Collaboration btn. Industry and Government in Korea for Effective Export Control

Ministry of Knowledge Economy

Contents

01 **Export Control System**

02 **Collaboration with Industry**

- Strategic Trade Week 2012
- Small Business Consulting
- ICP Workshop

03 **Challenges & Innovation**

- Class-based ICP System
- Yestrade
- Strategic Technology Management Module

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01 Export Control System

History of Export Control System

- **'87** • Introduction of strategic export control system into the Foreign Trade Act
- **'01** • Joined four multilateral export control regimes
- **'03** • Introduction of the Catch-all system for strategic export control
- **'05** • Establishment of strategic trade information system (Yestrade)
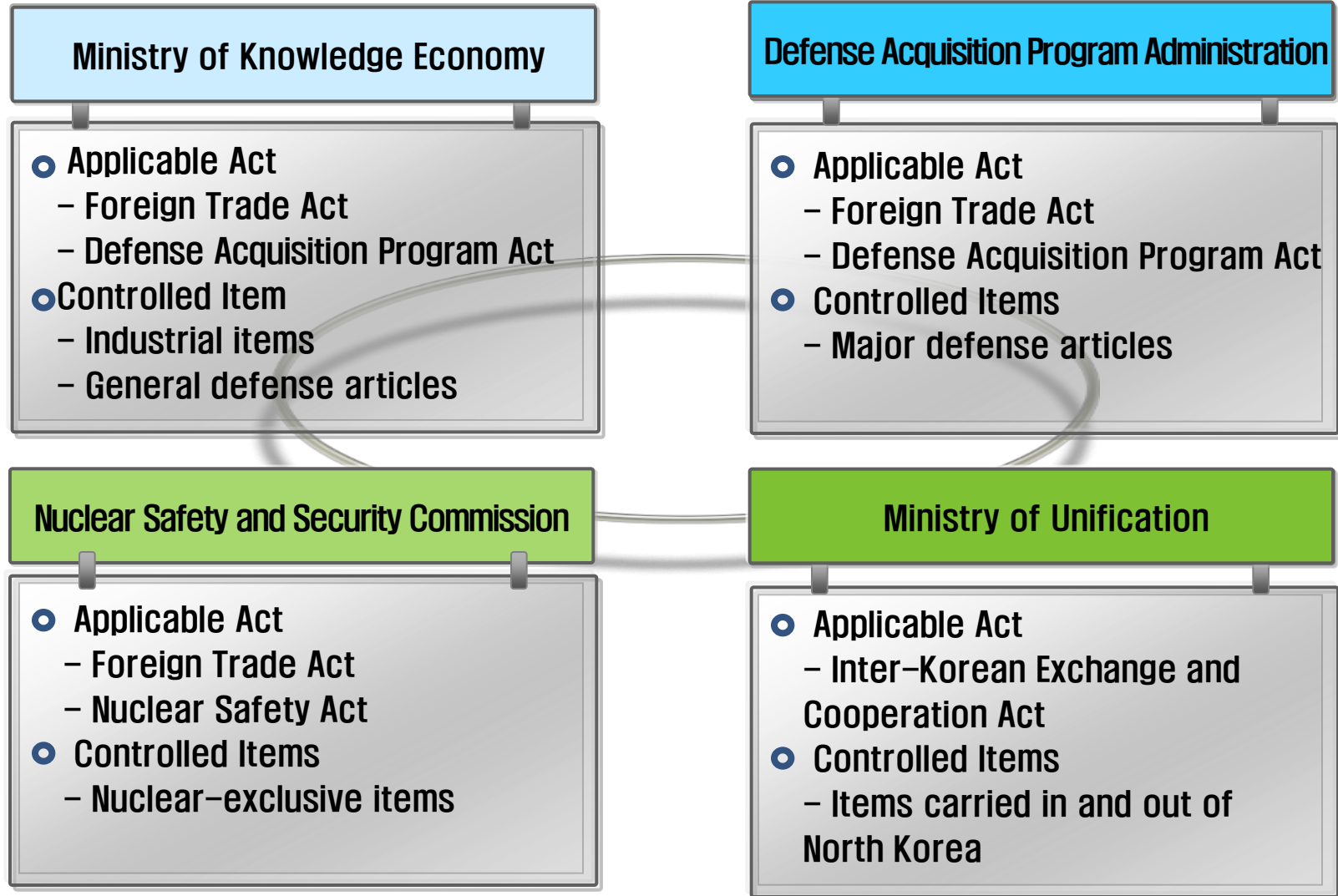- **'07** • Establishment of the Korea Strategic Trade Institute
- **'09** • Deregulation such as abolition of obligation to verify, report and notify strategic item
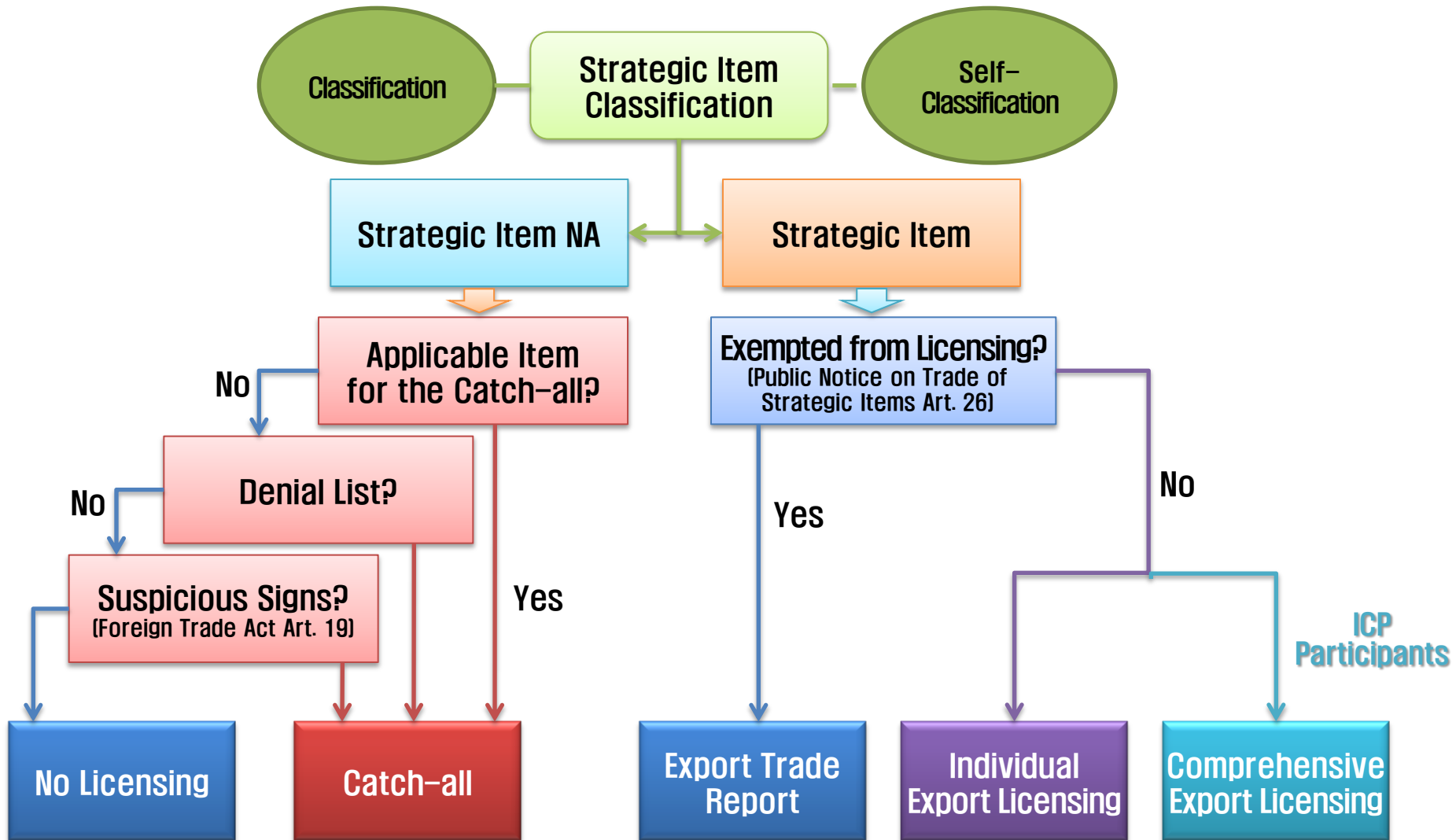- **'12** • Foundation of Project Plan for efficient control of strategic technology

