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# Strategic Trade Control Industry Outreach and Compliance in the People's Republic of China

**This briefing paper is part of a project on ‘Tackling the illicit transfer and diversion of proliferation-sensitive goods and technologies: supporting government outreach and encouraging a culture of compliance among industry’. The project has been driven by growing international concern over the illicit proliferation of sensitive goods and technologies and the potential for this to contribute to the development of weapons of mass destruction and other destabilising military capabilities.**

In 2018, Saferworld and two project partners, the Center for Policy Research from the State University of New York and the Chinese Academy of International Trade and Economic Cooperation (CAITEC), convened an Expert Working Group involving government, industry and think-tank experts from Asia, Europe and North America. The resulting discussions demonstrated a unique level of East-West cooperation on strategic trade control (STC) and internal compliance programmes (ICP), and helped to identify targeted resources to support government outreach on STC and industry compliance initiatives.

This briefing provides an overview of the legal basis, the tools and resources, and the implementation that comprise the Chinese government's (and its stakeholders') STC outreach and compliance. In particular, it highlights how China's STC outreach and compliance have changed with the enactment of the *Law on Export Control* (2020), and how they will continue to develop as the Chinese government looks to implement and enforce the new legislation.

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## Introduction

Industry compliance is often referred to as the 'first line of defence' in an effective national strategic trade control (STC) system. Nevertheless it often takes legal and institutional support from government agencies that administer and enforce the national STC system to help develop industry compliance capacity and motivation. The People's Republic of China (PRC) government outreach to industry on STCs and industry compliance with STCs has improved in recent years, although much work remains.

Until recently, China's STC laws and regulations provided a limited legal basis for the Chinese government to conduct outreach to enterprises and for those enterprises to implement internal compliance programs (ICPs) in line with international standards. From at least 2015, China had been looking to reform its export control legislation in order to create one national-level legal and policy framework to strengthen the government's authority over companies involved in the export of dual-use goods and military technologies. After releasing several drafts for public comment, on 17 October 2020 the Standing Committee of the National People's Congress approved a new *Law on Export Control (2020)*. This law broadens and deepens that legal basis considerably but, in so doing, increases the need for robust and reliable outreach and compliance regulations, capacities, institutions and implementation. The PRC's accession to the Arms Trade Treaty (ATT) on 4 October 2020 further strengthens China's international obligations concerning STC. It is therefore vital that the regulations that will accompany the new *Law on Export Control (2020)* reflect the full spectrum of legally-binding commitments that China must implement as an ATT State Party.

Even without a robust legal basis, since 2004, China's Ministry of Commerce (MOFCOM) has provided tools and resources to help enterprises comply with STCs: such as the 'Dual-Use Government Application' and the guidelines for export licensing for each category of strategic item; pre-licence consultations; and online 'Q&As'. In April 2021, MOFCOM took the very critical step of updating its guidelines on internal compliance programs (ICPs) for exporters of dual-use items. At the same time, Chinese STC agencies have not offered STC compliance tools such as restricted party screening databases or item classification. Neither have they offered compliance guidance for specific sectors (for example, aerospace, electronics), or business types (for example, freight forwarders, service providers). MOFCOM and its affiliates have conducted STC outreach events for PRC enterprises, but more in-person outreach is likely needed, given the number of enterprises – in particular, small-and-medium enterprises – potentially exporting strategic items from China. This is especially true given the new export control law, which increases both the STC compliance requirements for enterprises and the potential penalties for STC violations. With all of this in mind, this briefing provides an overview of where China's STC outreach and compliance has been, where it stands now, and outlines steps the Chinese government can take to help itself and its stakeholders effectively implement the requirements of the new *Law on Export Control (2020)*.

