

EU – JAPAN EPA

MALT, STARCHES, WHEAT GLUTEN & ALBUMINOIDAL SUBSTANCES

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



July 2018
Signature

1/2/2019
Entry into Force

PROMOTION &
INFORMATION

INCREASE
MARKET SHARE
EU PRODUCTS

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Under the supervision of





OVERVIEW

- What the EPA is offering.
- Market Access
- Rules of Origin
- Information sources



MARKET ACCESS

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



Key highlights of what's the EPA is offering

Main Products	Base Rate	EPA Preference
Not-Roasted Malt	21.30 yen/kg	Duty elimination spread over 10 years – duty free as from 1/4/2028
Wheat starch	25%	Duty free TRQ – 3700t in year 1 – 4200t in year 6
Maize (corn) starch	119 yen/kg	TRQ – 6400t in year 1 – 7150t in year 6 – zero in-quota duty subject to import conditions, otherwise 12.5%
Wheat Gluten	21.3%	Duty elimination spread over 10 years – duty free as from 1/4/2028
Esterified Starches	6.8%	Base rate remains in force until the end of the 5 th year. Zero duty as from 1/4/2023
Egg Albumin, excluding dried	8%	Duty eliminations as from EIF of the Agreement.

MALT

Tariff Line	Product	Base Rate	EPA Preference
110710.019	'Not roasted' malt – fumigated with peat	21.30yen/kg	Duty elimination over 10 years – duty free as from 1/4/2028
110710.029	'Other not-roasted' malt	21.30yen/kg	Duty elimination since EIF within a TRQ of 185.700t
110720.020	'Roasted' malt	21.30yen/kg	Duty elimination since EIF within a TRQ of 185.700t
190190.230	Malt extract	9.0%	Duty elimination over 10 years – duty free as from 1/4/2028

MARKET ACCESS

MAIN STARCHES

Tariff Line	Product	Base Rate	EPA Preference
110811.010	Wheat starch	25%	Duty free TRQ – 3700t in year 1 – 4200t in year 6 – TRQ to be shared with other products.
110812.090	Maize (corn) starch	119 yen/kg	TRQ – 6400t in year 1 – 7150t in year 6 – TRQ to be shared with other products. Zero in-quota duty if imported for manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch or starch glue If imported for other purposes: in-quota duty: 12.5%
110813.090	Potato starch	119 yen/kg	Same as above, but if imported for other purposes, in-quota duty remains zero if: <ul style="list-style-type: none"> - originating goods are not used 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 3 multiplied by the quantity of the potato starch, specified in the application, produced from domestic potato and used by the importer in Japan

MARKET ACCESS

OTHER STARCHES

Tariff Line	Product	Base Rate	EPA Preference
110814.090 110819.019 110819.099	Manioc Starch Sago Starch Other Starches	119 yen/kg	TRQ – 6400t in year 1 – 7150t in year 6 – TRQ to be shared with other products. Zero in-quota duty if imported for manufacturing of starch sugar, dextrin, dextrin glue, dissolve starch or starch glue If imported for other purposes: in-quota duty: 25%
110820.090	Inulin	119 Yen/kg	TRQ – 6400t in year 1 – 7150t in year 6 – TRQ to be shared with other products. Zero in-quota rate
190120.159 190190.179	Food preparations containing other than wheat starches	119 yen/kg	TRQ – 6400t in year 1 – 7150t in year 6 – TRQ to be shared with other products. In-quota rate: 25%
190120.151 190190.171	Food preparations containing wheat starches	25%	TRQ – 3700t in year 1 – 4200t in year 6 – TRQ to be shared with other products. Zero in-quota rate

Albumins, Caseins, Dextrins and Modified Starches

**Duty free
for most of
Chapter 35
products**

The duty free products include:

- **casein, caseinates and other casein derivatives, and casein glues**
- **albumins, albuminates and albumin derivatives**
- **gelatin**
- **peptones & derivatives**

MARKET ACCESS

Albumins, Caseins, Dextrins and Modified Starches

5 tariff lines with duties liberalised in staging:

Tariff Line	Product	Base Rate	EPA Preference
350300.011	Gelatin (other than for photographic use and gelatin derivatives and fish glues)	17.0%	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%	Duty elimination over 15 years – duty free as from 1/4/2033
350510.100	Esterified starches and other starch derivatives	6.8%	Base rate duty remains in force until the end of the 5 th year. Duty will become zero as from 1/4/2023
350510.200	Other dextrin and modified starches	21.3% or 25.5 yen/kg whichever is the greater	Duty elimination over 10 years – duty free as from 1/4/2028
350520.000	Glues based on starches	21.3% or 25.5 yen/kg whichever is the greater	Duty elimination over 10 years – duty free as from 1/4/2028

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 !!

