

A Study on the Status of the Internal Compliance Programs and the Operational Plan for Trigger List Items

Beom-seok Shin*, Hee-su Choe

Korea Institute of Nuclear Nonproliferation and Control, Nuclear Export Control Division, Yuseong-daero 1418, Daejeon, Korea

*Corresponding author : bsshin90@kinac.re.kr

Introduction

In order to establish an efficient export control regulatory system and support exports, the implementation of an Internal Compliance Programs (ICP) is needed for Trigger List items. The ROK has implemented the ICP for dual-use items through Article 22(Self-Compliance Traders) of the Foreign Trade Act. However, it has not yet to be implemented for trigger list items.

This paper investigated the current status of the ICP in various states and analyzed the domestic CP system to study the methods for implementing the ICP for trigger list items.

Investigate & Analysis

Status of the ICP

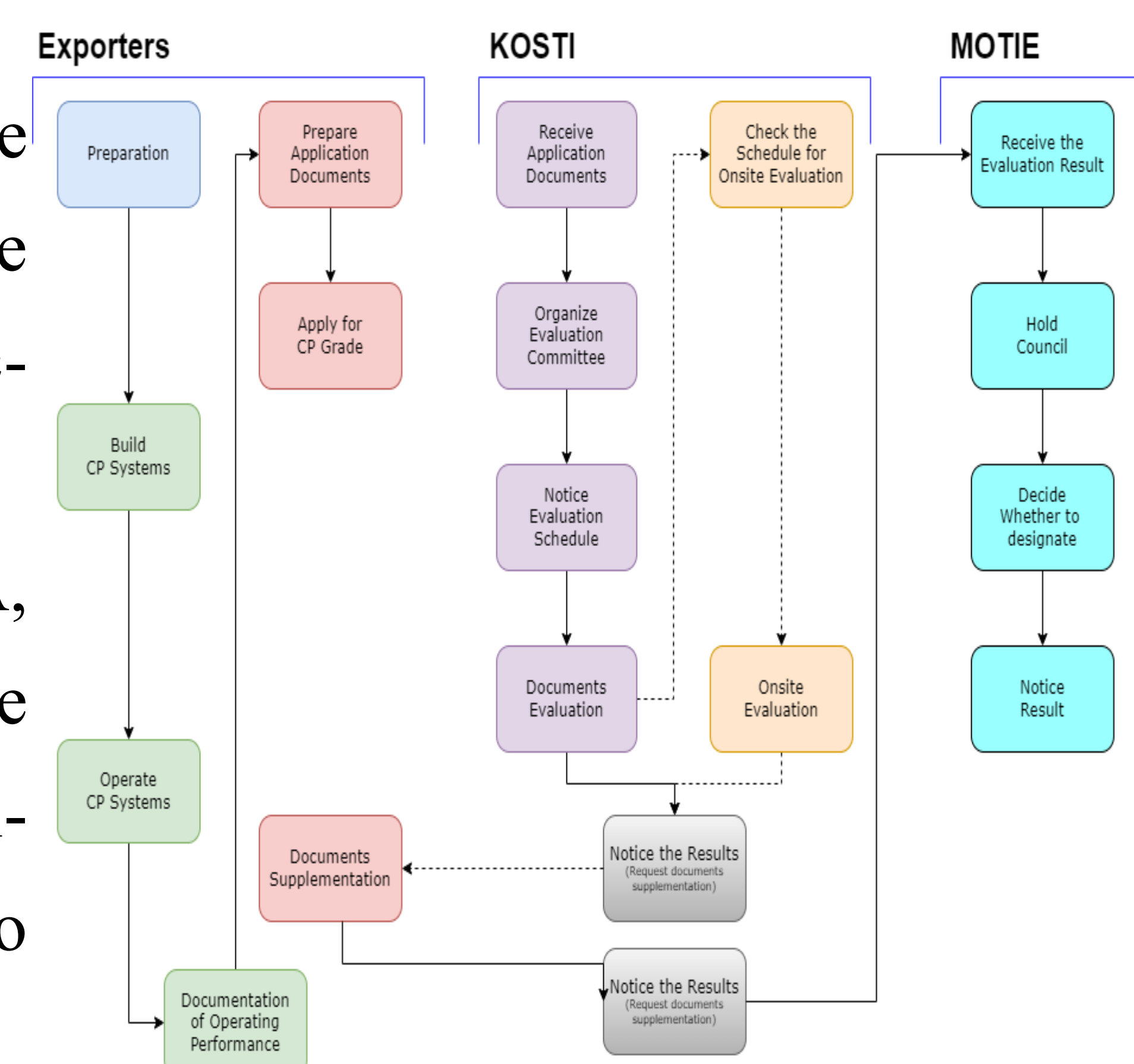
The ICP for strategic items means an internal program that implements self-regulating export management, such as classifying the strategic items and applying for export licenses by establishing a system of organization, regulations, transaction review, education, and audit necessary for the export management of strategic items in order to comply with export control laws and regulations.

Many states, including the ROK, implement the ICP for dual-use items. However, there are few examples of the trigger list items.

Analyzing the domestic CP system

The domestic CP system categorizes exporters into five types, which can be divided into three categories based on the nature of the exporter: manufacturing companies, logistic-trade companies, and academic-research institutes.

There are three grades of self-compliance traders (A, AA, AAA), each with different incentives. The incentives include exemptions from review, document submission, export licensing, and reporting deadlines depending on grade are also differentiated.



Implementing Method

Applying the CP system for dual-use items to trigger list items is difficult. The number and nature of exporters dealing with the trigger list items, it may be efficient to operate a single class of self-compliance traders without the classification criteria of exporters.

In addition, the current CP system's incentives are specialized for dual-use items. The comprehensive export license system, which is the main incentive of the CP system, is not applicable to the trigger list items. Therefore, incentives specific to the trigger list items, such as the self-classification and the Government-to-Government Assurance (GTGA) exemption, should be developed./

Conclusion

This paper investigated the current status of the ICP and analyzed the domestic CP system to study the considerations for implementing the ICP for the trigger list items. It is necessary to develop and apply a specific operation plan that considers the characteristics of exporters and export licenses of the trigger list items.