EU-Japan EPA HELPDESK

EU – JAPAN EPA

FRUIT & VEGETABLE PRODUCTS

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.

EPA Process

INCREASE
MARKET SHARE
EU PRODUCTS
PROMOTION &
INFORMATION
July 2018
Signature
1/2/2019
Entry into Force

OVERVIEW

What the EPA is offering.

Types of preferences

Market access

- Fresh

- Processed

Safeguard measure

Import procedure in Japan

Geographical Indications

Rules of Origin

Information sources

A few highlights of what's the EPA is offering

Product Groups	Before EPA	EPA Tariff	Transition
Fresh Vegetables (CH-07)	Up to 12.8%	Free trade at EPA entry into force for most of the products	None or max. 10 years for a few products
Fresh Fruit (CH-08)	Up to 32%	Free trade at EPA entry into force for most of the products	None or max. 10 years for a few products
Oil seeds and Oleaginous fruits (CH-12)	Up to 4.3%	Most tariffs already free at MFN level or liberalised at EPA entry into force	None or max. 10 years for a few products
Other vegetable saps and extracts (CH-13)	Up to 16.5	Most tariffs already free at MFN level or liberalised at EPA entry into force	None or max. 10 years for a few products
Vegetable plaiting materials – Vegetable products not elsewhere specified (CH-14)	Up to 8.5%	All tariffs free at EPA entry into force except for Rushes, Shichitoi and Wanguru	None or 5 years
Vegetable fats and oils (CH-15)	Up to 6.4%	Most tariffs already free at MFN level or liberalised at EPA entry into force	None or max. 10 years for a few products
Preparations of vegetables and fruit	Up to 34%	Free trade at EPA entry into force or duty phasing out in 5, 7 or 10 years	None or max. 10 years for a few products

Types of EPA Concessions

Type	EPA Code	Description
Immediate Liberalisation	A	Japan's base rate is eliminated at the entry into force of the Agreement Most of those tariff lines **are not listed in Japan's EPA tariff schedule**
Duty elimination spread over a period	B	Gradual elimination of Japan's base rate over a period of time. the zero duty will be applied in subsequent years.
Duty reduction spread over a period	R	Gradual reduction of Japan's base rate to a certain level. The final reduced level will be applied in subsequent years.
Tariff rate quotas	TRQ	TRQs allow for one of the above preferences within the limits of an annual import quantity.
Exclusion	X	Tariff lines excluded from any preference

MARKET ACCESS
FRESH

Most of the fresh fruit and vegetables were liberalised upon the EIF of the Agreement

- A few products will be liberalised in **max. 10 years**.
  - Onions (5yrs), sweetcorn (3yrs), sweet potatoes (5yrs), nuts (5 or 10yrs), bananas (10yrs), apples (10yrs), oranges (5 or 10yrs), cherries (5yrs).

- Concessions limited to duty reduction:
  - Shiitake mushrooms and frozen manioc

- A few exclusions from preference: certain varieties of peas and beans

MARKET ACCESS
PROCESSED

Same scenario:
Most of the processed fresh fruit and vegetables were liberalised upon the EIF of the Agreement

Main products which were not liberalised at EIF but at a later stage:

- not roasted ground nuts: 5 to 7 yrs.
- sun flower-seed oil: 5 yrs – ground-nut oil and maize (corn) oil: 10 yrs.
- sweet-corn prepared or preserved by vinegar: 5 yrs.
- tomatoes prepared, other than whole or in pieces: 5 yrs.
- French mushrooms: 5 yrs.
- frozen cooked potatoes: 3 yrs – frozen mashed potatoes: 5 yrs.
- jams of citrus fruit with added sugar: 5 yrs.
- juices:
  - citrus: 5 or 10 yrs.
  - tomato: 5 yrs.
  - apple: 7 or 10 yrs.
  - mixtures: 3, 5 or 10 yrs.

Safeguard Measure

- Japan may apply agricultural safeguard measures on imports of EU oranges.
- Conditions:
  - Imported during the period 1 December – 31 March, and
  - Imports must exceed 2000 tonnes during that period.
- Safeguard duty:
  - 28% from year 1 to year 4, and
  - 20% from year 5 to year 7.
- This safeguard measure can no longer be applied as from year 8, i.e. as from 1/4/2025.