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**In order to minimise the risks of illegal exports, it is imperative for China and other manufacturers and exporters of strategic goods to put in place rules and procedures that require industry compliance with national norms.**

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**Bernardo Mariani, Head of China Programme, Saferworld**

## STC outreach and compliance legal basis

Before adopting the *Law on Export Control* (2020), China's STC government regulations and ministerial measures included enterprise compliance requirements and some content related to ICPs, but there was only a limited legal mandate for STC-related outreach by government agencies. One of the earlier STC-related regulations, the *Measures on the Administration of Export Registration for Sensitive Items and Technologies* (2002), addressed external and internal STC compliance requirements. Those measures required that all registrants be familiar with the products and technologies they deal in and have personnel dedicated to managing the enterprise's exports.<sup>1</sup> The 2007 amendment to the *Regulations on Export Control of Nuclear Dual-Use Items and Related Technologies* explicitly required enterprises that conduct trade in nuclear dual-use commodities to institute ICPs.<sup>2</sup> *MOFCOM Announcement No. 69, the Guideline on Internal Export Control Mechanisms for 'Dual-Use' Enterprises*, calls on enterprises to establish and improve internal controls on trade involving dual-use items and technologies, and outlines some general principles necessary for an effective ICP.<sup>3</sup> The *Measures on the Administration of Export General License for Dual-Use Items and Technologies* require that applicants for dual-use general licences establish internal control mechanisms that meet MOFCOM standards.<sup>4</sup> Note that all of these regulations and notifications pertain to dual-use STC compliance; there are almost no references to compliance requirements or ICPs for military-related STCs among those official documents.<sup>5</sup> And in terms of proactive STC outreach by the Chinese government, the only example of a codified legal mandate can be found in the *Supplementary Circular on Reforming the Administrative Licensing System for Import and Export of Dual-Use Items and Technologies*, which calls on local MOFCOM authorities to 'encourage' businesses involved in conducting strategic trade to develop ICPs.<sup>6</sup>

The *Law on Export Control* (2020) augments the legal basis for government STC outreach and enterprise internal compliance. Earlier drafts of the law did not mandate internal compliance programs (ICPs); however, those drafts included language 'encouraging' enterprises to establish ICPs. The final version of the *Law on Export Control* (2020) states, '[i]f an export operator establishes an internal compliance system for export control compliance, and the system works well, the State Export Control Administrative Departments (SECADs)<sup>7</sup> may grant facilitation measures such as a general license for the export of the related Controlled Items by such export operator.'<sup>8</sup> The law also directs the primary STC agencies to issue guidance on STCs to industry and 'guide' enterprises in establishing sound export control internal compliance systems and standard operating procedures.<sup>9</sup> The law gives enterprises the express ability to consult with the primary STC agencies (presumably for an official item classification decision) when they are unsure whether an item to be exported is controlled under the law.<sup>10</sup>

The *Law on Export Control* (2020) places specific requirements on enterprises dealing in strategic items. Firstly, the law requires prospective exporters to meet pre-qualification criteria to trade in certain items (such as military items).<sup>11</sup> The law stipulates that exporters of controlled items must submit end-use and end-user certification documentation as part of their export licence application package<sup>12</sup> and inform the authorities if they have reason to believe that the authorised end-users or end-uses in a transaction are likely to change.<sup>13</sup> The law requires China's STC agencies, for the first time, to establish a publicly available restricted party list of importers and end-users of proliferation concern and prohibits exporters from entering into transactions with any parties on that list.<sup>14</sup> Finally, the law encourages enterprises to establish and participate in 'self-regulatory organisations of the relevant chambers of commerce and associations,' and directs chambers of commerce or associations to provide their members with 'export control-related services, and play a coordinating and self-discipline role.'<sup>15</sup>

As mentioned, the law includes several enforcement provisions related to government–industry cooperation on STCs and STC compliance. For example, the law includes the 'credit records' of the exporter as one of the expressly codified factors STC licensing agencies use when evaluating licence applications.<sup>16</sup> The law authorises STC agencies to report administrative violations to the National Enterprise Credit Information Publicity System and financial credit database,<sup>17</sup> which could serve as a powerful motivator for companies to comply with STCs.

