

# MALT, STARCHES, WHEAT GLUTEN & ALBUMINOIDAL SUBSTANCES

## PRELIMINARY REMARKS

- The aim of these Factsheet and Guidelines (hereafter 'Report') is to explain to EU exporters of malt, starches, wheat gluten and albuminoidal substances, the market access opportunities offered by the EU-Japan Agreement for an Economic Partnership (EPA) as well as, in a brief overview, the relevant Rules of Origin and import procedures in Japan. More information on these issues and on specific market entry requirements, including Customs procedures and SPS measures are covered in the relevant Factsheet and Guidelines, or can be found in the 'Food and Beverage Handbook: Japan' [1].
- As regards product specification, only the Harmonised System (HS) code system at six-digit level, or the Japanese nomenclature at nine-digit level have been used. For detailed description of the Japanese nomenclature, reference is made to the Japanese Schedule in the Agreement.
- In the Japanese Schedule, a **fiscal year** means the period between 1 April of one year and 31 March of the next year. As the Agreement has entered into force on 1 February 2019, the first year was the period between 1 February 2019 and 31 March 2019. First year quantities have therefore been calculated on a 'pro rata' basis.
- All quantities are expressed in metric tonnes (t), unless stated otherwise.
- The complete text of the EPA, and annexes, incorporating the Schedule of Japan, can be found on the following website of the European Commission: <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>. Japan's tariff Schedule is in Annex 2-A-4; "Notes for the Schedule of Japan" can be found in Annex 2-A-3. These Notes explain *inter alia* the various types of concessions, including details on TRQs, safeguard measures, etc.



[1] Website: <https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan>

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# MALT, STARCHES, WHEAT GLUTEN & ALBUMINOIDAL SUBSTANCES

## 1. IN A NUTSHELL

- Not roasted **malt**<sup>[2]</sup>, fumigated with peat: duties phased out over a period of 10 years. Other not roasted malt, as well as roasted **malt**: duty free within a TRQ.
- As regards **starches**<sup>[3]</sup>: **wheat starch** products have duty free access within a TRQ. Other starches, including **maize (corn) starch**, **potato starch**, **manioc (cassava) starch**, **sago starch**, and **inulin** have preferential EPA access, also within a TRQ. Different preferences apply in function of the product (see details).
- EPA tariffs of **wheat gluten**<sup>[4]</sup> will be phased out over a period of 10 years.
- On **albuminoidal substances**, **modified starches**, **enzymes**, and **peptones**<sup>[5]</sup> the EPA foresees in a duty free access as from the EIF of the Agreement, except for **gelatin** and **glues** of animal origin (duties phased out over a period of 15 years), **estriified starches** and **other starch derivatives** (duty remains unchanged over 5 years, followed by a duty elimination at the beginning of the 6th year after the EIF), other dextrines and **glues** based on starches (duty phased out over a period of 10 years).

## 2. DIFFERENT TYPES OF PREFERENCE

TYPE	CATEGORY IN JAPAN'S SCHEDULE	DESCRIPTION
Immediate liberalisation	A	The base rate <sup>[6]</sup> currently applied by Japan is eliminated at the entry into force (EIF) of the Agreement. Most of those tariff lines having duty free access at the EIF of the Agreement are <b>not listed in the EPA tariff Schedule of Japan</b> .
Duty elimination spread over a period	B	Gradual elimination of the 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 the base rate to a certain level. The final reduced level will be applied in subsequent years.
Tariff Rate Quotas (TRQs)	TRQ	TRQs allow for one of the above-mentioned preferences within the limits of an annual import quantity (being the quota level) of the relevant goods. Once in a given fiscal year this quantity is exceeded, the base duty rate applies until the end of the fiscal year. The TRQ is re-opened at the beginning of the following fiscal year. The quota levels can remain unchanged over the years, or can be increased gradually over a period of time.

[2] Heading 1107.10

[3] Heading 11.08

[4] Product code: 110900.000

[5] Chapter 35

[6] "Base rate" means the starting point of elimination or reduction of customs duties. It is Japan's Most Favoured Nation (MFN) rate as scheduled in the WTO.

