

# Enforcement cooperation between the licensing authority and the customs agency

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- **The 26<sup>th</sup> Asian Export Control Seminar**
- **Feb. 26 ~ 28, 2019, Japan**

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# Background

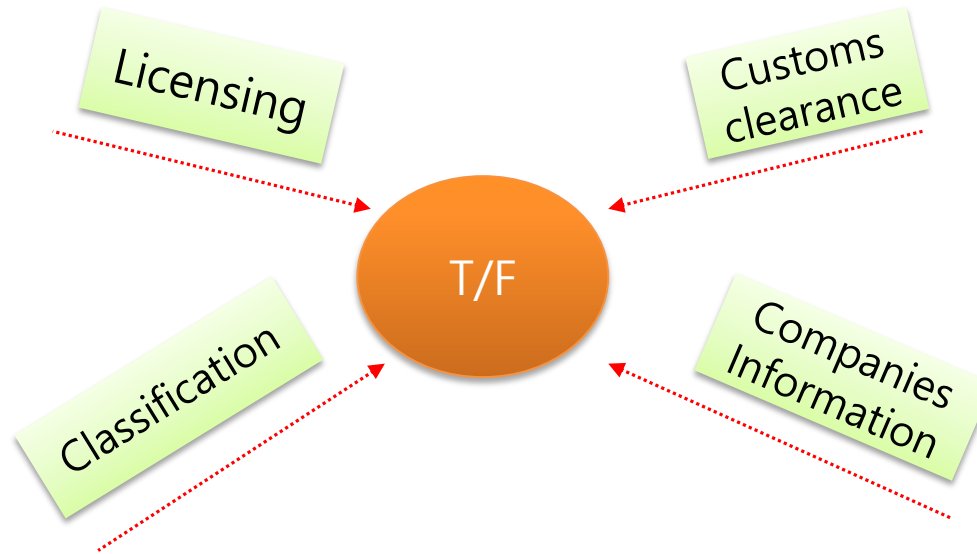
- ❖ **Export without approval cases have been rising**
- ❖ **No Ex-officio investigation on illegal export**
  - Take on passive attitude?
- ❖ **Need for assessment of export control system**

# Ex-officio investigation

- ❖ **Not enough information for the investigation**
- ❖ **Target items and target companies ?**
- ❖ **Form T/F for information**

# Ex-officio investigation

T/F for information sharing



# Ex-officio investigation

Object Items : 8

Regime	Control number	items
AG	2B350	Chemical manufacturing facilities, equipment and components
	1C350	Chemicals, which may be used as precursors for toxic chemical agents
MTCR	1C117	Materials for the fabrication of missile components
	1C107	Graphite and ceramic materials
	1C111	Propellants and constituent chemicals for propellants
	1C210	Fibrous or filamentary materials or prepregs
	1C202	Aluminum alloys
	2B230	Pressure transducers capable of measuring absolute pressures

Object Period : 2013~2017

# Ex-officio investigation

## Object companies

- (1<sup>st</sup>) Selecting 729 export cases by 163 companies
  - ✓ Cross assessing all Information such as customs clearance, classification, licensing, sanctions, etc
- (2<sup>nd</sup>) Selecting 123 export cases by 19 companies as target companies

# Ex-officio investigation

## Investigation methods

- **Collecting information by questionnaire**
- **Request for explanatory materials**

< Foreign Trade Act\* (KOREA) >

Article 48 (Report, Inspection, etc.)(1) The Minister of Trade, Industry and Energy ... may order a person who holds export permission or situational permission for the goods, etc. .... pursuant to Article 19 (3) or a person who exports, or tried to export, such goods, etc. without export permission or situational permission to submit a report or data .....



# Ex-officio investigation

## Investigation results

- **Uncovering illegal export cases**
  - ✓ **69 export cases by 17 companies**
  - ✓ **0.6million dollars**
  - ✓ **Majority items : pumps & valves**

# Implications

- ❖ **The 1<sup>st</sup> ex-officio investigation on export**
- ❖ **Finding out target companies' awareness & understanding of export control system**
- ❖ **Blind spot of self-classification**
- ❖ **Exporters depending on custom brokers**

# Countermeasures

- ❖ **Propagation within the same field and regular basis ex-officio investigation**
- ❖ **Enhancing education for export control system**
- ❖ **Revision of Foreign Trade Act for self-classification**
- ❖ **Customized education for custom brokers**

# Conclusion

- ❖ **Ex-officio investigation : Best way to curb illegal export**
- ❖ **Need for Cooperation among Agencies related**

Thank You