The provisions related to industry outreach and compliance which, compared to previous drafts, were not retained in the adopted version of the *Law on Export Control* (2020), are worth noting, although information on why these provisions were removed is not available at this time. Firstly, the final version of the law does not include an article stating PRC government agencies should 'encourage' enterprises to adopt ICPs. Secondly, earlier drafts of the law included the strength of an exporter's ICP as one of the factors licensing agencies would consider when deciding on licence applications, but the adopted version does not. Finally, earlier drafts' legal liability sections included language raising the possibility of more lenient penalisation of transgressions where exporters undertook to make voluntary self-disclosures of STC violations.

## STC outreach and compliance tools and resources

MOFCOM and other government agencies offer STC outreach and compliance support tools and resources in various digital and documentary forms, and to a lesser degree, through in-person engagement, based on their area of licensing responsibility. To date, the central government STC-related agencies, such as MOFCOM, the State Administration for Science and Technology in National Defense (SASTIND – which licenses exports of munitions), the China Atomic Energy Agency (which licenses the export of nuclear items), and the National Chemical Weapons Convention Implementation Office (which licenses exports of CWC-scheduled chemicals), typically provide the majority of the STC outreach and compliance support.<sup>18</sup> Provincial and municipal branches of those agencies also provide STC-related information on their respective websites and may help by hosting or providing training.<sup>19</sup> MOFCOM is proactively working to have its local branches assume more responsibility for STC outreach for enterprises under their respective jurisdictions. For example, the Hebei Provincial Department of Commerce has initiated an 'Internal Control Mechanism for Import and Export Enterprises of Dual-Use Items and Technologies in the Province' to provide guidance on and promote internal compliance with STCs among Hebei-based traders of dual-use items.<sup>20</sup>

Until April 2021, formally documented and disseminated guidance on STC compliance and ICPs by the Chinese government was limited to the 2007 MOFCOM 'Guidelines on Internal Export Control Mechanisms for 'Dual-Use' Enterprises,' described above.<sup>21</sup> The 2007 guidelines provided general information and standard elements for establishing ICPs, including a publicly available company policy on non-proliferation and export control, a management team, internal operational procedures and record-keeping requirements.<sup>22</sup> On 28 April 2021, MOFCOM released an updated 'Internal Control Guidelines for Export of Dual-Use Items'.<sup>23</sup> The new guidelines expand upon the guidance published in 2007 to cover nine different aspects of ICPs in much greater detail than its predecessor. The new ICP guidelines include sections on: 1) drafting a compliance policy statement; 2) establishing a compliance organisation; 3) conducting comprehensive compliance risk assessments; 4) establishing transaction review procedures; 5) developing emergency measures; 6) providing compliance education and training to personnel; 7) compliance audits; 8) recordkeeping; and, 9) preparing an ICP manual. The new ICP guidelines also include a list of transaction warning indicators (or 'red flags') and an audit checklist as appendices.<sup>24</sup> Notwithstanding the updated guidelines, no specific STC guidance has been developed and disseminated for the various parties involved in trade, such as freight forwarders, cargo carriers, transportation companies, banks and financial institutions. Nor has specific guidance been developed for small and medium enterprises.

Many of the relevant STC-related government agencies maintain a publicly accessible website that provides basic information on that agency's role (including its role in the PRC STC system), links to STC-related legal/regulatory information, and STC-related forms and licensing procedures. For example, SASTIND's website provides links to relevant policies and regulations<sup>25</sup>, detailed process outlines, materials, and even 'FAQ' and 'Common Errors' guidance both for nuclear- and military-related export licence applications.<sup>26</sup> The MOFCOM Bureau of Industrial Security and Import and Export Control (BISIEC) and 'Dual-Use Government Application' websites offer the most robust STC outreach and compliance resources. The BISIEC website provides links to all the relevant STC laws and regulations, control lists, international STC, other background information and contact information for the bureau.<sup>27</sup> The MOFCOM 'Dual-Use Government Application'<sup>28</sup> website is similar to SASTIND's in that it provides the detailed requirements and steps for applying for each category of dual-use item,<sup>29</sup> a link to the online e-Licensing system,<sup>30</sup> electronic copies of all the relevant dual-use export licensing documents,<sup>31</sup> an export licence application status tracking tool<sup>32</sup> and a 'Q&A' tool,<sup>33</sup> through which interested parties can submit questions and receive simple guidance from MOFCOM on dual-use export licensing matters. To date, neither MOFCOM, SASTIND nor other STC agencies have provided publicly available, online transaction screening tools similar those provided by other national governments (including those of Australia, Singapore, South Korea, Thailand and the United States). These tools might assist with strategic item classification, restricted party screening, and diversion-risk indicators. However, according to the new *Law on Export Control*, the relevant agencies have been instructed to develop and make available a list of importers and end-users prohibited from receiving strategic items from China.

