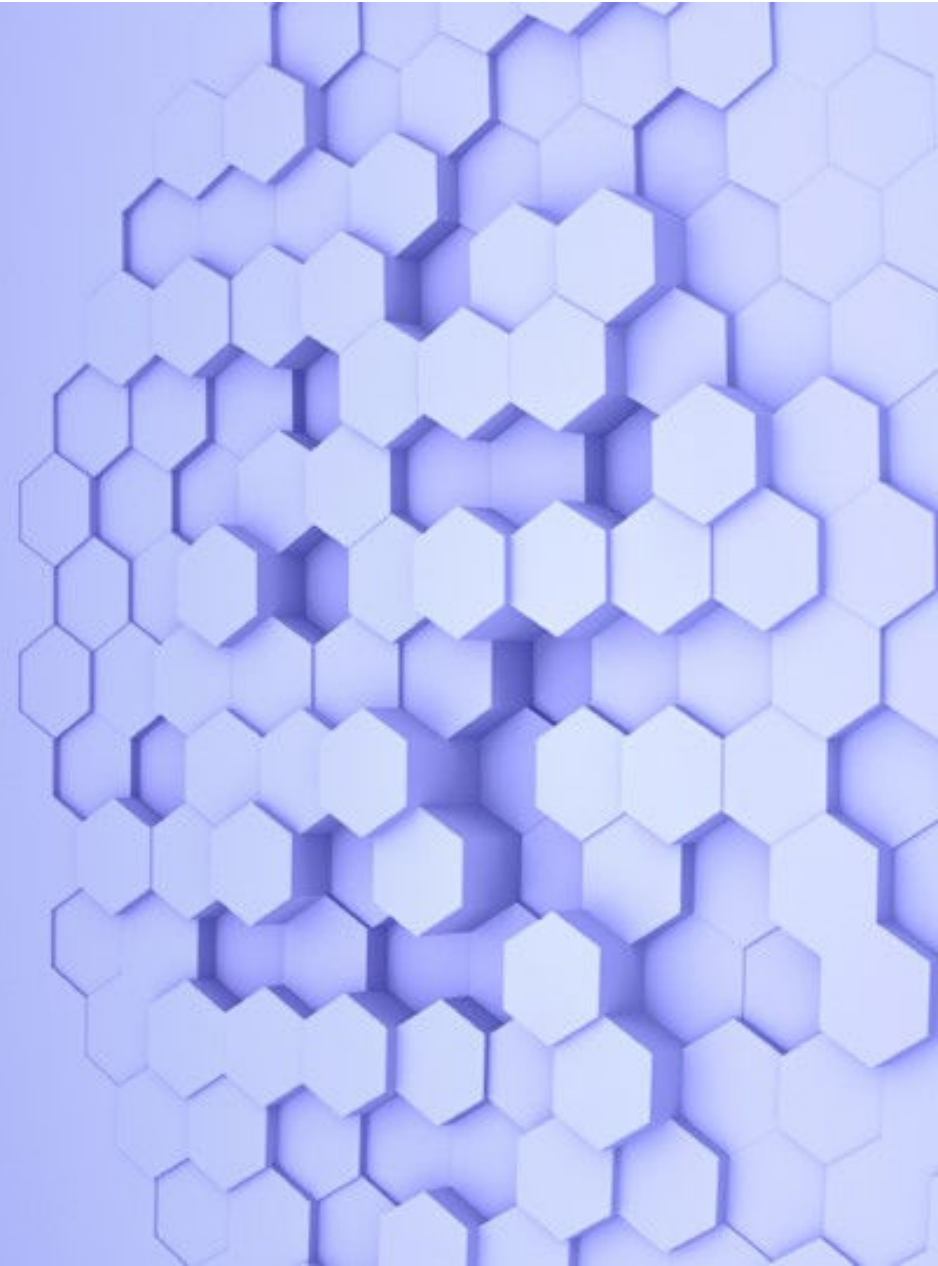


**Baker  
McKenzie.**

**Annual Compliance  
Conference 2024**



# Global Sanctions and Export Controls Update

Thursday 9 May 2024





# Speakers



**Ben Smith**  
Partner (Chair)  
London



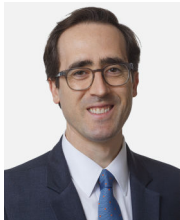
**Kana Itabashi**  
Partner  
Tokyo



**Julia Webster**  
Partner  
Toronto



**Andrew Rose**  
Senior Associate  
London



**Michael Amberg**  
Senior Associate  
London



**Johanna Asplund**  
Associate  
London



**Kimberley Fischer**  
Associate  
Berlin



# Key Developments

## Russia Sanctions



**Evolution of  
controls**



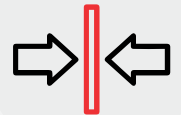
**Diversion and  
circumvention**



**Jurisdictional  
complexities**



**Statutory  
interpretation**



**G7 Alignment**



# Overview of Japan's Sanctions against Russia

- Since March 2022, Japan has **continuously expanded its export control regulations against Russia**
- Compared to the sanctions of the US/EU, **the scope of Japanese sanctions is somewhat limited**



## Controlled items

- In addition to dual-use items, Japan has introduced **additional controls** of the following items:
  - a. **General-purpose articles** that may contribute to the enhancement of military capabilities (e.g., ICs, computers, robots, laser welders, etc.)
  - b. **Cutting-edge products** (e.g., quantum computers, 3D printers)
  - c. Products that may contribute to the **enhancement of industrial base** (e.g., trucks, bulldozers, automobiles above 1,900 cc, etc.)
  - d. **Luxury goods** (e.g., alcohols, cigarettes, jewelry goods, etc.)



