

# **Export Licensing Procedures in the Republic of Korea**

**Joint Industry Outreach Seminar on Strategic Trade Management**

Sep. 2021



Ministry of Trade,  
Industry and Energy

# CONTENTS

- 1. Overview of Export Licensing System**
- 2. Export Licensing Procedures**
- 3. Post Control**
- 4. Amendments to Public Notice on Trade of Strategic items**



# 1. Overview of Export Licensing System

## ■ Operate an export licensing system in accordance with international standards

- **Control the export of items that have high potential of being diverted into weapons**, in accordance with the four international export control regimes so as to protect international peace and national security
  - **Legal grounds** : Foreign Trade Act, Public Notice on Trade of Strategic Items, Defense Acquisition Program Act, Nuclear Safety Act, etc.
  - **Strategic items** : Any goods, software and technology that have high potential of being appropriated for manufacturing, developing or using weapons of mass destruction or conventional weapons.



# 1. Overview of Export Licensing System

## ■ Operate an export licensing system in accordance with international standards

- **Licensing Agencies** : Licensing agencies vary by controlled item type

	Agency	Item Type
Licensing Agencies	MOTIE	Dual-use
	NSSC	Nuclear use
	DAPA	Military use

### ☞ “Ensure expertise in license review by separating licensing responsibilities by controlled item type”

- **License types** : Individual License, Comprehensive License, Catch-all License, Brokering License, Transit/Transshipment License
- **Licensing procedures**
  - ① Classification →
  - ② License application →
  - ③ Review →
  - ④ Approval or denial



## 2. Export Licensing Procedures

### ■ Classification of items

- Companies apply for **professional classification or self classification** through YESTRADE system
  - ① **Self-classification** : Enter item information on YESTRADE self-classification system and submit answers to questions on specifications → Immediately check if the item falls under the category of strategic items on the system and have the classification result issued
  - ② **Professional classification** : Provide detailed information about an item via YESTRADE professional classification system → KOSTI's technical experts determine whether the item constitutes a controlled strategic item free of charge and issue the classification result



## 2. Export Licensing Procedures

### ■ Thorough examination

- Companies apply for export licenses, selecting items and export license types **via YESTRADE**
- Licensing officers **review basic documents, the exporter and counterparty**(end-user) against assessment criteria → **Issue an export license** through YESTRADE
- Applicants are able to check the progress of license review in **real time, informed of supplementary documents to submit** and receive examination results, all on YESTRADE
- **Assessment Criteria**
  - ① Classification result, ② Importer, ③ Importer's technological levels & military and diplomatic sensitivity, ④ Usage by the private sector, ⑤ Reliability of the purpose of use by the buyer, ultimate consignee and end user, ⑥ Possibility of re-exportation, ⑦ Whether the exporter, buyer, ultimate consignee or end user is included in Denial list, etc.



## 3. Post Control

### ■ Illegal export of strategic items is subject to strict penalties according to Foreign Trade Act

- Penalties

① **Criminal** : Up to **7 years of imprisonment** or a **fine** of up to **five times the value of the transaction**, or both

② **Administrative** : **Prohibition on trade** of strategic items for up to **3 years**, **order to receive training and education**, etc.



**Thank you for your attention**



Ministry of Trade,  
Industry and Energy