Strategic Item Export Licensing Authorities

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- Applicable Act
  - Foreign Trade Act
  - Defense Acquisition Program Act
- Controlled Item
  - Industrial items
  - General defense articles

Defense Acquisition Program Administration

- Applicable Act
  - Foreign Trade Act
  - Defense Acquisition Program Act
- Controlled Items
  - Major defense articles

Nuclear Safety and Security Commission

- Applicable Act
  - Foreign Trade Act
  - Nuclear Safety Act
- Controlled Items
  - Nuclear-exclusive items

Ministry of Unification

- Applicable Act
  - Inter-Korean Exchange and Cooperation Act
- Controlled Items
  - Items carried in and out of North Korea

Procedure of Export Licensing

Vision and Objectives of Export Control

Vision	**Cultivate an Industry–led Export Compliance Culture**

Objectives

Assist SMEs with export control compliance	Encourage exporters to adopt ICP	Effectively control strategic technology

Actions

• Strategic Trade Week	• ICP Workshops	• Legislative base for ITT control
• Consulting for SMEs	• Tier–based ICP System	• ICP modules for Strategic Technology Management
• Customized ICP	• Providing incentives	• Pilot project for research institutes
• Yestrade	• Strengthening post management	• Supporting institutes with remarkable achievements

02 Collaboration with Industry

Strategic Trade Week 2012

Purpose

– To spread awareness of export control system

– To strengthen government– business network

– To show the willingness to implement export control regulations to the international community
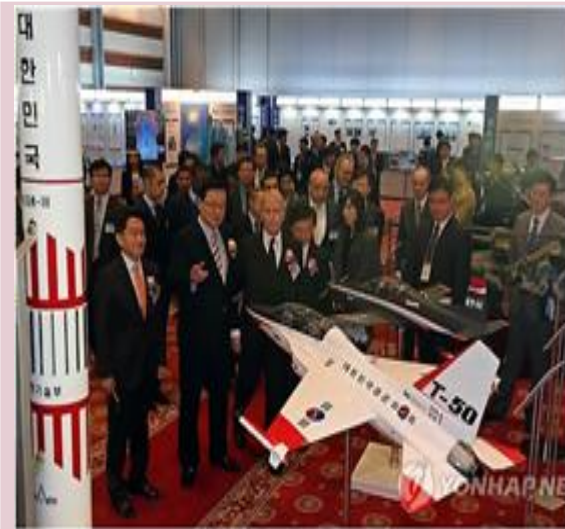
ICP Business Workshop	Export Control Conference
- Presentation of ICP-related policies and the best practices - Forum to exchange ideas among participants	- Presentations on the latest government policy issues by relevant government agencies - Consulting booth for each subject by hand-on staff from relevant organizations

Strategic Trade Week 2012

Strategic Item Exhibition	Strategic Technology Development Plan Seminar	Information Session by Industry
- Exhibition of 41 items including unmanned undersea vehicle and drone KUS-9 - Opportunity to experience controlled items or their mockups	- Presentation on the outline of strategic technology control system and related case-study by domestic & foreign research institutes - Stressed the need for strategic technology control at panel discussion	- Education on strategic items for BWC, CWC and Plant-related businesses - Presentation of strategic item control know-how by CP businesses

Purpose

 – To raise awareness of export control regulations and to foster culture of self-compliance for small businesses in a poor export control environment