MOFCOM and other STC-related agencies provide 'person-to-person' STC compliance and ICP support in two forms: 1) in-person or telephone consultations with enterprises on STC matters; and 2) in-person training seminars and workshops organised by one or more STC-related government agencies. The live training events are sometimes sector- or province/municipality-specific and typically last one to two days.<sup>34</sup>

## STC outreach and compliance implementation

Several of China's government-affiliated think tanks have also contributed to (and increased) their outreach to PRC enterprises over the last seven years. The MOFCOM-affiliated Chinese Academy of International Trade and Economic Cooperation (CAITEC), the MFA-affiliated China Arms Control and Disarmament Association (CACDA) and the China Controlled Chemicals Association are among the most active organisations in terms of supporting PRC STC outreach and compliance. CAITEC conducts research and analysis on STC issues that support MOFCOM's STC outreach to industry and serves as a useful resource for PRC enterprises. Specifically, the work of the Trade and Investment Security Institute of CAITEC includes establishing and maintaining strategic trade security policies and technical expert platforms, promoting enterprise export control policies, and consulting and training to guide the construction of internal control mechanisms.<sup>35</sup> CACDA has been actively conducting STC-related research and supporting STC outreach to the Chinese industry for close to 15 years.<sup>36</sup> CACDA has participated in and/or helped organise numerous STC outreach events for the PRC industry over the years.<sup>37</sup> In particular, leveraging its good relationships with China's defence and diplomatic community, CACDA has played a very important role in providing outreach to China's designated 'defence trading companies' and other state-owned enterprises.

One final group that has played a limited role in China's STC outreach to-date, but could be key to outreach under the new legislation are chambers of commerce and industry associations. MOFCOM oversees a system of chambers of commerce that cover a wide range of industry sectors and include larger state-owned enterprises and smaller private companies. One example (and one of the largest) is the China Chamber of Commerce for Import and Export of Machinery and Electronics (CCCME), which boasts over 10,000 member companies.<sup>38</sup> CCCME publishes export control-related articles in its online news feed and has participated in a limited number of export control outreach events over the last decade. Other, more specialised industry associations such as the China Association for Controlled Chemicals, provide an abundance of STC informational resources, training and outreach, a monthly controlled chemicals newsletter, and legal-regulatory guidance to their members both online and in-person.<sup>39</sup> As discussed above, going forward, chambers of commerce and industry associations are mandated to provide their members with STC information and compliance support pursuant to the *Law on Export Control (2020)*.

There is evidence of strategic trade control (STC) outreach and compliance in the PRC but, considering the number of enterprises and the many well-reported cases of PRC enterprises transferring strategic items to restricted countries and end-users, even greater implementation efforts are needed. STC-related government agencies have established fairly robust informational websites and online tools, and the numbers of page views and posts to Q&A sites suggest that they are being used by PRC enterprises at least to some degree. While those websites and online tools provide fairly comprehensive procedural guidance and applications in support of STC-related licensing, they do not provide many compliance screening tools to help traders assess the risks of prospective transactions in the first instance. That is likely to change given the *Law on Export Control (2020)* mandate to create a publicly available prohibited importer and end-user list.

