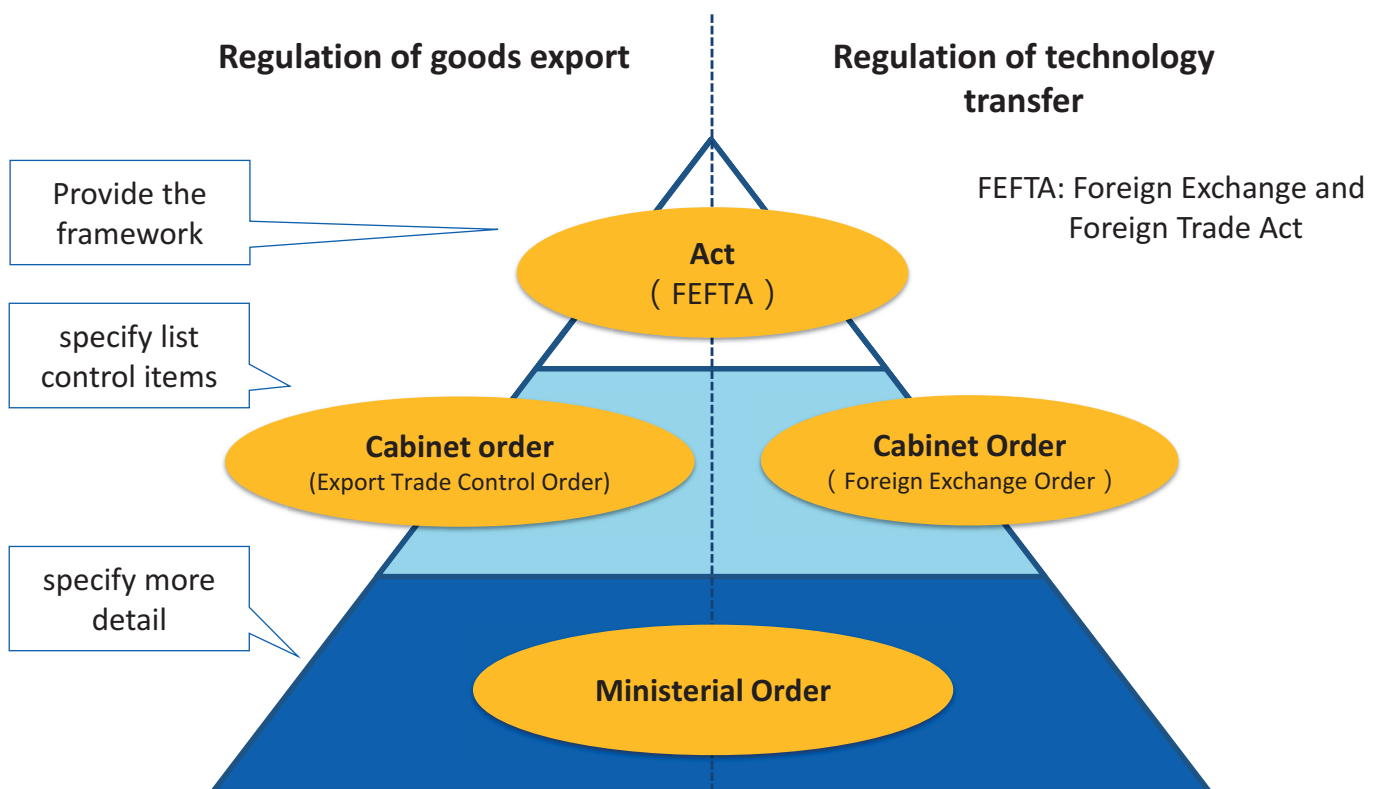


12 Local Branches for Licensing and Inspection

Sapporo, Sendai, Saitama, Tokyo, Yokohama, Nagoya, Osaka, Kobe, Hiroshima, Takamatsu, Fukuoka and Okinawa

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



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3. 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 List of Goods	
Article 25	Foreign Exchange Order	category 1-15 List of Technologies	category 16 List of Technologies	
		<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	

