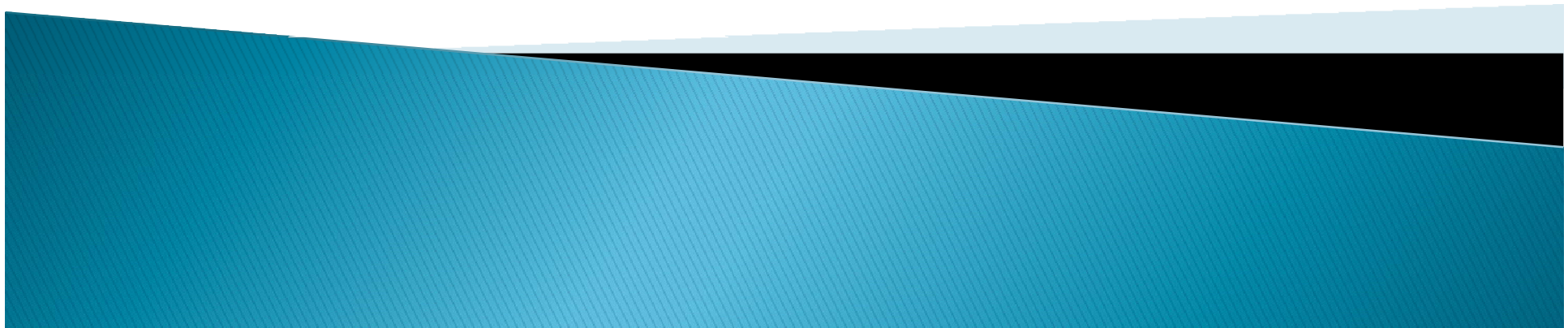


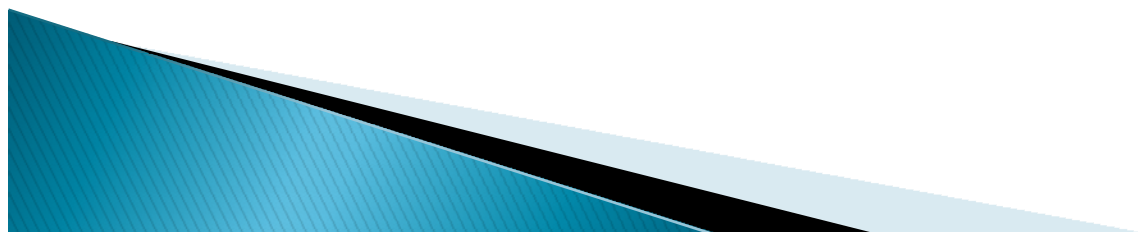
Licensing Process Breakout Session #2

22nd Asian Export Control Seminar
17–19 February 2015



Participants

- ▶ 10 Trade Control Systems Represented
 - 15 participants altogether
- ▶ Large number of group with direct licensing background
 - Many with specific licensing responsibility



Discussion Areas

- ▶ Identifying Main Challenge
- ▶ How structure of system impacts effectiveness
- ▶ Role of Cooperation (interagency / industry)
- ▶ Institutional and Human Capacity



Major Challenges

▶ Current

- Resource Limitations
- Inconsistent level of technical knowledge
- Implementing catch-all
 - Controlling nonlisted items
- Some systems too decentralized
 - Not focused on controlling strategic goods
- Lack of automation in some systems
 - Difficult to get hard data on transactions



Major Challenges

▶ Current

- Industry's demands for quick licensing times
 - How to balance with effective screening
- Industry awareness
 - Lack of understanding remains major issue
 - SMEs and secretarial companies note as particular problem



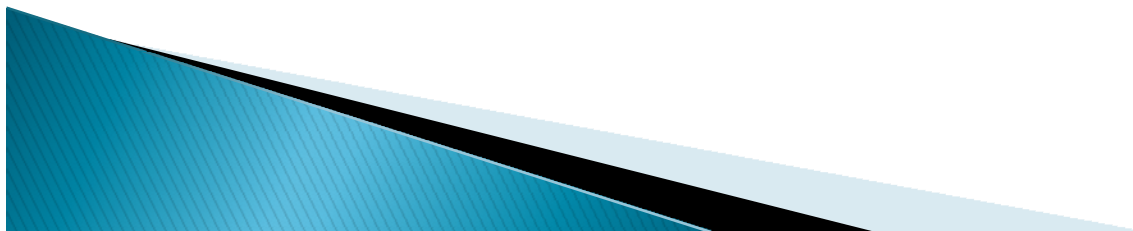
Major Challenges

- ▶ Up-Coming
 - Increased important of ITT controls
 - Need for linking HS codes
 - Increased high-tech commodities
 - Concerns about spare parts
 - Availability of dual-use equipment
 - More import/exports related to nuclear / oil and gas / high-tech electronics



Impact of System Structure

- ▶ Both multi-agency and single agency systems represented
 - Multi-agency meant more technical experts
 - Single agency mean more focused implementation
 - Some noted important role of automation
- ▶ Techniques for dealing with license volume included automation and bulk license



Cooperation

- ▶ Understanding of Interagency Process
 - Many systems allowed for getting input from technical experts
- ▶ Industry Outreach still critical
 - Most system still struggled with raising awareness
 - Getting multi-nationals to model
- ▶ Coordination between licensing and customs
 - Focus on how to link HS codes
 - Most systems saw coordination between licensing and customs



Building Capacity

- ▶ Increases understanding of commodities / technologies
 - Many pointed to activities like CIT
 - Usefulness depends on system however
- ▶ Increasing ability to assess risk of diversion
- ▶ Sharing of best practices critical
 - Many noted that coming to forums like this helped understand needs for setting up / improving systems