MALT

Production in which all the following materials used in it must be wholly obtained:

- Chapter 10 products (cereals)
- Chapter 11 products (products of the milling industry; malt; starches; inulin and wheat gluten)
- Heading 07.01 products (potatoes, fresh or chilled)
- Heading 07.13 products (dried leguminous vegetables)
- Heading 07.14 products (manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, sago pith)
- Heading 23.03 products (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 subheading 0712.90

RULES OF ORIGIN

MALT EXTRACT

CHANGE OF CHAPTER (CC)

meaning:

in the production non-EU/Japan originating materials are authorised if they are classified under another Chapter

provided that:

- the weight of non-originating materials of Chapter 4 (dairy products) used **does not exceed 10% of the weight of the product;**
- the total weight of non-originating materials of Headings 10.10 (wheat & meslin), 10.03 (barley), 10.06 (rice) and 11.01 to 11.08 (products of the milling industry, malt, starches and inulin) used – **does not exceed 10% of the weight of the product;**
- the total weight of non-originating materials of Heading 17.01 (Cane of beet sugar and chemically pure sucrose, in solid form), 17.02 (Other sugars, sugar syrups, artificial honey, caramel) used – **does not exceed 20% of the weight of the product.**

STARCHES & WHEAT GLUTEN

Production in which all the following materials used in it must be 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)
 - 0713 (dried leguminous vegetables)
 - 07.14 (manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, sago pith)
 - 23.03 (residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing of distilling dregs and waste)
- Subheading 0710.10 (potatoes) and dried potatoes of subheading 0712.90

RULES OF ORIGIN

ALBUMINOIDAL SUBSTANCES – MODIFIED STARCHES - GLUES

Heading/Sub-Heading	Label	Rule & Exceptions
35.01	Casein, caseinates and other casein derivatives; casein glues	CTH
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)
3502.20 to 3504.00	Milk albumin, gelatin, glues, peptones, other protein substances, vegetable proteins	CTH
35.05	Dextrins and other modified starches, glues based on starches, or on dextrins, or other	CC, except from Heading 11.08 (starches, inulin)

INFORMATION SOURCES

- ▶ EPA text and Annexes:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

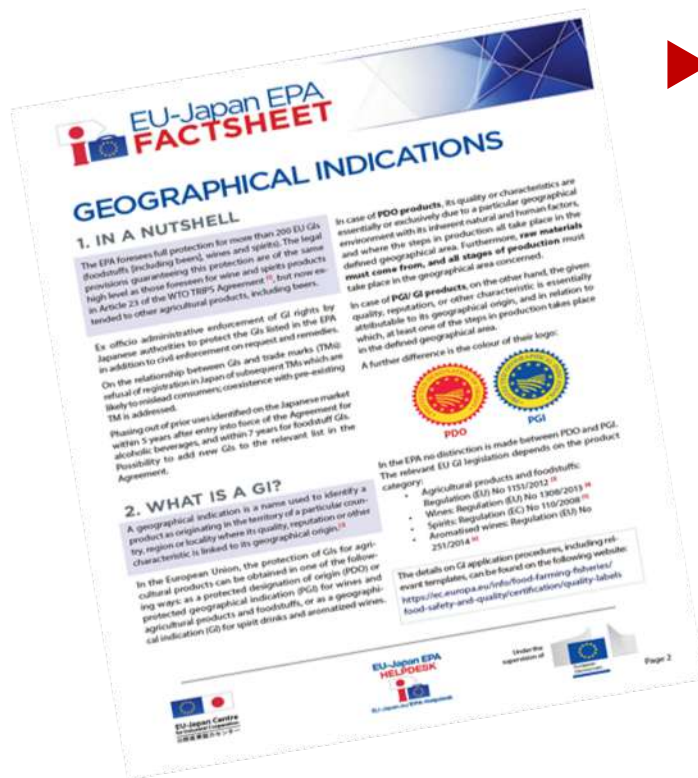
Of which:

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

INFORMATION SOURCES

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

▶ Fiches per sectors and webinars on EPA outcome



Wines and Spirits
Geographical Indications
Dairy Products
Meat Products
Processed Agricultural Products
Fruit & Vegetables

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>
- Import procedures - Japan. Min. Health Labour & Welfare:
<https://www.mhlw.go.jp/english/topics/importedfoods/1.html>
- Japan’s Customs:
http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm

- ▶ 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

Thank you for your attention

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QUESTIONS ?

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