Official, documented guidance on internal compliance procedures also is somewhat limited. The 2007 MOFCOM 'Guidelines on Internal Control Mechanisms for Dual-Use Enterprises,' while useful as very basic guidance for PRC enterprises, has not been updated in over a decade,<sup>40</sup> and no tailored guidance for specific types of industries (for example, aerospace, electronics, freight forwarders) or more advanced types of trade activities (for example, technology transfers and transit/transshipment) had been developed as of the adoption of the *Law on Export Control (2020)* in October 2020. At the end of April 2021, MOFCOM updated its ICP guidelines to help stakeholders comply with the *Law on Export Control (2020)*.<sup>41</sup> In the meantime, CAITEC has taken steps to leverage the internet and popular Chinese social media applications to provide information and guidance to enterprises on the new law on export control and STC compliance. CAITEC plans to develop a website dedicated to export controls and compliance to provide policy analysis and information and 'best practices' on risk management and ICPs. CAITEC has already set up a WeChat account that provides similar services.<sup>42</sup>

Evidence of person-to-person STC outreach by Chinese government agencies is limited, although several Chinese government-affiliated think tanks have provided in-person outreach. The extent to which enterprises use MOFCOM and other agency contact numbers for consultation on STC matters is unknown, but there is information on STC outreach training and workshops conducted by the various agencies. For example, in October 2020, shortly after the *Law on Export Control (2020)* was enacted, the Shenzhen Municipal Bureau of Commerce organised a training course on the law, the 'Unreliable Entities List,' and the changes to China's technology export catalogue.<sup>43</sup> In November 2019, the MOFCOM Bureau of Industrial Security and Import and Export Control (BISIEC) conducted a three-day training course on export control laws and regulations in Hangzhou. In August 2016, 60 people attended a seminar on dual-use export licensing conducted by MOFCOM's BISIEC.<sup>44</sup> The Hebei Province Department of Commerce organises at least one dual-use STC training event per year; according to one source, such events typically have between 80 and 120 participants.<sup>45</sup> A 2014 nonproliferation and Chemical Weapons Convention (CWC) outreach event organised by the National CWC Implementation Office reportedly had 90 participants.<sup>46</sup>

## STC outreach and compliance conclusions

CACDA is reported to have conducted 'dozens' of workshops on STCs throughout China, including sector-specific workshops.<sup>47</sup> CACDA has provided targeted outreach to major Chinese companies via STC-focused events. In 2015, for example, it held a major event on STC compliance with 63 representatives from major Chinese firms operating in strategic sectors in Chongqing, with support from King's College London.<sup>48</sup> In March 2017, CACDA collaborated with the China Machinery Engineering Corporation to hold an ICP training event for its personnel.<sup>49</sup> Both events were attended by representatives from the UNSCR 1540 Committee's experts' group, demonstrating the organisation's efforts to engage the international community in enhancing China's compliance with STCs. China's chemical sector also has an industry organisation that facilitates compliance with STCs on chemicals. The China Association for Controlled Chemicals conducts regular workshops and publishes periodic bulletin reports on STCs for its 300+ members.<sup>50</sup>

Finally, available evidence of widespread ICP implementation by PRC enterprises remains limited. On the one hand, it is now well known that some of China's larger state-owned enterprises and telecommunications firms have established formal ICPs that include STC corporate compliance policies and organisations, transaction screening procedures and employee compliance training.<sup>51</sup> Also, many PRC subsidiaries of US, European and Japanese multi-nationals have localised ICPs. On the other, there is very limited evidence of ICP implementation beyond those select few enterprises. Presumably, that will change with the enactment and enforcement of the *Law on Export Control* (2020).

Although there is evidence that the Chinese government has been working to enhance its STC industry outreach in recent years, gaps remain, and with such a vast number of companies likely involved in strategic trade, greater efforts are needed. The legal basis for STC outreach and compliance has been limited, but the *Law on Export Control* (2020) has filled many existing legal gaps. Currently, there is no legal incentive for traders that inadvertently violate the PRC strategic trade control laws to voluntarily self-disclose their infractions. Yet, enterprises that have engaged in past STC violations are likely in the greatest need of adopting ICPs to enhance their future compliance. Chinese government STC-related agencies have, however, made concerted efforts to provide the PRC industry with fundamental information on the relevant STC rules and procedures via agency websites.