Import Procedure in Japan

Plant protection

- all plants imported in Japan must be cleared by plant quarantine procedures

- 3 categories:
  - goods with prohibited entry:
    - a request for lifting the ban can be introduced via a (lengthy) Evaluation Procedure (see next slide)
    - if approved, the relevant goods still need to go through inspection.
  - goods subject to import inspection
  - goods not subject to import inspection, but phytosanitary certification is still required (as for the 2 other categories)

- Search for import conditions per country of origin and per plant can be done on the site: http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml

Import Procedure in Japan

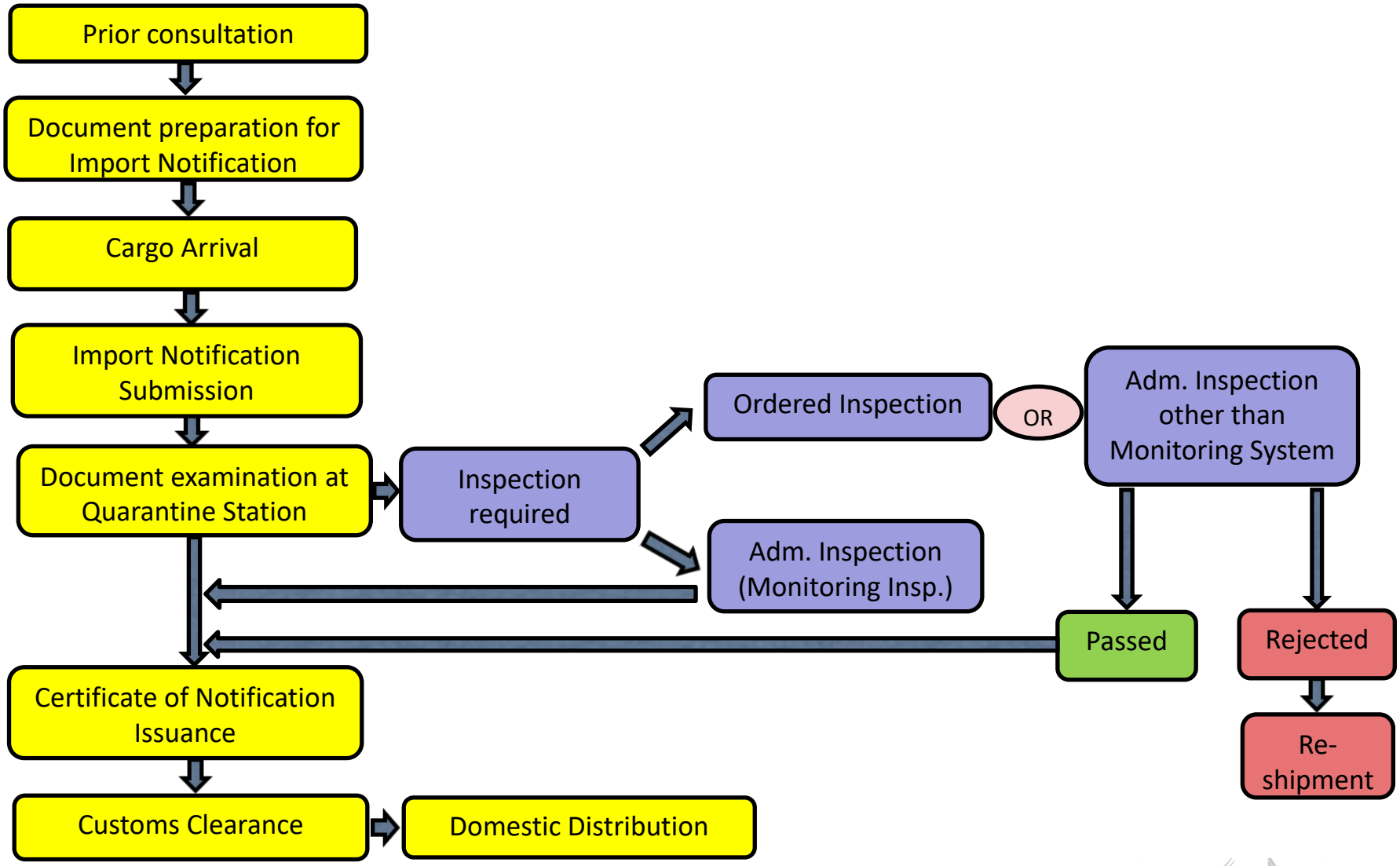
Request for Lifting the Ban - Steps of Standard Evaluation procedure

1. Request for lifting the ban of importation from requesting country
2. Submission of a plan of test or survey by requesting country
3. Examination of the plan by MAFF
4. Development of disinfestation method or survey for pest free area by requesting country
5. Submission of the data of test or survey by requesting country
6. Examination of the data by MAFF
7. Submission of plan of on-site confirmatory test or survey by requesting country
8. Examination of the plan by MAFF
9. Implementation of the on-site confirmatory test or survey by MAFF
10. Submission of the data of the on-site confirmatory test or survey by requesting country
11. Examination of the data by MAFF（Explanation meetings for domestic producer if necessary）
12. Gathering the public comments and conducting the public hearing by MAFF
13. Amendment to the regulation by MAFF