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, Eritrea, Iraq, Lebanon, Libya, North Korea, Somalia, Sudan

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3. 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		
14		WA / ML (excluding item 1)
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:

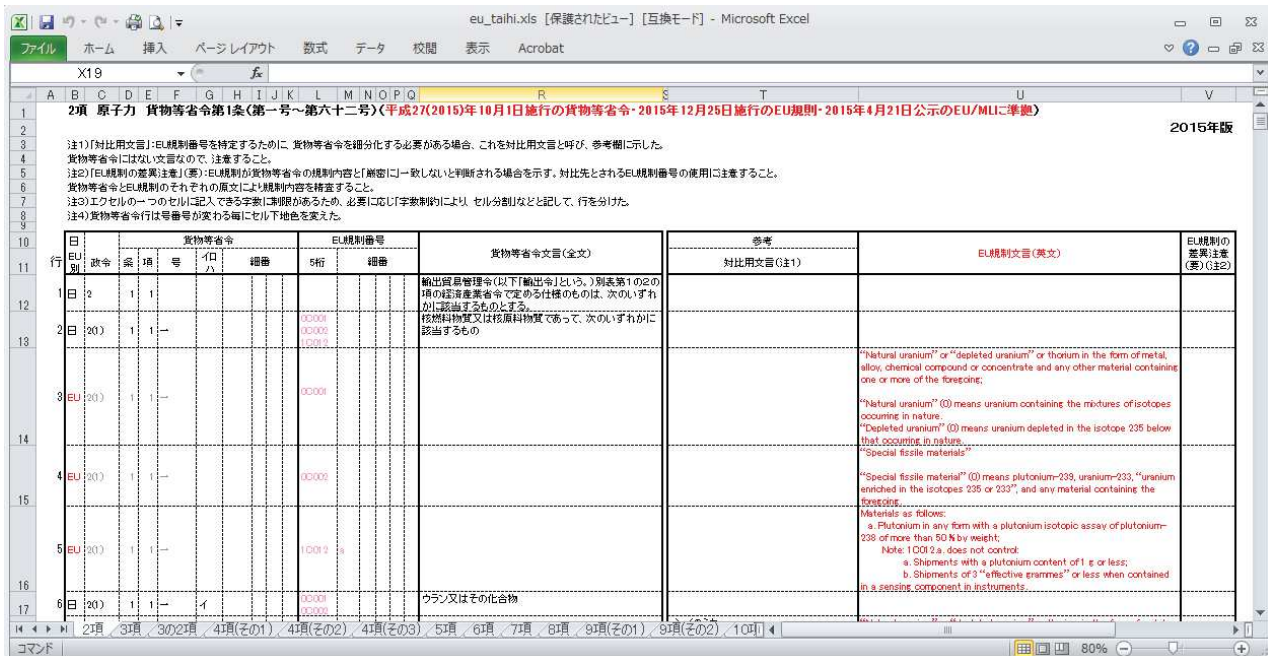
http://www.cistec.or.jp/service/eu_taihi.xls (Only in Japanese)

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The comparative list of Japan's List and EU list:

http://www.cistec.or.jp/service/eu_taihi.xls

(Center for Information on Security Trade control (CISTEC) HP) (Only in Japanese)



EU List	Japan's List	EU List (English)
2項	原子力 貨物等省令第1条(第一号~第六十二号)(平成27(2015)年10月1日施行の貨物等省令・2015年12月25日施行のEU規則・2015年4月21日公示のEU/MLIに準拠)	2015年版
1	輸出貿易管理令(以下「輸出令」という。)別表第1の2の項の証券産業省令で定める仕様のもの、次のいずれかに該当するものとする。	
2	EU(20)	EU(20)
3	EU(20)	EU(20)
4	EU(20)	EU(20)
5	EU(20)	EU(20)
6	EU(20)	EU(20)

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3. 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.).

some conditions are added
in case they are needed.