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### 3. DETAILS OF THE TARIFF CONCESSIONS

#### 3.1. MALT

- Basically, a distinction has to be made between 'Not Roasted' and 'Other' malt.
  - 'Not Roasted' malt duties will be phased out over 10 years, and be free as from 1/4/2028, if it is fumigated with peat. 'Other Not Roasted' malt is duty free as from the EIF of the Agreement within a TRQ of 185.700t.
  - 'Roasted' malt is as 'Other Not Roasted' malt duty free since the EIF of the Agreement within the same TRQ of 185.700t. The annual quantity of this TRQ remains unchanged over the years.
- Malt extract products will have duties phased out in 10 years.

#### OVERVIEW EPA PREFERENCES FOR EU MALT PRODUCTS

JAPAN TARIFF LINE	PRODUCT	BASE RATE	CONCESSION CODE	CONCESSION
110710.019	'Not Roasted' malt – Fumigated with peat	21.30 yen/kg	B10	Duty elimination over 10 years – duty free as from 1/4/2028
110710.029	'Other Not Roasted' malt	21.30 yen/kg	TRQ-10	Duty elimination since EIF within a TRQ of 185.700t
110720.020	'Roasted' malt	21.30 yen/kg	TRQ-10	Duty elimination since EIF within a TRQ of 185.700t
190190.230	Malt extract	9.0%	B10	Duty elimination over 10 years – duty free as from 1/4/2028



#### 3.2. STARCHES

- Preferential duties apply on EU starches within tariff quotas.
- For **wheat starch**, import duties are eliminated within the quantitative limits of a TRQ (maximum of 4200t in year 6).
- For **maize (corn) starch** import duties are eliminated within the limits of a TRQ quantity (maximum of 7150t in year 6), on condition that the product is imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch or starch glue. If the product is imported for other purposes then the in-quota tariff rate is 12.5%.
- The in-quota rate for **potato starch** is zero, on condition the product is imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch or starch glue. If imported for other purposes, then in-quota tariff remains zero under certain conditions (see details in below table).
- For **manioc (cassava) starch, sago starch** and **other starches**, import duties are eliminated within the TRQ quantity on condition that the product is imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch or starch glue. If the product is imported for other purposes then the in-quota duty rate is 25%.
- The in-quota duty rate for **inulin** is zero, without any further conditions.
- The same TRQ applies on the preferential imports of maize (corn) starch, potato starch, manioc (cassava) starch, sago starch and other starches, as well as of inulin.
- Heading 19.01 contains a few tariff lines of food preparations containing starch. Food preparations<sup>[7]</sup> containing wheat starch are liberalised within a TRQ of 3700t in Year 1 (to be gradually increased to 4200t in Year 6). Products<sup>[8]</sup> containing other starches will have a reduced tariff of 25% within a tariff quota of 6400t in Year 1, gradually increasing to 7150t in Year 6.
- Further details on these TRQ can be found in below table or in the EPA text - Annex 2A - Part 3 – Section B "Tariff Rate Quotas of Japan".<sup>[9]</sup>

[7] Products concerned: 190120.151, 190190.171

[8] Products concerned: 190120.159, 190190.179

[9] EPA Text can be found here: <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

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## Malt, Starches, Wheat Gluten & Albuminoidal Substances