Import Procedure in Japan

- **Complex regulatory structure**
  - Prior to shipment: exporters must submit an Import Notification form to a Quarantine station. Prior notification is recommended to facilitate the process. In order to simplify and expedite the import procedures, simplified systems of import notification are also available.
  - Import Notification Form to be submitted before customs clearance. Import procedure can be found on https://www.mhlw.go.jp/english/topics/importedfoods/1.html
  - On the basis of the provided information, the Ministry of Health, Labour and Welfare (MHLW) may conduct a physical inspection during the quarantine.
  - If the goods and the inspection are in compliance with the relevant regulations, a Certificate of Notification is issued, clearing the product for importation.
  - In order to simplify and expedite the import procedures, simplified systems of import notification are also available.
  - The next step is Customs Clearance

Import Procedure in Japan



Source: Japan Ministry of Health, Labour and Welfare

GEOGRAPHICAL INDICATIONS

Full protection for 210 EU GIs, among which the following fruit and vegetables:

Sterischer Kern (AU)
Pruneaux d'Agen / Pruneaux d'Agen mi-cuits (F)
Elia Kalamatas (ELL)
Mela Alto Adige / Südtiroler Apfel (I)
Pera Rocha do Oeste (P)
Citros Valencianos / Citrics Valencians (P)

- Direct protection of GIs under the EPA.
- Relation between GIs and Trade Marks (TMs):
  - no registration in Japan of subsequent TMs;
  - coexistence with pre-existing TMs is addressed.
- Listed prior uses to expire within 5 or 7 years
- Possibility to add new GIs in the future.

RULES OF ORIGIN

Specified by product in the Product Specific Rules of Origin (PSR) – Annex 3-B

The following definitions apply:

- **Chapter**: the first 2 digits
- **Heading**: the first 4 digits
- **Sub-Heading:** the first 6 digits

} in the HS tariff classification code

Wholly Obtained: EU/Japan origin is required

CC (Change of Chapter): Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Chapter**

CTH (Change of Tariff Heading): Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Heading**

CTSH (Change of Tariff Sub-Heading): Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Sub-Heading**

PSR may contain product-specific exceptions/conditions !!

RULES OF ORIGIN

A few Examples …

Heading/ Sub-Heading	Label	General Rule
CH 07 - 08	Fresh vegetables and fruit	All the CH.07 and CH.08 materials are **wholly obtained**, i.e. must be of EU origin.
CH 12	Oil seeds and oleaginous fruits	**CTH**: non – (EU) originating products are authorised in the production if they are classified under another **Heading.** **Headings CH12.02-12.14**: CTH except from Heading 12.01
CH 20	Preparations of vegetables, fruits, nuts or other parts of plants	**Heading 20.01: CC**: non – (EU) originating products are authorised in the production if they are classified under another **Chapter** **Headings 20.02 – 20.03**: all CH7 products used in the production must be wholly obtained. **Headings 20.4 – 20.08**: CTH, provided that beans, peas, pineapples, oranges, potatoes and asparagus used are wholly obtained. **Heading 20.09 (juices)**: CTH, provided that pineapples, oranges, apples and grapes used are wholly obtained.

INFORMATION SOURCES

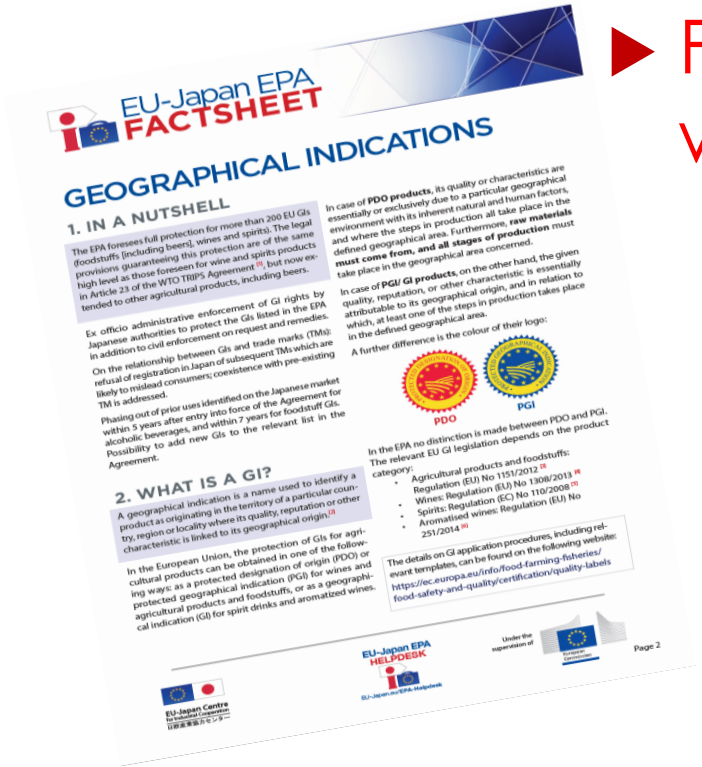
- EPA text and Annexes: http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684