The PRC's efforts to promote compliance with STCs could be improved by providing Chinese enterprises with more resources and support for adopting and implementing ICPs, such as the online transaction screening tools that many governments now offer. Many governments now offer item classification tools, classification guidance on specific items or categories of items, restricted party list search engines, and 'decision tree' tools to help enterprises determine licensing requirements. Additionally, the PRC should both broaden the scope of and tailor its official outreach (both online and live) to include brokers, freight forwarders, financial institutions and those involved in technology transfers. The Chinese government should consider making even greater use of industry associations and chambers of commerce as platforms for STC outreach and compliance as the *Law on Export Control* (2020) suggests. To date, the chambers of commerce under MOFCOM only have been used to conduct STC outreach or promote compliance 'best practices' on limited occasions.

Looking ahead, there is a window of opportunity for international partners to help promote STC industry outreach and compliance in China. With MOFCOM and other governmental bodies working on implementing the regulations and updating the control lists that will accompany the new *Law on Export Control* (2020) while incorporating the additional obligations that now apply to China as a State Party to the Arms Trade Treaty, it is time to intensify dialogue with Chinese government officials, policy experts and defence industry representatives on how the new export control system is going to be implemented effectively. The key individuals and organisations in China are likely to recognise the importance and benefits of international cooperation in this area; China's international partners should as well.