To show the observance
of the conditions added

Preliminary
Consultation

Application

Permission
or Denial

Report from
the Applicants
to METI

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3. 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.).

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3. 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.

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3. Security Export Control System in Japan (Regulations on critical goods and technologies under FEFTA)

Type of Regulations	Regulation Object	Target detail	License
List Control	➤ Goods Export ➤ Technology Transfer	➤ Control List (category 1 - 15)	➤ Individual License ➤ Bulk License
Catch-all control	➤ Goods Export ➤ Technology Transfer	➤ WMD (Weapons of mass destruction) (category 16) ➤ Conventional Weapons (category 16)	➤ Individual License
Brokering Control	➤ Goods ➤ Technology Transfer	➤ Control List (category 1) ➤ Catch-all control of WMD (category 2 - 16)	➤ Individual License
Transshipment Control	➤ Goods	➤ Control List (category 1) ➤ Catch-all control of WMD (category 2 - 16)	➤ Individual License

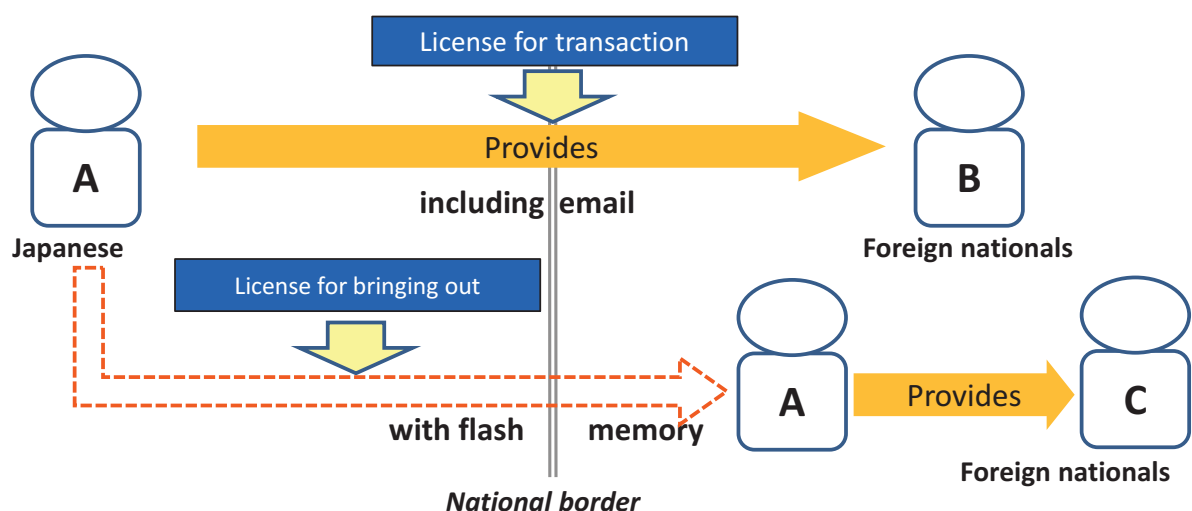
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3. Security Export Control System in Japan (Controlled cases of Intangible Technology Transfer(ITT))

- Intangible Technology Transfer (ITT) is regulated under the FEFTA. "Regulated Technology " is defined as "specific information necessary for the design, production or use of regulated products". The information takes form of technical data or technical assistance.

