

Holistic Approach to Control Goods and Technology

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Trade Control Department

Ministry of Economy, Trade and Industry (METI), Japan

1. Changing Environment regarding Technology Procurement for illicit purposes

- ❑ More high-tech products produced by SMEs (vulnerable to illicit procurement).
- ❑ Bigger role of Academic institutions in critical technology development.
- ❑ Difficulty in grasping illegal technology transfer.
 - Complicated global supply chain
 - IT such as cloud computing
 - Covered transactions / Illicit financial support (proliferation finance, etc.)



- Traditional export control is the basis. (Export control system + Governance by exporters)
- + α necessary to correspond to changing environment.
 - More eyes open to tech development in the private sector?
 - More interactive to academia, SMEs?
 - Learn more of transfer methodology?
 - Involvement of finance sector?

2. Concept of Japan's Policy for Critical Technology Control

Identify Target Companies and Universities holding critical techs
(which entities hold critical techs which are likely to be sought by concerned parties?)

**Targeting
&
Governance**

Awareness Raising to Target Companies and Universities

Strengthening of Technology Governance by Target Companies and Universities

Multi-faceted Policy Package for critical technology control

**Control
&
Screening**

Export of goods/ technology transfer

- Export Control (Foreign Exchange and Foreign Trade Act, FEFTA)

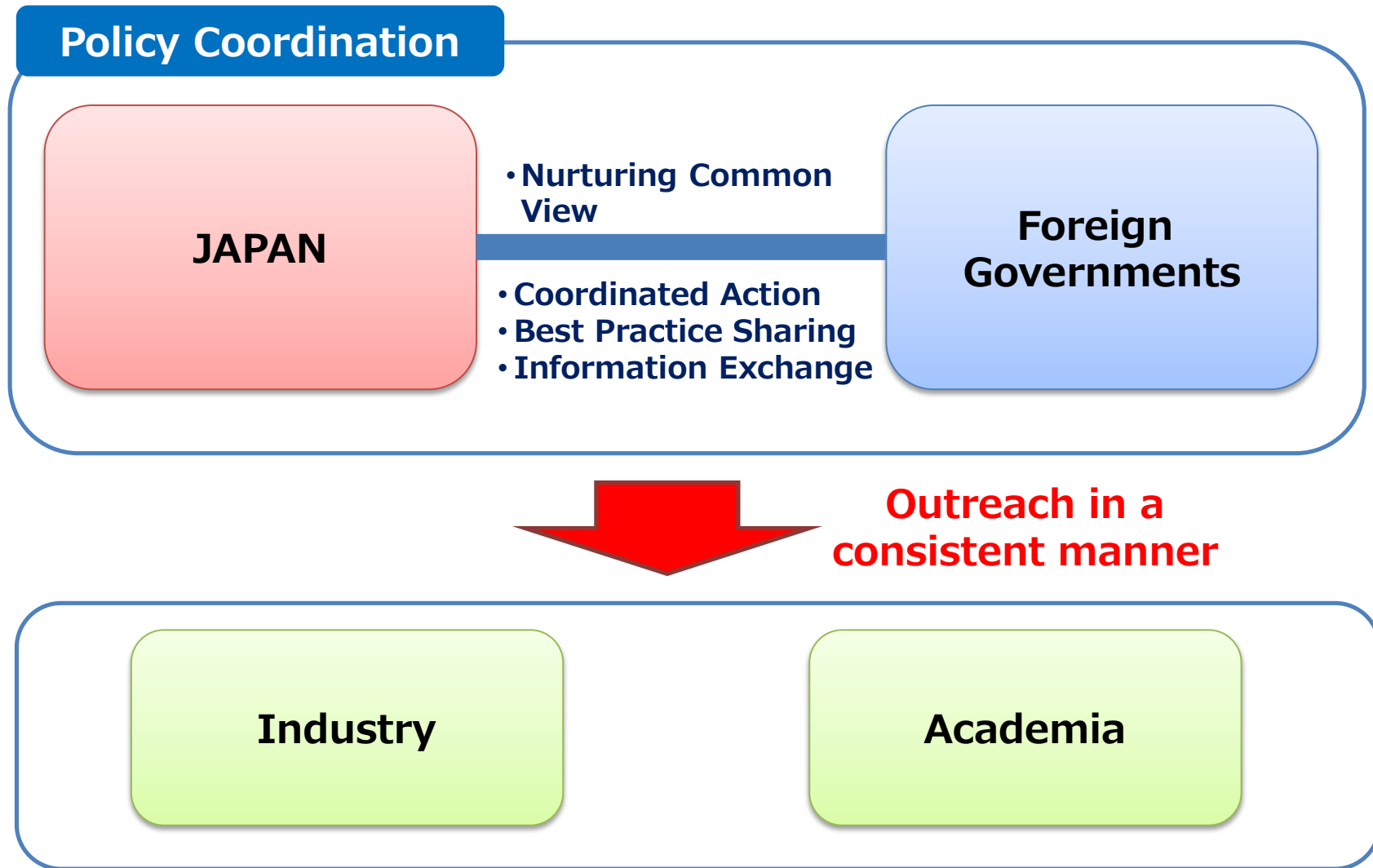
Investment

- Inward Direct Investment Control (FEFTA)

Exchange of people

- ITT control (FEFTA)
- Technology Control Guidance especially for university

3. International Cooperation for Critical Technology Control



4. Key Points for Effective Export Control and Other Means

- **Identify holders of critical technology** (universities/research institutes and SMEs possessing advanced technology). Nurture better understanding on who are possessing technologies which have risks of being used inappropriately by concerned countries/entities.
- **Holistic approach** – Systemic collaboration among Export Control Authorities and other Government Authorities (Investment, VISA, finance, etc.) to effectively counter illicit procurement of technology.
- **International cooperation**/information sharing to reinforce the above.