

January 2015: Export Control Review in Japan Technical Note

Two major review of the export control system is underway in Japan.

One is the change of **arms export policy** adopted in April 2014, and the other is a change of **Japanese Export Control List** based on EU export control list.

1. Arms export policy

On April 1st, 2014, the Japanese Government set out a new “Three Principles on Transfer of Defense Equipment and Technology”, which replaced the old “Three Principles on Arms Exports and Their Related Policy Guidelines”.

Back in 1976, the Japanese government changed the former arms export policy of embargo to Communist Bloc, Countries under Arms Embargo by United Nations and Countries under conflict, and decided to refrain all arms export.

However in 1983, the government decided to make some exemptions to exports of arms technology to the United States of America, Japan’s allied country, under their request. Since then, 21 exemptions measures depending on the individual necessity, such as arms export to Iraq for United Nations Peacekeeping Operation (PKO) have been adopted.

Finally in April 2014, the government has decided to set out clear arms export principles which fit the new security environment. The main principles could be sum up as follows:

- (1) Clarification of cases where transfers are prohibited (the First Principle)
- (2) Cases where transfers may be permitted with strict examination and information disclosure (the Second Principle)
- (3) Assurance of appropriate control regarding extra-purpose use or transfer to third parties (the Third Principle)

The new Principles would contribute to timely and effective international cooperation and Japan’s security such as arms exports to partner countries for joint development or manufacturing of military items.

In line with the new Principle, the Japanese Government announced that transfer of defense equipment and technology for UK and USA were approved in July 2014.

2. Japanese Export Control List

The other export control review is a change of Japanese Export Control List based on EU Export Control List, or Annex I of EU Export Control Regulation ((EC) No 428/2009).

Export control list of both EU and Japan reflects control lists of international export control regimes. But the structure of export control list of EU and Japan are different.

EU Export Control list is consolidated version of the control lists adopted by international export control regimes. If many Asian countries like South Korea, Singapore, Malaysia, Singapore, Hong Kong have adopted the EU Export Control List, the structure of Japanese Export Control List is quite different essentially for its historical and legal background.

As Japanese industries expanded overseas business, especially in Asia, they requested the introduction of EU based export control list to Ministry of Economy, Trade and Industry (METI), a Japanese authority in charge of export control. METI understood the necessity, but they denied the introduction of EU based export control list, because the Japanese Legal system does not allow the use of alphabet, and number 0 “zero”. Instead, METI proposed an introduction of a correlation list between Japanese Export Control Number and the EU based Export Control Number. It has been amended in 2011 and 2012. Japanese Industries were not fully satisfied with the proposal but finally agreed to it as a first step.

METI intend to introduce a new correlation list based on the reviewed correlation list. When the new correlation list will be introduced, Japanese industries will be able to share the common export control list with other countries but they have to change their product classification database that might be burdensome and time consuming.