



# Development of Japan's Security Trade Controls

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# 1 Domestic Arrangement

- ❑ Foreign Exchange and Foreign Trade (Control) Act
  - ❑ Enacted in 1949, amended in 1980 (from 'principle' to 'exception')
  - ❑ Name change in 1998
  - ❑ Catch-All Provision in 2002
  - ❑ Military-Catch All Provision in 2008
- ❑ Three Principle 'plus' Arms Export Ban
  - ❑ Sato Administration, 1967, communist country, conflict, UN sanction
  - ❑ Miki Administration, 1976, all area
  - ❑ Exception: US, UNPKO, Landmine, Fight against terrorism
- ❑ Toshiba Machine – Kongsberg Affair , 1987
- ❑ End of the Cold War, from catch-up control to nonproliferation

## Foreign Exchange and Foreign Trade (Control) Act

- 1980 amendment (current)
  - “The purpose of this Act is, on the basis of the freedom of foreign exchange, foreign trade and other foreign transactions, to enable proper expansion of foreign transactions and the maintenance of peace and security in Japan ...”

## CoCom Violation Cases

- ❑ 1966 Shinten Industries (USSR)
- ❑ 1969 Hyogo-Ken Trading (China)
- ❑ 1987 Tomei Trading (NK, China)
- ❑ 1987 Toshiba Machine (USSR)
- ❑ 1988 Kyokutou-Shokai (China)
- ❑ 1989 Daikin Industries (Russia)
- ❑ 1989 Prometron Techniques (E Germany)
- ❑ 1991 JAE (Iran)
- ❑ 1993 Traders (China)

# Toshiba Machine Case

- 1987            Case Revealed
  - Exported NC machine and software (banned by FEFT) to USSR (from 1982 to 1984)
  - NC machine contributed to silence the USSR's submarine, thus making hard to detect
    - Security Implication
    - Impact on Japan-US relations
  - False documentation (MITI could not detect)
    - Short of staff
    - Lack of governance within company
- 1988            Tokyo District Court
  - Fine: 2 million yen, 2 sentenced(10 month, 1 year)
  - President of Toshiba (parent company) resigned



## 2 Regime Participation

- ❑ Full membership since foundation (export control)
  - ❑ Australia Group (chemical and biological weapons)
  - ❑ Nuclear Suppliers Group (nuclear)
  - ❑ Zangger Committee (nuclear)
  - ❑ Missile Technology Control Regime
  - ❑ Wassenaar Agreement (conventional / dual use goods)
    - ❑ CoCom member since 1952
- ❑ Enforcement mechanism
  - ❑ Enhanced Proliferation Control Initiative (EPSI), 1990
  - ❑ Proliferation Security Initiative (PSI)

## 3 Economic Sanctions: UN and Unilateral

- UNSCR 1540

- Transshipment, Transit, Broker control

- Unilateral Sanction

- Article 10 The cabinet meeting may decide to take countermeasures when it is particularly necessary in order to maintain peace and security in Japan

## Additional Economic Sanction against NK

- 2004
  - FEFT Amendment, Article 10
  - Special Act to Ban in-Port ship from Certain Countries
- 2006
  - July: MAN GYONG BONG, Ban inbound flight of Charter Flight
  - October: North Korean Vessel, Import Ban
- 2009
  - April: Financial restriction (¥30M to ¥10M), Sanction (6 month to 1 year)
  - June: Export Ban, restriction on human exchange



