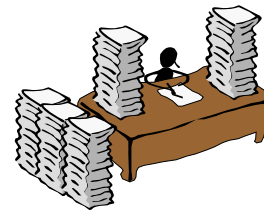
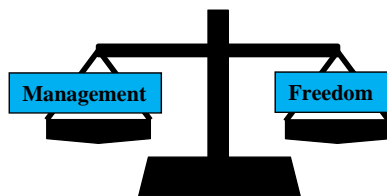
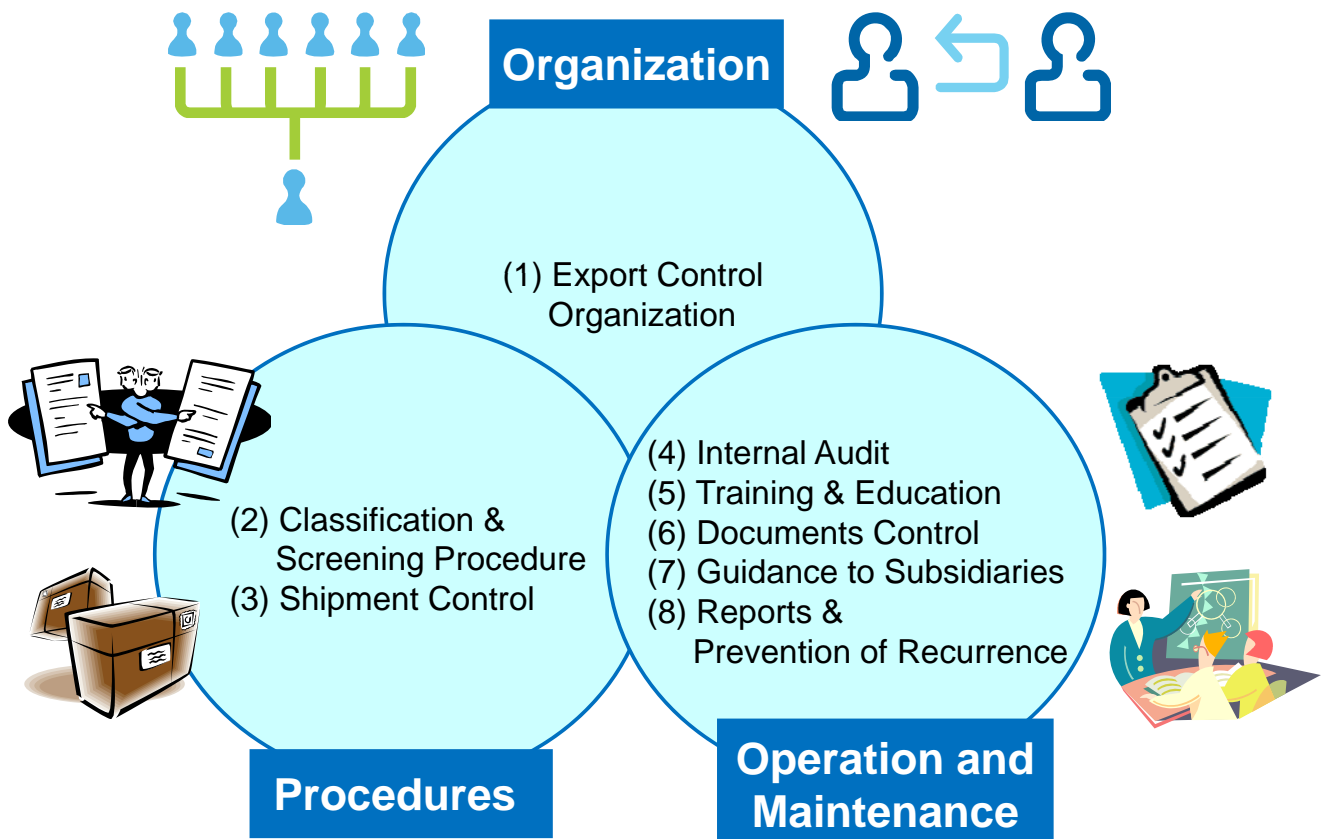


- An ICP is an **exporter's internal policy** to comply with the export control laws and regulations.
- Having an ICP is **not mandatory**, but METI has been encouraging exporters in Japan to establish an ICP since 1987.
- MITI (METI's predecessor) introduced the ICP system in 1987, **responding to a large illicit export scandal**.
- As of the end of 2015, **over 1400 exporters** in Japan had registered their ICPs with METI.