Direction

 – To increase basic export control ability such as dual-use item identification, final use & user verification, and license application
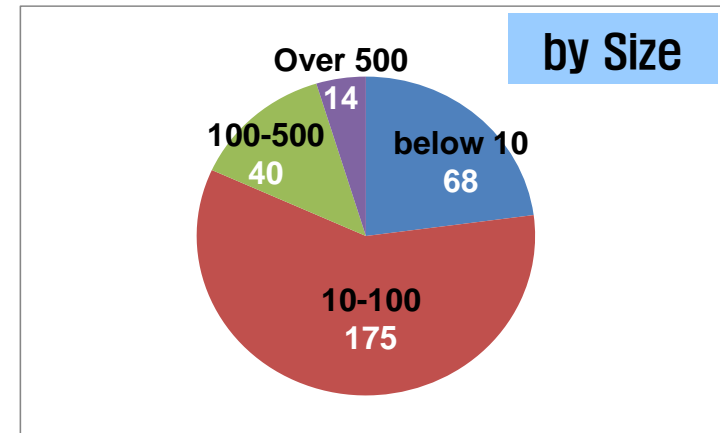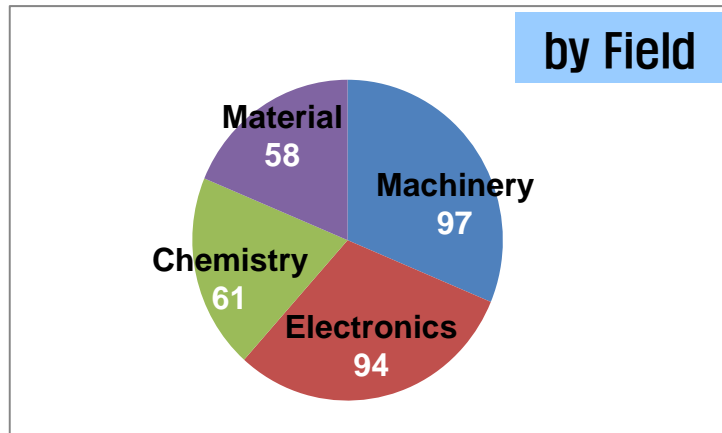
Consulting Method

 – Experts in each area of KOSTI visits applicants to provide consulting on strategic export system, controlled item determination, etc.

Period

 – Mar. ~ Nov. ,2012

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Project Result

　– 310 businesses in total in machinery, electronics, chemistry, material, and others applied.

by Field

Material 58
Machinery 97
Chemistry 61
Electronics 94

by Size

Over 500 14
100-500 40
below 10 68
10-100 175

Achievement

　– Provided consulting to 200 companies dealing with dual–use items or doing business with Iran
　– Increased basic export control ability such as export control compliance and determination

Date & Venue

– May 15th – May 16th, 2012   Yeosu Korea Post Training Center

Attendees

– 79 ppl from 44 ICP enterprises
& selected applicants

Major Events

– Presentation of the 8 ICP enterprises /
Appointment letter for the 1st half

– Group discussion for improvement and
facilitation of ICP system

– Consultation with hands-on staff from
relevant organizations

Date & Venue

– Nov. 19th, 2012, 14:00~17:00, COEX

Attendees

– 206 ppl from ICP enterprises & public

Major Events

– Presentation of the 14 ICP enterprises/ Appointment letter for the 2nd half

– Programs to raise industry's understanding of export control

– Briefing on results of compliance investigation

03 Challenges & Innovation

Tier-Based ICP System

ICP Appointment System

ROK Gov certifies companies that incorporate compliance program into their business operation

But the existing system provides the same benefits to all ICP enterprises regardless of the level of ICP implementation

- Lack of incentives for implementation

- Lack of voluntary activities by businesses to improve ICP operation

➡ **Need to differentiate requirements according to the level of ICP implementation and provide different benefits accordingly**

➡ **Plans to launch a Tier-based ICP system in 2014**

On-line export control system (Yestrade System)

Application submitted
-> Review
-> Approve/Reject

◇ Supplementary/
additional info needed
=> Request to applicants

On-line communication
b/w applicant and
licensing officer enables;

• Time reduction

• Real-time status check of
license applications

메모 내역

Licensing Officer 09:10:20

○ 수입자/수하인/사용자가 우려거래자로 등재되지 않았고,

**Comments/
Licensing Decision**

네트워크 장비를 수출하는 건으로,
동 업체로의 기존 수출허가 실적은 아직 없음
○ 이상 징후가 없으며, 평화적 목적의 수출로 판단됨

Exporter -01-25 21:08:25

빠른 지적에 감사드립니다.
보
필   니다.

Submission of info

Licensing Officer 5:39:15

정정요청을 하였습니다.
1.   의 사전판정활용   누락되어 있습니다.

Request more Info

2. 시스템상 입력 수량과 첨부서류의 수량이 상이합니다.