## Notes

- 1 Measures on the Administration of Export Registration for Sensitive Items and Technologies (2002), Articles 1–3.
- 2 Regulations on Export Control of Nuclear Dual-Use Items and Related Technologies, Article 18.
- 3 MOFCOM, Announcement No. 69 on the ‘Guideline on Internal Export Control Mechanisms for ‘Dual-Use’ Enterprises,’ 27 September 2007 (<http://www.mofcom.gov.cn/aarticle/b/g/200709/20070905140234.html>)
- 4 Measures on the Administration of Export General License for Dual-use Items and Technologies, Article 7(2).
- 5 There is at least one reference on the SASTIND website to a ‘Code of Self-Discipline of Military Exports,’ compliance with which is a pre-condition of an enterprise becoming an authorised defence trade enterprise; however, no other information on or references to that ‘Code’ were found in the course of the research for this briefing.
- 6 MOFCOM, Supplementary Circular on Reforming the Administrative Licensing System for Import and Export of Dual-Use Items and Technologies, February 13, 2006, Section II(5)r (<http://www.mofcom.gov.cn/article/b/e/200603/20060301683596.shtml>)
- 7 ‘SECADs’ is the term used in the new law to refer collectively to the PRC government agencies responsible for administering China’s export control system, including MOFCOM, SASTIND and others.
- 8 Law on Export Control (2020), Article 14.
- 9 Law on Export Control (2020), Article 5.
- 10 Law on Export Control (2020), Article 12.
- 11 Law on Export Control (2020), Article 11.
- 12 Law on Export Control (2020), Article 15.
- 13 Law on Export Control (2020), Article 16.
- 14 Law on Export Control (2020), Article 18.
- 15 Law on Export Control (2020), Article 7.
- 16 Law on Export Control (2020), Article 13(7).
- 17 Law on Export Control (2020), Article 39.
- 18 Xiaoming Liu (2016), ‘Upgrading to a New, Rigorous System: Recent Developments in China’s Export Controls,’ RUSI, March ([https://rusi.org/sites/default/files/201603\\_op\\_upgrading\\_to\\_a\\_new\\_rigorous\\_system\\_en.pdf](https://rusi.org/sites/default/files/201603_op_upgrading_to_a_new_rigorous_system_en.pdf)) For a summary of select provincial and municipal-level STC outreach events, see p 26.
- 19 Ibid, p 26.
- 20 See for example, MOFCOM, ‘The Security and Control Bureau dispatched personnel to participate in the promotion meeting of the internal control mechanism for import and export enterprises of dual-use items and technologies in Hebei Province,’ May 26, 2017 (<http://aqygzj.mofcom.gov.cn/article/jckgz/201706/2017060258158.shtml>)
- 21 MOFCOM, Announcement No. 69 of 2007 on the ‘Guideline on Internal Export Control Mechanisms for ‘Dual-Use’ Enterprises,’ 27 September 2007 (<http://www.mofcom.gov.cn/aarticle/b/g/200709/20070905140234.html>)
- 22 Liu, op. cit., p 10.
- 23 MOFCOM, Announcement No. 10 of 2021 on the ‘Guiding Opinions of the Ministry of Commerce on the Establishment of Internal Compliance Mechanisms for Export Control by Export Operators of Dual-Use Items,’ 28 April 2021 (<http://www.mofcom.gov.cn/article/b/c/202104/20210403056267.shtml>)
- 24 Because it was released only a week before the finalisation of this brief, it was not possible to include a more detailed analysis and review of the new ICP guidelines.
- 25 SASTIND, ‘Policies and Regulations,’ undated (<http://www.sastind.gov.cn/n4235/index.html>)
- 26 See relevant nuclear and military export license entries at SASTIND, ‘Handling Guideline Platform,’ undated (<http://www.sastind.gov.cn/n6195634/n6195706/n6195716/index.html>)
- 27 See generally, ‘Bureau of Industrial Security, and Import and Export Control,’ MOFCOM website, <http://aqygzj.mofcom.gov.cn/>
- 28 ‘Dual-Use Item and Technology Import and Export Control Government Application,’ MOFCOM website [hereafter Dual-Use Government Platform (<http://exctrl.mofcom.gov.cn/>)].
- 29 MOFCOM, ‘Handling Guidance,’ Dual-Use Government Platform (<http://exctrl.mofcom.gov.cn/zhinan1.shtml>)
- 30 ‘Online Submission,’ Dual-Use Government Platform (<https://ecom.mofcom.gov.cn/loginCorp.html?sp=SGovHallLogin&sp=Sgovhallpages/corp/CorpSxblAdd&sp=Ssys&sp=S18017>)
- 31 ‘Form Download,’ Dual-Use Government Platform (<http://exctrl.mofcom.gov.cn/biaoge.shtml>)
- 32 ‘Results,’ Dual-Use Government Platform ([https://guanzhi.mofcom.gov.cn/tecp/corp/corp\\_exp\\_app\\_check\\_search.jsp](https://guanzhi.mofcom.gov.cn/tecp/corp/corp_exp_app_check_search.jsp))
- 33 ‘Pre-License Review Inquiries,’ Dual-Use Government Platform (<https://gzlynew.mofcom.gov.cn/gzlynew/servlet/SearchServlet?OP=searchEgovText&siteid=egov&id=27>)
- 34 Please see the ‘STC Outreach and Compliance: Implementation’ section below for more information on and examples of STC outreach trainings and workshops provided by relevant Chinese government agencies.
- 35 See CAITEC, ‘Business Units: Trade and Investment Security Institute,’ undated, ([http://caitec.org.cn/n3/sy\\_zzjg\\_ywbm/](http://caitec.org.cn/n3/sy_zzjg_ywbm/)). CAITEC is the primary China-based working partner of Saferworld and the University at Albany, SUNY.
- 36 See CACDA website ([www.cacda.org.cn](http://www.cacda.org.cn))
- 37 Please see the ‘STC Outreach and Compliance Implementation’ section below. CACDA is a secondary contributor to the project conducted by this briefing’s authors.
- 38 See CCCME ‘About CCCME: Profile,’ undated (<https://www.cccme.cn/cp/about/profile.aspx>).
- 39 See China Association for Controlled Chemicals website in Chinese only (<http://www.zjhx.org/>).
- 40 Representatives from CAITEC have indicated they will be working to help update MOFCOM’s ICP guidelines.
- 41 The updated ICP guidance was released too late in time to be fully analyzed and incorporated into this brief. It is available online in Chinese only (<http://www.mofcom.gov.cn/article/b/c/202104/20210403056267.shtml>)
- 42 See ‘Trade and Security Compliance,’ December 1, 2020 ([https://mp.weixin.qq.com/s?\\_\\_biz=MzkwNDY0TA5Ng==&mid=2247483730&idx=2&sn=07a7b4a9bcd4e495e533802e9bd810ea&chksm=c08c7795f7bfe83d3c87118e516031141fc929bfc9a8765ab07ac21ac22e03ca6c3957bcc02&scene=132#wechat\\_at\\_redirect](https://mp.weixin.qq.com/s?__biz=MzkwNDY0TA5Ng==&mid=2247483730&idx=2&sn=07a7b4a9bcd4e495e533802e9bd810ea&chksm=c08c7795f7bfe83d3c87118e516031141fc929bfc9a8765ab07ac21ac22e03ca6c3957bcc02&scene=132#wechat_at_redirect))
- 43 Shenzhen Municipal Bureau of Commerce, ‘Notice of Shenzhen Fair Trade Promotion Agency on In-Depth Training of “Export Control,”’ October 21, 2020 ([http://www.sz.gov.cn/cn/xgk/zfxxgj/tzgg/content/post\\_8188822.html](http://www.sz.gov.cn/cn/xgk/zfxxgj/tzgg/content/post_8188822.html))
- 44 MOFCOM, ‘Training course on dual-use items and technology import and export control permits held in Beijing,’ August 26, 2018 (<http://aqygzj.mofcom.gov.cn/article/gzdt/201608/20160801384181.shtml>)
- 45 Liu, op. cit., p 26, citing Hebei Province Department of Commerce website postings of notifications of annual STC outreach trainings.
- 46 Ibid, p 26.
- 47 Ibid, p 28.
- 48 UNSCR 1540 Committee, ‘Information Note,’ January 2015 (<https://www.un.org/en/sc/1540/documents/Information%20Note%20CACDA%20WS%20China%202015-3.pdf>)
- 49 UNSCR 1540 Committee, ‘Information Note,’ March 2017 (<https://www.un.org/en/sc/1540/documents/Info%20Note%20CACDA-CMEC%20Training%20China%202017-12.pdf>)
- 50 Liu, op. cit., pp 28–29.
- 51 Ibid, p 10.