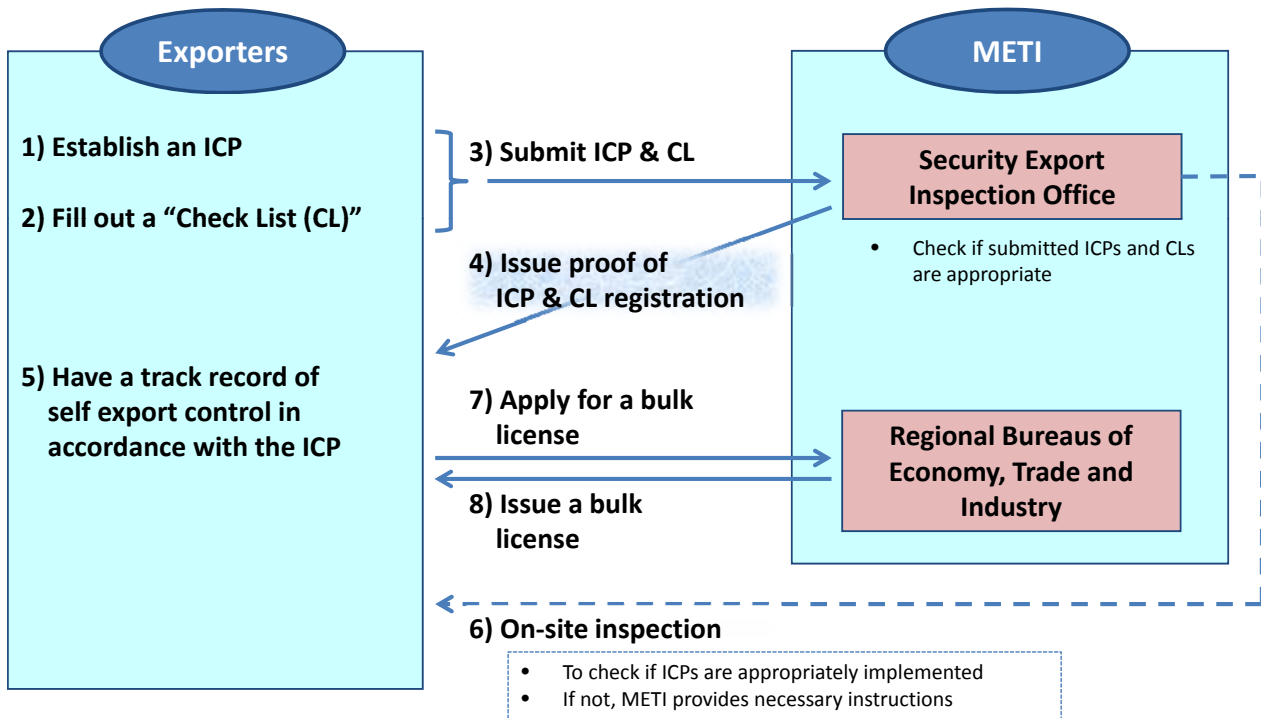


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Main Requirements for ICPs



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Audits to Check Implementations of ICPs

- METI conducts **two types of audits**: one is a paper audit using a "Check List (CL)," and the other is an **on-site inspection**.

Check List (CL)

- A CL consists of **41 check items**. By filling out a CL, exporters can **check whether they are implementing their ICP properly**.
- Exporters who have registered an ICP with METI are **annually required to submit a CL to METI**.
- METI checks each submitted CL, and **issues a proof of CL registration** if it finds a submitted CL appropriate.

On-site Inspection

- METI annually conducts **over 100 on-site inspections** of exporters – mostly bulk export license holders.
- Inspectors go to exporters' offices to **examine how ICPs are implemented**.
- If a violation of our export control law is found by on-site inspections, METI starts **post-shipment inspection**.

- **Strict enforcement** is important for export control.
- METI conducts **post-shipment inspections** and strengthens **interagency cooperation** with the customs, the police and other relevant authorities.