Case 1. Technology transfer from Japan to a foreign country

- focus on location of the recipient

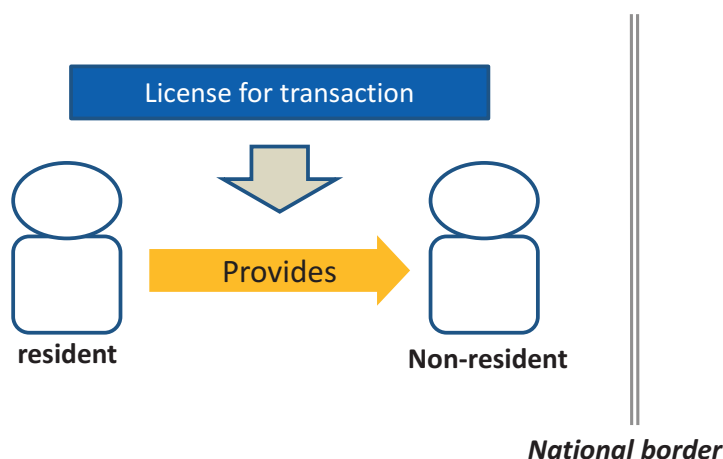


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3. Security Export Control System in Japan (Controlled cases of Intangible Technology Transfer(ITT) cont.)

Case 2. Technology transfer to a non-resident

- transfer of listed technology by any resident to a non-resident
- focus on whether the recipient is non-resident or not



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3. 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 +12* items]

(*only for Syria, as from 15 April. 2015)

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.

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3. 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.

As from 15 April 2015

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.

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3. Security Export Control System in Japan (Foreign End User List)

- The FEUL is a list of foreign entities that may have some relationship to the development, manufacture, use and/or storage of WMD and/or missiles.
- Exporters are required to submit export license applications when they wish to export goods to the entities on the FEUL unless it is obvious that the goods to be exported are not going to be used for WMD and/or missile purposes.
- The FEUL is revised annually. (entities are on the list as from August 9, 2017)

Number of the Entities on Foreign End User List

Iran	209
North Korea	143
Pakistan	52
China	60
Syria	20
India	4
UAE	8
Afghanistan	2
Taiwan	1
Israel	2
Hong Kong	3
Egypt	1
Lebanon	3
Total	508

No	Country or Region	Company or Organization	Also Known As	Type of WMD
1	Islamic Republic of Afghanistan	Al Qa'ida/Islamic Army	- Al Qaeda - Islamic Salvation Foundation - The Base - The Group for the Preservation of the Holy Sites - The Islamic Army for the Liberation of Holy Places - The World Islamic Front for Jihad against Jews and Crusaders - Usama Bin Laden Network - Usama Bin Laden Organisation	C
2	Islamic Republic of Afghanistan Islamic Republic of Pakistan	Ummah Tameer E-Nau (UTN)		N

507	Republic of Lebanon	Shadi for Cars Trading		B,C,M
508	Republic of Lebanon	Technolab	Techno Lab	B,C,M

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3. Security Export Control System in Japan (Brokering Control)

- Overseas transaction in which any goods or technologies move from one foreign country to another, and in which a person, including a legal person, in Japan is engaged directly or through its overseas office
- A person in Japan must obtain a license when it enters into a contract, directly or through its overseas subsidiary, of selling/buying, leasing or donating goods or technologies, with foreign companies

Items

Any items (except for food, etc.)

Conditions

1. Conventional arms : no conditions
2. Items other than conventional weapons (**transacted between Non-white Countries**) ;

(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

(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.

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3. Security Export Control System in Japan (Transshipment Control)

- Transshipment control applied to foreign goods passing through Japan
- "Transshipment" is defined as an act to transship foreign goods at airports or seaports in Japan

Items

Any items (except for food, etc.)

Conditions

1. Conventional arms : no conditions
2. Items other than conventional weapons (**destined for a Non-white Country**) ;

(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

(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.

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3. Security Export Control System in Japan (Export Control for Specific Countries)

North Korea

- No items can now be exported to or imported from North Korea.

Iran

- Items listed on NSG and MTCR can be exported on the condition of approval from the United Nations Security Council.

Syria

- 12 additional items of concern for exports to Syria are specified in the Commodity Watch List (since 15 Oct. 2013).

Others

- Bulk License is not applicable to destinations such as Iran, Iraq, Libya and North Korea, etc.

3. 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

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4. Current and Future Efforts

(Modification of the FEFTA on Criminal Charges(1st of Oct 2017))

- **Japan** raised the amount of fines applied to illegal conducts of exports or imports (The maximum fines are increased) **on 1st October 2017**.
- Also, criminal charges (Imprisonment and fine) is to be applied against violations of license conditions such as prior consent re-export with METI (Currently, non criminal fines).