  Of which:

  - Annex 2-A: Schedule and Notes (TRQ, etc);
  - Annex 3-B: Product specific rules of origin;
  - Annex 14-B: GIs.
  - Section C: Agricultural Safeguard Measures

INFORMATION SOURCES

- EPA Helpdesk: https://www.eu-japan.eu/epa-helpdesk


EU-Japan EPA
FACTSHEET

GEOGRAPHICAL INDICATIONS

1. IN A NUTSHELL

The EPA foresees full protection for more than 200 EU GIs (foodstuffs (including beers), wines and spirits). The legal provisions guaranteeing this protection are of the same high level as those foreseen for wine and spirits products in Article 23 of the WTO TRIPS Agreement [1], but now extended to other agricultural products, including beers.

Ex officio administrative enforcement of GI rights by Japanese authorities to protect the GIs listed in the EPA in addition to civil enforcement on request and remedies.

On the relationship between GIs and trade marks (TMs): refusal of registration in Japan of subsequent TMs which are likely to mislead consumers; coexistence with pre-existing TM is addressed.

Phasing out of prior uses identified on the Japanese market within 5 years after entry into force of the Agreement for alcoholic beverages, and within 7 years for foodstuff GIs.

Possibility to add new GIs to the relevant list in the Agreement.

2. WHAT IS A GI?

A geographical indication is a name used to identify a product as originating in the territory of a particular country, region or locality where its quality, reputation or other characteristic is linked to its geographical origin [2].

In the European Union, the protection of GIs for agricultural products can be obtained in one of the following ways: as a protected designation of origin (PDO) or protected geographical indication (PGI) for wines and agricultural products and foodstuffs, or as a geographical indication (GI) for spirit drinks and aromatized wines.

In case of **PDO products**, its quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and where the steps in production all take place in the defined geographical area. Furthermore, **raw materials must come from, and all stages of production** must take place in the geographical area concerned.

In case of **PGI/ GI products**, on the other hand, the given quality, reputation, or other characteristic is essentially attributable to its geographical origin, and in relation to which, at least one of the steps in production takes place in the defined geographical area.

A further difference is the colour of their logo:

PDO PGI

In the EPA no distinction is made between PDO and PGI. The relevant EU GI legislation depends on the product category:

- Agricultural products and foodstuffs: Regulation (EU) No 1151/2012 [3]
- Wines: Regulation (EU) No 1308/2013 [4]
- Spirits: Regulation (EC) No 110/2008 [5]
- Aromatised wines: Regulation (EU) No 251/2014 [6]

The details on GI application procedures, including relevant templates, can be found on the following website: https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels

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Under the supervision of European Commission

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- Fiches per sectors and webinars on EPA outcome

Wines and Spirits
Geographical Indications
Dairy Products
Meat Products
Processed Agricultural Products
Fruit & Veg.
Starches, Malt

INFORMATION SOURCES

- **Overall import conditions in Japan:**
- **European Commission DG TRADE: "Access2Markets Database":**
  - https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users
- **European Commission DG AGRI "Food and Beverage Handbook – Japan": https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan**
- **Japan's Customs: http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm**
- **SPS**
  - **Import ban list: http://www.pps.go.jp/english/law/list2.html - http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml**
  - **Plant quarantine notice: http://maff;go.jp/pps/j/guidance/leaflet/pdf/pc_en2.pdf**
  - **Import Procedure under Japan's Food Sanitation Law: https://www.mhlw.go.jp/english/topics/importedfoods/1.html**
  - **Import Notification Form: https://www.mhlw.go.jp/english/topics/importedfoods/dl/1-3.pdf**

INFORMATION SOURCES

- European Commission (DG TAXUD) – Rules of Origin:
  - https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en
  - https://ec.europa.eu/taxation_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan_en
  - https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_japan_epa_guidance_claim_verification_denial_en.pdf
- European Commission: Geographical Indications
  - https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels

Thank you for your attention

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QUESTIONS ?

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