## Residents/Non-residents

- Unlike the US/EU, Japan regulates the provision of certain technologies to **"non-residents"**, not to **"non-Japanese"**
- Under the current rule, even Japanese nationals may become **"non-residents" two years after they leave Japan**
- Likewise, even foreigners may become **"residents" after six months of stay in Japan**



## Reexport

- Japan **does not regulate reexports** of controlled items from third countries
- Therefore, **even if Japanese nationals or Japanese residents (re)export controlled items from third countries to Russia**, the Japanese export control regulation **does not apply** in principle



# Other Sanctions Developments

## Iran

- Further unilateral sanctions implemented by several nations
- Expiration of UNSC multilateral restrictions are continued by several nations
- UK and US introduced new sanctions following attack on Israel in mid-April 2024

## Developments in Middle East/Africa

- Designations related to Israel/Palestine
- US/UK designation of Yemen's Houthis following Red Sea attacks
- Conflict driven sanctions e.g., Afghanistan; Sudan; DRC
- Link to terrorist financing/AML/broader compliance legislation

## Central and South America

- Venezuela: Relaxation followed by reimposition of certain US sanctions tied to elections
- Nicaragua: US imposes arms embargo

## China

- Continued sanctions/export controls, malicious cyber activity related designations and investment-related scrutiny
- Forced labour/human rights considerations
- China countermeasures
- TikTok forced sale required by recent US legislation

---

# Export Controls Developments

**Unilateral  
Controls on  
Advanced  
Technology**

**Semiconductors**

**EU  
White  
Paper**

**AUKUS**



# Export Controls on Emerging Technologies



- New UK controls on emerging technologies (e.g., semiconductors, quantum computing) came into force from 1 April
  - New entries PL9013-9015 in the UK Dual-Use List
  - General licence available for exports to GEA 001 countries and the EU
- January 2024 EU White Paper
  - Acknowledges national controls on emerging technologies (e.g., NL, Spain) and raises concerns as to fragmentation
  - Potential for unilateral EU controls in the near future?



---

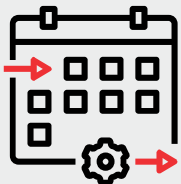
“The current blockage of the multilateral regimes seems also to have prompted some members to take individual actions that are not anchored in those regimes, thus increasing the risk of fragmentation of the Single Market and, more generally, reducing the effectiveness of the multilateral export controls system.”

European Commission White Paper on Export Controls, January 2024



# Japan: Semiconductors and Advanced Technology

**Effective from  
23 July 2023**



- License is required irrespective of the destination
  - 23 items have been newly listed in Annex I of Japan Export Trade Control Order (manufacturing or testing SME)
    - Cleaning (3 items)
    - Deposition (Film formation) (11 items)
    - Annealing (Heat treatment) (11 items)
    - Lithography (Exposure) (4 items)
    - Etching (Chemical removal) (3 items)
    - Testing (1 items)
  - Bulk license cannot be used for countries except for 42 countries / region (WA countries minus Russia, Japan, Singapore, Taiwan), and individual license is required for other countries / region including China
  - China is not individually designated in the regulations, however, export of these items to China is likely to be further controlled in its implementation
  - Some overlaps in concepts / language with US controls issued on 7 October 2022
- 
- Interim report published by METI on 24 April 2024
    - Review of catch all control
    - Strengthening technology control

# Questions





# Next week

---

## Customs and key compliance developments

14 – 16 May 2024

EU customs reform: biggest overhaul since 1968

Tuesday 14 May, 3.00 - 4.00 pm BST | 4.00 - 5.00 pm CEST | 10.00 - 11.00 am EDT

EMEA customs: what's trending?

Wednesday 15 May, 3.00 - 4.00 pm BST | 4.00 - 5.00 pm CEST | 10.00 - 11.00 am EDT

Customs duty mitigation: how to drive significant financial savings

Thursday 16 May, 3.00 - 4.00 pm BST | 4.00 - 5.00 pm CEST | 10.00 - 11.00 am EDT

---



## **Baker McKenzie delivers integrated solutions to complex challenges.**

Complex business challenges require an integrated response across different markets, sectors and areas of law. Baker McKenzie's client solutions provide seamless advice, underpinned by deep practice and sector expertise, as well as first-rate local market knowledge. Across more than 70 offices globally, Baker McKenzie works alongside our clients to deliver solutions for a connected world.

**[bakermckenzie.com](https://bakermckenzie.com)**

Baker & McKenzie is a member firm of Baker & McKenzie International, a global law firm with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner, or equivalent, in such a law firm. Similarly, reference to an "office" means an office of any such law firm. This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

© 2024 Baker McKenzie

