Managing export compliance and sanctions in Asia-Pacific

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Agenda

• Overview of Export Controls in Asia-Pacific

• Key updates of Export Controls in Asia-Pacific

• Challenges in Managing Compliance in Asia-Pacific
# Overview of Export Controls in Asia-Pacific

## Key Framework

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Hong Kong</th>
<th>Singapore</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Regulators</strong></td>
<td>Ministry of Commerce</td>
<td>Trade and Industry Department</td>
<td>Ministry of Trade and Industry</td>
<td>Bureau of Foreign Trade</td>
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<td></td>
<td>Chinese Customs Bureau</td>
<td>Customs and Excise Department</td>
<td>Singapore Customs</td>
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<tr>
<td><strong>Licensable Export Activities (Dual-Use &amp; Military)</strong></td>
<td>Import, Export, Transit, Tranship (Dealing with military items is restricted to authorised entities)</td>
<td>Import, Export, Tranship, Transit</td>
<td>Export, Tranship, Transit, Intangible transfer, Brokering</td>
<td>Export, Tranship, Transit</td>
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<tr>
<td><strong>License Types</strong></td>
<td>Individual</td>
<td>Individual</td>
<td>Individual/Bulk</td>
<td>Individual</td>
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<td>General</td>
<td>AIP for Bulk Users</td>
<td>Brokering permit</td>
<td>Bulk</td>
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<td>US’s HK rule</td>
<td>US’s HK rule</td>
<td>ITT permit</td>
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<td><strong>Classification List</strong></td>
<td>Own system with multiple lists, only in Chinese</td>
<td>Munitions List</td>
<td>Military Goods and Dual-Use Goods List (EU numbering system)</td>
<td>EU lists</td>
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<tr>
<td></td>
<td></td>
<td>Dual-Use Goods List (EU numbering system)</td>
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China’s first comprehensive export control law since 1997

Controls:
- Export
- Reexport / Extraterritorial jurisdiction (China’s own De Minimis rule)
- Deemed export

Controls both tangible and intangible (technology, service)

Interim/temporary export control of items not listed

Embargoes, Sanctions and Black list

Encourages internal control programme

Introduces bulk license
Main control measures in draft Export Control Law

- Embargoes that apply to entities, individuals or countries
- Establishes a sanctions list
- Perform risk assessment for the export destination countries that might pose a national security threat to PRC
- Interim control measure could be imposed on any items
- Control list covering dual-use and military items
- New concept of end use undertaking
- Controls on any export that may pose a threat to PRC national security. Exporters may need to obtain licenses if they know/should have known/are informed by authorities of a specific unauthorised end use
- New administrative and other penalty regimes included

Key updates of export controls in Asia-Pacific
China – Draft Export Control Law (June 2017)

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Open questions:

- One control list?
- Voluntary disclosure regimes?
- The effectiveness of the previous laws and regulations
- Responsible government authorities and administrative / enforcement processes
Challenges in managing compliance in Asia-Pacific

**External**
- Language barrier
- Inconsistent enforcement
- Different practice between different government authorities
- Lack of communication platform with government
- Lack of well established process

**Internal**
- Difficult to build local/ regional talent pool
- Culture difference
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