### OVERVIEW EPA PREFERENCES FOR EU STARCH PRODUCTS

JAPAN TARIFF LINE	PRODUCT	BASE RATE	CONCESSION CODE	CONCESSION
110811.010	Wheat starch	25.0%	TRQ-4	Duty free TRQ with a quantity increasing from 3700t in Year 1 to 4200t in Year 6. To be shared with other products.
110812.090	Maize (Corn) starch	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff (subject to a levy up to 25%) if imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch of starch glue. If imported for other purposes then in-quota tariff is 12.5%.
110813.090	Potato starch	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff (subject to a levy up to 25%) if imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch of starch glue. If imported for other purposes, then in-quota tariff remains zero under the following conditions: - Originating goods are not used directly for retail or food service industry, or - The quota quantity to be allocated for each application made by an importer shall not exceed the limit of three multiplied by the quantity of the potato starch, specified in application, produced from domestic potato and used by the importer in Japan.
110814.090	Manioc (Cassava) starch	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff (subject to a levy up to 25%) if imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch of starch glue. If imported for other purposes then in-quota tariff is 25%.
110819.019	Sago starch	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff (subject to a levy up to 25%) if imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch of starch glue. If imported for other purposes then in-quota tariff is 25%.
110819.099	Other starches	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff (subject to a levy up to 25%) if imported for the manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch of starch glue. If imported for other purposes then in-quota tariff is 25%.
110820.090	Inulin	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. Zero in-quota tariff.
190120.151	Food preparations – Mixes and doughs for the preparation of baker's ware of heading 19.05 - containing wheat starch	25.0%	TRQ-4	Duty free TRQ with a quantity increasing from 3700t in Year 1 to 4200t in Year 6. To be shared with other products.
190120.159	Food preparations – Mixes and doughs for the preparation of baker's ware of heading 19.05 - containing other starches	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. In-quota tariff 25%.
190190.171	Food preparations – Other – containing wheat starch	25.0%	TRQ-4	Duty free TRQ with a quantity increasing from 3700t in Year 1 to 4200t in Year 6. To be shared with other products.
190190.179	Food preparations – Other - containing other starches	119 yen/kg	TRQ-17	TRQ with a quantity increasing from 6400t in Year 1 to 7150t in Year 6. To be shared with other products. In-quota tariff 25%.

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## Malt, Starches, Wheat Gluten & Albuminoidal Substances

### 3.3. WHEAT GLUTEN (whether or not dried)<sup>[10]</sup>

Wheat gluten duty (21.3%) will be phased out in 10 years and become zero on 1/4/2028.

### 3.4. ALBUMINOIDAL SUBSTANCES, MODIFIED STARCHES, GLUES

- Most of these Chapter 35 products have duties eliminated at the EIF of the Agreement. These duty-free products include:
  - Casein, caseinates and other casein derivatives; casein glues.
  - Albumins, albuminates and other albumin derivatives.
  - Gelatin (for photographic use and gelatin derivatives, and fish glues).
  - Peptones and their derivatives; other protein substances and their derivatives n.e.s. or included; hide powder, whether or not chromed.
  - Prepared glues and other prepared adhesives, n.e.s. or included; products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg.
- The preferences for the other Chapter 35 products – not liberalised at the EIF – are summarised in below table:

JAPAN TARIFF LINE	PRODUCT	BASE RATE	CONCESSION CODE	CONCESSION
350300.011	Gelatin (other than for photographic use and gelatin derivatives and fish glues)	17.0%	B15	Duty elimination over 15 years – duty free as from 1/4/2033
350300.012	Glues of animal origin, excluding casein glues of Heading 35.01.	17.0%	B15	Duty elimination over 15 years – duty free as from 1/4/2023
350510.100	Esterified starches and other starch derivatives	6.8%	B5***	Base rate duty remains in force until the end of the 5th year. Duty will become zero as from 1/4/2023
350510.200	Other dextrin and modified starches	21.3% or 25.50 yen/kg whichever is the greater	B10	Duty elimination over 10 years – duty free as from 1/4/2028
350520.000	Glues based on starches	21.3% or 25.50 yen/kg whichever is the greater	B10	Duty elimination over 10 years – duty free as from 1/4/2028

[10] Product code: 110900.000



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# MALT, STARCHES, WHEAT GLUTEN & ALBUMINOIDAL SUBSTANCES

## 1. JAPAN'S ORIGIN CERTIFICATION PROCEDURES in making a claim for preferential tariff treatment under the EPA

- In order to apply for the preferential tariff treatment under the EPA, the good to be imported must be an originating good under the EPA provisions.
- An importer in Japan, when making a claim for preferential tariff treatment, must at the time of the import declaration, and in accordance with the relevant EPA provisions, demonstrate that the good is EU originating by submitting the required documentation.
- This documentation must, in principle, be submitted to Japanese customs at the time of the import declaration.
- Further details can be found on the following websites:  
[http://www.customs.go.jp/english/c-answer\\_e/imtsukan/1524\\_e.htm](http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm)  
<http://madb.europa.eu/madb/viewPageFPubli.htm?doc=ppo&hscode=0402&countryid=JP>  
<https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan>

