EU – JAPAN EPA

Rules Of Origin

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.
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3. Proof of preferential origin
4. EU/Japan EPA ↔ Other FTA’s
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1. Legal basis
1. Legal basis

COUNCIL DECISION (EU) 2018/1907
of 20 December 2018
on the conclusion of the Agreement between the European Union and Japan for an Economic Partnership

- Publication → OJ - L330 (27/12/2018)
- Origin → Chapter 3 (pages 21 till 32)
  → Annexes 3-A till 3-D (pages 634 – 686)
2. Export

What to start with?
2. Export – What to start with?

- Obtain status of « Registered Exporter » (REX)
- REX = Self-certification
- Application form for registration
- Belgian REX numbers: BE+REX+EORI (BEREXBE0123456789)
- Registration valid for all existing and future FTA’s
- No transition period for use of approved exporter’s number
- REX number not compulsory < 6000 €
2. Export – What to start with?

1. Exporter’s name, full address and country, EORI or TIN (2).

   **1 EORI number = 1 Registration**

2. Contact details including telephone and fax number as well as e-mail address where available.

3. Specify whether the main activity is producing or trading.

   **Both can be selected**
2. Export – What to start with?

4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonised System headings (or chapters where goods traded fall within more than twenty Harmonised System headings).

**Description + Headings (4 digits)**

5. Undertakings to be given by an exporter

- Information given is correct
- Cooperation with authorities
- Keep accounting records for at least 3 years
- Accept control by authorities
- Inform authorities in case of change
- ...

www.eu-japan.eu/epa-helpdesk
2. Export – What to start with?

6. Prior specific and informed consent of exporter to the publication of his data on the public website

The undersigned is hereby informed that the information supplied in this declaration may be disclosed to the public via the public website. The undersigned accepts the publication of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.

Consent is **NOT** compulsory
2. Export – What to start with?

REX number validation

Retrieve REX number validation

You can launch a validation request by entering the REX or EORI/TIN number and clicking the corresponding "Validate" button.

Search on REX number

Search on ----- number

REX number validation

Retrieve REX number validation

You can launch a validation request by entering the REX or EORI/TIN number and clicking the corresponding "Validate" button.

Search on REX number

Search on ----- number

BEREXBE0456453195

Validate

Validate
## 2. Export – What to start with?

### Retrieve REX number validation

You can launch a validation request by entering the REX or EORI/TIN number and clicking the corresponding "Validate" button.

<table>
<thead>
<tr>
<th>Search on REX number</th>
<th>BEREXBE0456453195</th>
<th>Validate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search on ---- number</td>
<td></td>
<td>Validate</td>
</tr>
</tbody>
</table>

1 result(s) match(es) your search

<table>
<thead>
<tr>
<th>REX number</th>
<th>EORI / TIN number</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEREXBE0456453195</td>
<td>BE0456453195</td>
<td>The REX number is valid</td>
</tr>
</tbody>
</table>

When you have given your consent
3. Proof of preferential origin
3. Proof of preferential origin

Since the day of entry into force (01/02/2019)

- Preferential treatment for goods if origin statement made out as from 01/02/2019
- Preferential treatment for goods in transit or in customs warehouse
  → Declared before 31/01/2020
  → With origin statement issued as from 01/02/2019
- Origin statement = valid 12 months from date it is made out
3. Proof of preferential origin

**Origin statement in EU**

(Period: from . . . . . to . . . . . (1))

The exporter of the products covered by this document (Exporter Reference No. …… (2)) declares that, except where otherwise clearly indicated, these products are of . . . . . . . . . (3) preferential origin.

(Origin criteria used (4))

. . . . . . . . . . . . . . . . . . . . . . .

(Place and date (5))

. . . . . . . . . . . . . . . . . . . . . . .

(Printed name of the exporter)

. . . . . . . . . . . . . . . . . . . . . . .

**Max 12 months**

Identical products
Same subheading
Same origin rule

**REX number**

May be omitted

Exemption of signature

See next slide
3. Proof of preferential origin

Origin criteria used
A – Wholly obtained or produced products
B – Products produced exclusively from originating materials
C – Products produced using non-originating materials, with the specific requirements for the product:
   1 – Change in tariff classification rule
   2 – A value rule
   3 – A specific process rule
   4 – Specifics rules related to vehicles and parts of vehicles
D – Use of accumulation
E – Use of tolerances

Example: C1E (Non-originating materials, CTH and tolerance)
3. Proof of preferential origin

Origin criteria

- Absence of origin criterion → Denial of preference
- Invoice with different headings → Criterion for every heading
  If link Heading Criterion unclear → Denial of preference
- Sets → No origin criterion foreseen (till now)
- If possibility of several criteria

28.01-28.53

- CTSH;
  A chemical reaction, purification, production of standard materials, or isomer separation is undergone;
- MaxNOM 50 % (EXW); or
- RVC 55 % (FOB).