첨부파일 정보 ❓

수출신용장, 수출계약서, 수출가계약서 또는 이에 준하는 서류

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Supporting documents

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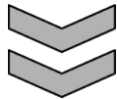
Strategic Technology Management Module
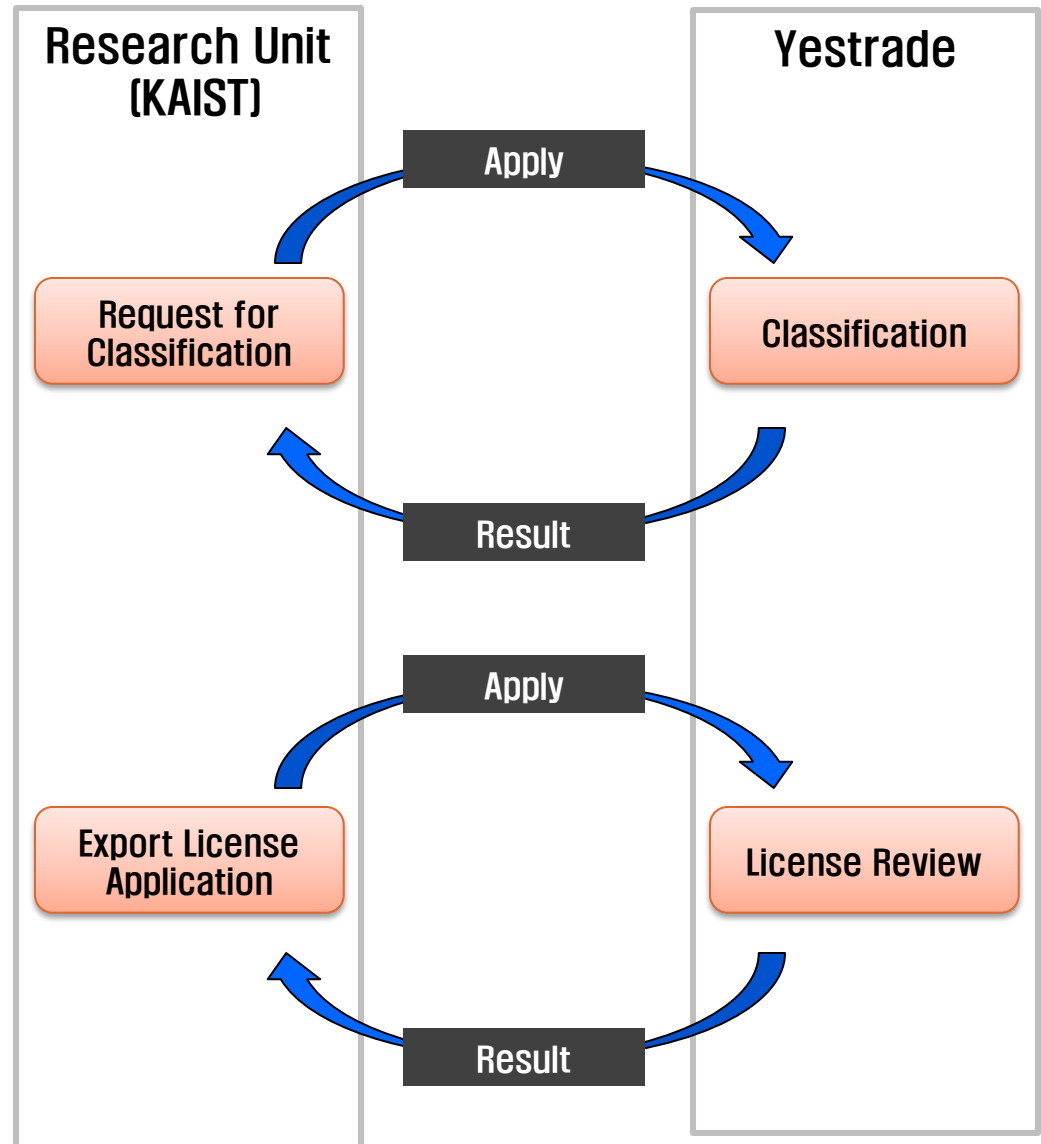
Tech. Export Order

Classification requests are made within KAIST System → the requests are sent to Yestrade for review

License applications are made within KAIST system → the applications are sent to Yestrade for review

Contract for technology export

Research Unit (KAIST)	Yestrade

Apply

Request for Classification → Classification

Result

Apply

Export License Application → License Review

Result

Thank You

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Economy