## 2. RULES OF ORIGIN

- The Rules of Origin (RoO) under the EPA are determined by product in the so-called Product Specific Rule of Origin (PSR), and listed in Annex 3-B of the Agreement<sup>[11]</sup>.
- The PSR stipulates the following RoO for the main EU malt, starches, wheat gluten and albuminoidal substances imported in Japan under the EPA:

### MALT<sup>[12]</sup>

Production in which all the materials used – *as listed below, are wholly obtained*.

- Chapter 10 (cereals),
- Chapter 11 (products of the milling industry; malt; starches; inulin and wheat gluten),
- Heading 07.01 (potatoes, fresh or chilled),
- Heading 07.13 (Dried leguminous vegetables, shelled, whether or not skinned or split),
- Heading 07.14 (manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith),
- Heading 23.03 (Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets)
- Subheading 0710.10 (potatoes), and
- Dried potatoes of sub-heading 0712.90

[11] Annex 3-B can be found here: <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

[12] Products concerned: 110710.019, 110710.029, 110720.020



## MALT EXTRACT<sup>[13]</sup>

Change of Chapter (CC), which means that in the production, non-EU products are authorised if these products are classified in another Chapter, or in other words that all non-EU originating materials, used in the production of the product, must undergo a change in tariff classification at Chapter level, i.e. at 2 digit level, provided that:

- The weight of non-originating materials of Chapter 4 (Dairy products) used do not exceed 10% of the weight of the product;
- The total weight of non-originating materials of Headings 10.01 (Wheat & Meslin), 10.03 (Barley), 10.06 (Rice), and 11.01 to 11.08 (Products of the milling industry, malt, starches and inulin) – does not exceed 10% of the weight of the product, and
- The total weight of non-originating materials of Headings 17.01 (Cane of beet sugar and chemically pure sucrose, in solid form), 17.02 (Other sugars, sugar syrups, artificial honey, caramel), does not exceed 20% of the weight of the product.

## STARCHES & WHEAT GLUTEN

Production in which all the materials – as listed below – are **wholly obtained**.

- Chapters 10 (Cereals) and 11 (Products of the milling industry, malt, starches, inulin and wheat gluten),
- Headings 07.01 (potatoes, fresh or chilled), 07.13 (Dried leguminous vegetables, shelled, whether or not skinned or split), 07.14 (manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith) and 23.03 (Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellet),
- Subheading 0710.10 (Potatoes) and dried potatoes of sub-heading 0712.90.

## ALBUMINOIDAL SUBSTANCES, MODIFIED STARCHES, GLUES

- Heading 35.01 - Casein, caseinates and other casein derivatives; casein glues: Change of Tariff Heading (CTH), which means that in the productions, non-EU products are authorised if these products are classified in another Tariff Heading, or in other words that all non-EU originating materials, used in the production of the product, must undergo a change in tariff classification at Tariff Heading level, i.e. at 4 digit level.
- Subheadings 3502.11 to 3502.19 – Egg albumin: CTH, except from Headings 04.07 (Birds' eggs in shell) and 04.08 (Birds' eggs not in shell, and egg yolks).
- Subheadings 3502.20 to 3504.00 - Milk albumin, gelatin, glues, peptones, other protein substances, vegetable proteins: CTH
- Heading 35.05 - Dextrins and other modified starches, glues based on starches, or on dextrins or other modified starches: CC, except from Heading 11.08 (Starches, inulin).

- More information on RoO can be found in the relevant Factsheet and Guidelines, published on the website of the EU-Japan Centre.

[13]

Product concerned: 190190.230



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