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Post-Shipment Inspection by METI

- METI conducts **post-shipment inspection** when an export of goods or transaction of technology that is **strongly suspected of violating the Act** is discovered.

Means for Inspection:

1. Voluntary Questioning

- To have interviews with a suspected violator

2. Mandatory Reporting

- To order a suspected violator to make a report in documented form on the content of export and other matters related to the case

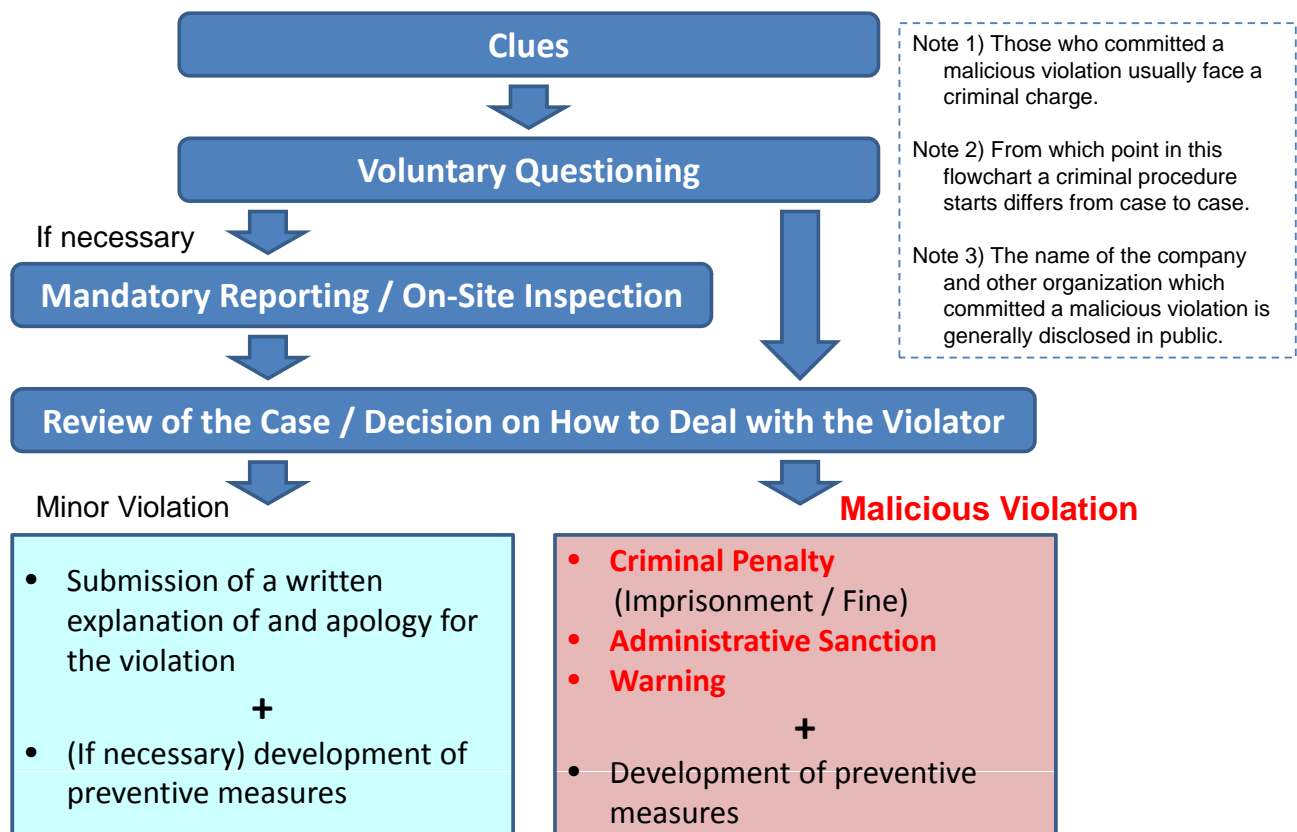
3. On-Site Inspection

- To enter the business office, factory, or other facility relevant to the case to inspect documents, and to question relevant persons.