	Target	illegal conduct of import/export		
		WMD	Conventional Arms	others
Previous System	Individual and Company	10 million yen or 5 times of the export price	7 million yen or 5 times of the export price	5 million yen or 5 times of the export price

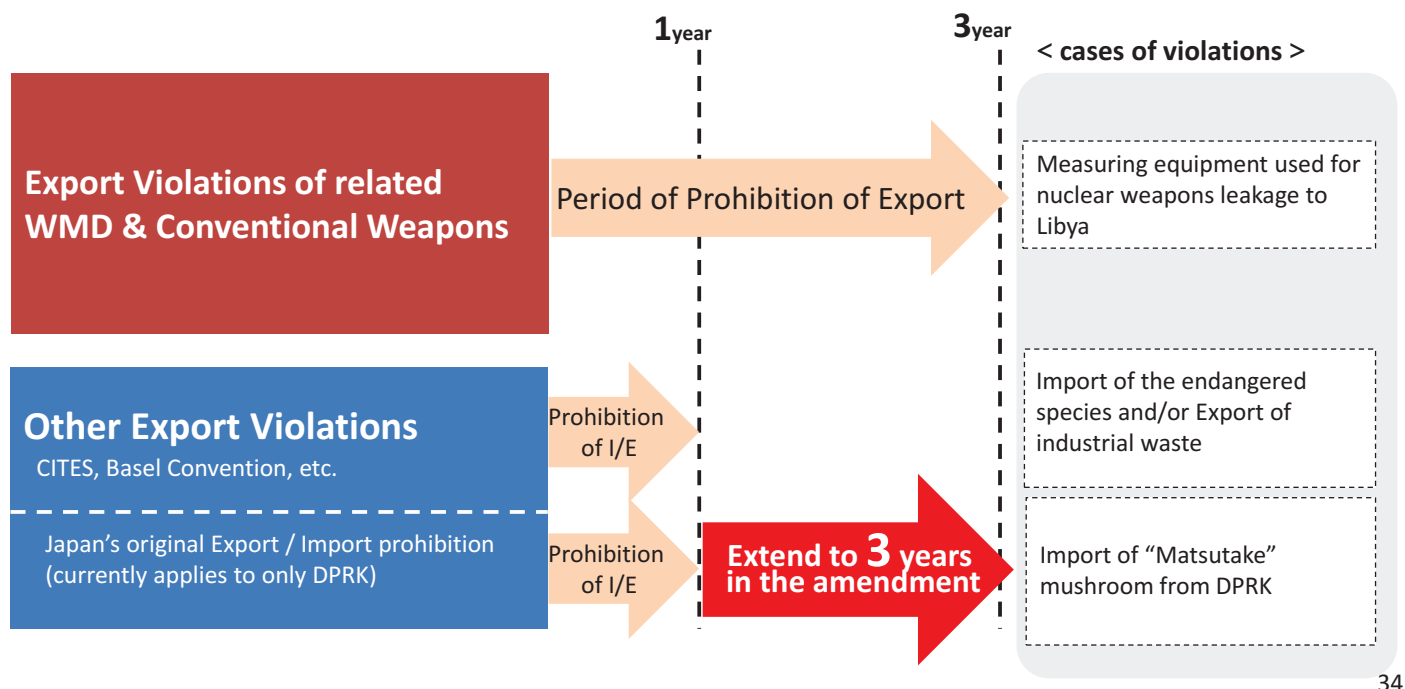
Present System (since 1 st October 2017)	Individual	30 million yen or 5 times of the export price	20 million yen or 5 times of the export price	10 million yen or 5 times of the export price
	Company	1 billion yen or 5 times of the export price	700 million yen or 5 times of the export price	500 million yen or 5 times of the export price

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4. Current and Future Efforts

(Modification of the FEFTA on administrative penalties(1st of Oct 2017))