## About Saferworld

Saferworld is an independent international organisation working to prevent violent conflict and build safer lives. We work with people affected by conflict to improve their safety and sense of security, and conduct wider research and analysis. We use this evidence and learning to improve local, national and international policies and practices that can help build lasting peace. Our priority is people – we believe in a world where everyone can lead peaceful, fulfilling lives, free from fear and insecurity. We are a not-for-profit organisation working in 12 countries and territories across Africa, Asia and the Middle East.

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Cover photo: Aerial view of shipping containers sitting stacked at Rizhao Port on 15 April 2021, in Rizhao, Shandong Province of China.

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## Project on International Security, Commerce, and Economic Statecraft (PISCES) at the Center for Policy Research (CPR), University at Albany (UALbany), State University of New York (SUNY)

CPR/UALbany-SUNY's Project on International Security, Commerce, and Economic Statecraft (PISCES) is dedicated to conducting research and outreach on policy issues that intersect the realms of economics and security. A range of important topics exists at this crossroads, including the proliferation of strategic and military technologies, border security, illicit trade, and the use of sanctions, strategic trade controls, and foreign aid by governments as tools of economic statecraft. In many cases, these topics overlap and require a holistic approach to gain the greatest understanding of them. One of the key goals of PISCES is to contribute to the greater good through conducting research on these issues and raising global understanding and awareness of them. Another goal is to draw on our members' practical and research-based expertise to responsibly craft more effective policies for the private sector, governments, and international organizations. In so doing, with the support of public and private sponsors, PISCES has worked in almost 50 countries around the world to help strengthen nonproliferation policies, counterproliferation practices, and strategic trade control systems. In addition, PISCES contributes to the educational mission of the UAlbany Rockefeller College of Public Affairs & Policy by teaching a rising generation of students about these issues.



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