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Flowchart of Post-Shipment Inspection



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Penalty for Malicious Violations

1. Criminal Penalty

- Up to **10 years imprisonment**
- Up to a **¥10M fine** (If 5 times the value of the items involved exceeds ¥10M, the fine shall be up to the 5 times amount)

2. Administrative Sanctions

- Up to a **3-year exports/ technology transaction ban**

3. Warning

- A **warning against the violator** may be issued by METI (in the name of the Director General of the Trade and Economic Cooperation Bureau)



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■ **Academic institutions** are engaged in various **intangible technology transfers (ITTs)**.

■ Typical opportunities:

- Provide international students guidance about research
- Interact with foreign researchers
- Conduct joint research with foreign universities or companies
- Accept a tour of research facilities from abroad
- Hold closed-door lecture meetings or exhibitions

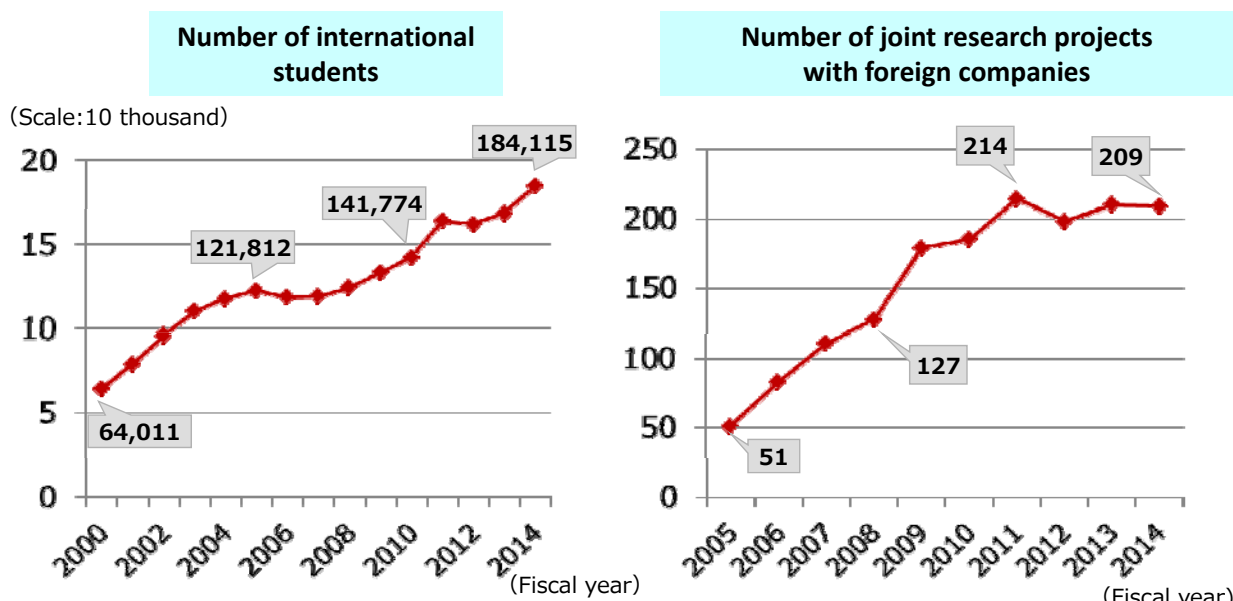


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Internationalization of Academic Institutions

■ Academic institutions are becoming increasingly **internationalized**.

■ They are likely to engage in **larger number of ITTs**.



(Source) Annual Survey of International Students in Japan, Japan Students Services Organization, Feb. 2015.

(Source) Ministry of Education, Culture, Sports, Science and Technology

1. Requests to Academic Institutions

- The government has issued several documents **to urge academic institutions to implement adequate export control** since 2005.

2. Seminars

- METI has held **over 100 export control seminars** for academic institutions across the nation.
- The following topics are covered:
 - Basic framework of Japan's export control system
 - Keys to a successful compliance with export control rules
 - Best practices in academic institutions

3. Guidance for the Control of Sensitive Technologies

- Published by METI in Jan. 2008 (revised in Feb. 2010).
- **Explains what kind of ITT control is required** in academia.

<http://www.meti.go.jp/policy/anpo/englishpage/101012guidance.pdf> ← English Version

4. FAQs

- Published by METI in Nov. 2014 on its website **to clarify the meaning of export control laws and regulations**. (only in Japanese)