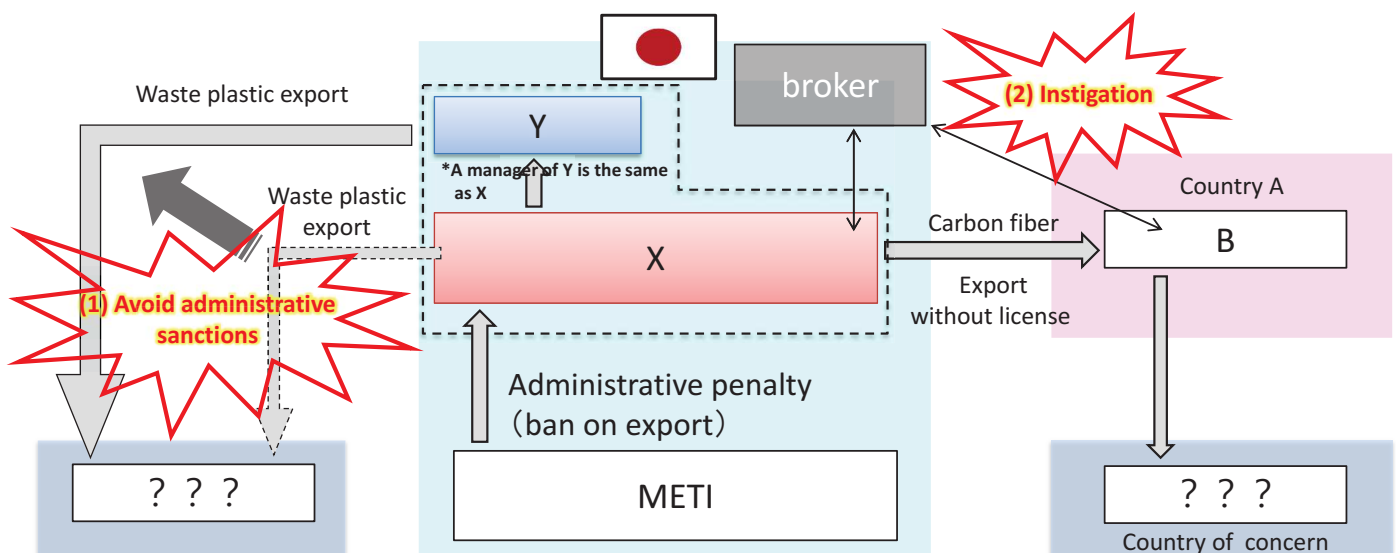
- Extension of the upper limit of the period of administrative penalties imposed on violators who received export/import bans.



4. Current and Future Efforts

(Modification of the FEFTA on administrative penalties(1st of Oct 2017))

- (1) Introduction of new regulations to persons, who received administrative penalty, to prohibit taking a new position in another company to keep their trades, and so on.
- (2) Adding brokers related to a skeptical trade to the subject of on-site inspections.

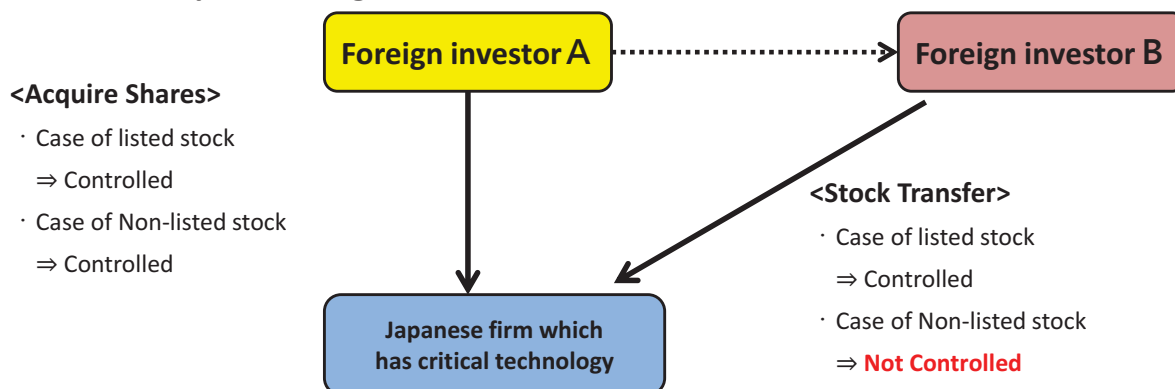


4. Current and Future Efforts

(Modification of the FEFTA on Inward Direct Investment(1st of Oct 2017))

- Foreign investors who would take non-listed stocks from other foreign investors, is obliged to submit prior notification to the GOJ, if such deal would potentially cause threat to the national security.
- Ministries can give an order to foreign investors to take actions for mitigation measures, e.g., sell stock, stop dealing, where the investment is deemed as harming national security.

【Overview of present regulation】



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4. Current and Future Efforts

(Future Challenge)Restructure of the Control list of FEFTA)

- Control list numbering system of Japan is different from other countries.
- Since an increase of the burden of business operators may hinder their compliance activity, it should be considered to reduce such burden by making it consistent with EU control list.

< Japan's control list >

Category	Item	Export Control Regime
1	Munitions	WA (ML)
2	Nuclear related items	NSG
3, 3-2	Items related to Chemical Weapons and Biological weapons	AG
4	Missile related items	MTCR
5	Special Materials and Related Equipment	WA (Cat.1)
6	Materials Processing	WA (Cat.2)
7	Electronics	WA (Cat.3)
8	Computers	WA (Cat.4)
9	Telecommunication and "Information Security"	WA (Cat.5)
10	Sensors and "Lasers"	WA (Cat.6)
11	Navigation and Avionics	WA (Cat.7)
12	Marine	WA (Cat.8)
13	Aerospace and Propulsion	WA (Cat.9)
14	Other items	WA (ML)
15	Sensitive items	WA (VSL)
16	All items except food and wood, etc.	Catch-all

< EU control list >

Category	Item
M L	Munitions
Cat. 0	Nuclear related item
Cat.1	Special Materials and Related Equipment
Cat.2	Materials Processing
Cat.3	Electronics
Cat.4	Computers
Cat.5	Telecommunication and "Information Security"
Cat.6	Sensors and "Lasers"
Cat.7	Navigation and Avionics
Cat.8	Marine
Cat.9	Aerospace and Propulsion

(Note) Some items of NSG, AG, MTCR and VSL of WA are allocated in Cat.1-9 under EU control list.

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5. Sanctions against North Korea (UNSCR Implementation Reports Submission)

Member of State	UNSCR 2270	UNSCR 2321	UNSCR 2371	UNSCR 2375
China	○	○	×	×
Pakistan	○	○	×	×
India	○	○	×	×
Taiwan (Non-member)	-	-	-	-
ASEAN10				
Brunei	○	○	×	×
Cambodia	×	×	×	×
Indonesia	○	○	×	×
Laos	○	○	×	×
Malaysia	○	×	×	×
Myanmar	○	○	○	×
Philippines	○	×	×	×
Singapore	○	○	×	×
Thailand	×	×	×	×
Vietnam	○	○	×	×

As of **26 October 2017**, **1 Member States** has submitted report on the implementation of resolution 2375 (2017), **3 Member State** has submitted report on the implementation of resolution 2371 (2017), **85 Member States** have submitted reports on the implementation of resolution 2321 (2016) and **100 Member States** on the implementation of resolution 2270 (2016). ³⁹

5. Sanctions against North Korea

(Measures taken by the Government of Japan against North Korea)

Japan has repeatedly urged North Korea to refrain from any provocations including nuclear tests or ballistic missile launches and to comply with the relevant UN Security Council resolutions (UNSCRs) and the Joint Statement of the Six-Party Talks.

While the Government of Japan has taken significantly strict autonomous measures against North Korea, the Government of Japan has decided to further introduce the autonomous measures against North Korea in order to realize the comprehensive resolution of outstanding issues of concern, such as the abductions, nuclear, and missile issues, in cooperation with the United States of America and the Republic of Korea, besides the measures based on the UNSCR 2321.

In sum, under the consistent policy of "dialogue and pressure" and "action for action," Japan strongly urges North Korea to take concrete steps toward the comprehensive resolution of outstanding issues of concern, such as nuclear and missile issues as well as the abductions issue,

Source: http://www.mofa.go.jp/a_o/na/kp/page3e_000628.html

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5. Sanctions against North Korea

(Japan's Measures against North Korea (Outlines) ⊖)

Japan's Measures against North Korea (Outlines) ①	
As of September 27 2017	
Movement s of Persons, Vessels and Aircrafts	Restrictions on movement of <u>persons</u> (includes measures based on UNSCRs) ① Prohibit the entry of <u>North Korean citizens</u> ② Prohibit the re-entry of <u>North Korean authority officials</u> and <u>others residing in Japan</u> after travelling to North Korea ③ Request <u>all Japanese citizens</u> not to visit North Korea ④ Suspend <u>Japanese government officials'</u> visit to North Korea ⑤ Prohibit the landing of <u>North Korean flag vessel's crew members</u> ⑥ Prohibit the re-entry of <u>foreign citizens residing in Japan</u>, sentenced for the <u>violation of Japan's measures against North Korea</u> ⑦ Prohibit the re-entry of <u>foreign experts of nuclear and missile technology</u> residing in Japan after travelling to North Korea
	Ban on the entry of all the <u>North Korean flag vessels</u>(including those for humanitarian purposes), <u>all vessels</u> which have previously <u>called at ports in North Korea</u> and <u>vessels designated by the United Nations Security Council and relevant organization as the targets of sanction</u>
	Ban on <u>chartered aircraft</u> between Japan and North Korea
	Denial of permission to <u>any aircraft</u> to take off, land or overfly, if the aircraft is believed to <u>contain items prohibited</u> by UNSCRs

[NOTE] Underlined : Measures based on UNSCRs

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5. Sanctions against North Korea

(Japan's Measures against North Korea (Outlines) ☹)

Japan's Measures against North Korea (Outlines) ②		As of September 27 2017
Movement s of Goods	Total ban on export to North Korea(includes measures based on USCRs)	
	Total ban on import from North Korea(includes measures based on USCRs)	
	Inspection of specific cargo related with North Korea based on the Act for Special Measures on Cargo Inspections etc.	
Movement s of Money	Asset-freezing measures on designated entities and individuals that engaged in the activities banned by the relevant UN Security Council Resolutions and other related activities (Including the North Korea's nuclear and missile programs) (75 entities and 82 individuals) (includes measures based on USCRs)	
	Enhancement of restriction on the transfer of funds to and from North Korea - Ban on payment, receipt of payment and capital transactions conducted for the purpose of contributing to activities that could facilitate North Korea's nuclear and missile programs - Ban on payment to North Korea - Lowering the threshold for notification of the carrying out of currency and other instruments of payment to North Korea to \100,000 (approx. \$1000)	
	Ban on the opening of new branches of Japanese banks in North Korea, establishment of correspondent relationships with North Korean banks and the opening of new branches of North Korean bank in Japan	

[NOTE] Underlined : Measures based on UNSCRs

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5. Sanctions against North Korea

(Diversified Procurement Activities (Reused))

- Although many countries have established export control systems, entities of concern have diversified procurement activities by circumventing trade, using third country, front company or falsifying information, etc.



- In addition to circumventing trade, entities of concern have acquired sensitive technology through
 - (A) academic activities and research project - access to and exchange of information and data via intangible technology transfer (ITT)
 - (B) business alliance and corporate acquisition - direct acquisition of R&D capability, access to new business network
- (Ref) Japan is addressing to increase effectiveness of enforcement and investment control.
http://www.meti.go.jp/english/press/2017/0303_003.html

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