→ Mention of the real applied criterion
If all criteria are fulfilled → Choice for the exporter
3. Proof of preferential origin

Origin criteria – Additional information asked by Japan

Article 3.16, §3

… The customs authority of the importing Party may request, to the extent that the importer can provide such explanation, the importer to provide an explanation, as part of the customs import declaration or accompanying it, that the product satisfies the requirements of this Chapter.

Clarification by Japanese Customs and EU Commission

The exporter in the EU who made out a statement on origin, when requested by the importer in Japan to provide an explanation, is not obliged to provide such explanation. And this will not lead to a denial of the preference in Japan.
4. EU/Japan EPA ↔ Other FTA’s Main differences
4. EU/Japan EPA ↔ Other FTA’s
Main differences

“Alternative” proof of origin

Second possibility of proof of origin = Importer’s knowledge

Why “Alternative”?

• The importer claims preferential origin treatment
• No use of origin statement
• No need to be registered
• All information on origin in possession of importer

Relation Exporter / Importer → Same company?
Importer and Exporter → access to the same data
4. EU/Japan EPA ↔ Other FTA’s
Main differences

Retrospective statement

Not foreseen explicitly !!!

Article 3.16

• Preferential origin treatment claimed by the importer at the moment of importation.

• The origin statement has to be issued before the claim for preferential treatment is made.

Nevertheless …
Retrospective statement

... Nevertheless

Solution in the EU → Art 56, §3 of UCC

→→ Preferential origin treatment may be granted retrospectively

But in Japan no real solution… till now…
Authorization number in Japan

EU → REX number

Japan → Japan Corporate Number

- Japan Corporate Number = 13-digit single-byte number  (e.g. 1234567890123)

- Check possible in online-database
4. EU/Japan EPA ↔ Other FTA’s

Main differences

Statement on separate document

Statement can be issued:

- On the invoice itself
- On any other commercial document

Statement can be provided on separate document

Invoice or other commercial document must refer to that separate document
4. EU/Japan EPA ↔ Other FTA’s

Main differences

**Full cumulation** (besides bilateral cumulation)

Parties are allowed to use, from each other, non-originating materials

- Working not sufficient → Non-originating product
- Export with EU pref origin
- After 2 processings → Sufficient working rule fulfilled

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**Diagram:****

1. Japan → EU (1st working)
2. EU → Japan (2nd working)

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1. Japan
2. EU
3. Japan

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4. EU/Japan EPA ↔ Other FTA’s

Main differences

Drawback prohibition not foreseen

Sufficient working rule fulfilled

3rd country raw materials

EU Inward processing

Japan

Suspension of duties

Export of finished product with proof of preferential origin

WITHOUT

Payment of duties on the 3rd country materials used
4. EU/Japan EPA ↔ Other FTA’s  
Main differences

Sufficient working rules - Layout

Traditional FTA’s

<table>
<thead>
<tr>
<th>HS heading</th>
<th>Description of product</th>
<th>Working or processing, carried out on non-originating materials, which confers originating status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>ex Chapter 88</td>
<td>Aircraft, spacecraft, and parts thereof; except for:</td>
<td>Manufacture from materials of any heading, except that of the product</td>
</tr>
<tr>
<td>ex 8804</td>
<td>Rotochutes</td>
<td>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</td>
</tr>
<tr>
<td>8805</td>
<td>Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles</td>
<td>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</td>
</tr>
</tbody>
</table>

Managed by [Company Logo]  
www.eu-japan.eu/epa-helpdesk  
Under the supervision of [Organizational Logos]
## Sufficient working rules - Layout

### Japan

<table>
<thead>
<tr>
<th>Column 1 Harmonized System classification (2017) including specific description</th>
<th>Column 2 Product specific rule of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 88</td>
<td>Aircraft, spacecraft, and parts thereof</td>
</tr>
<tr>
<td>88.01-88.05</td>
<td>CTH; MaxNOM 50% (EXW); or RVC 55% (FOB).</td>
</tr>
</tbody>
</table>

**Change in Tariff Heading**

**Maximum value non-originating materials**

**Minimum regional value content**
4. EU/Japan EPA ↔ Other FTA’s
Main differences

Sufficient working rules - Example 1905 32 (Waffles)

Traditional FTA’s
Manufacture from materials of any heading, except those of Chapter 11 (wheat flour)

- For wheat flour → supplier’s declaration(s) proving EU origin
- For other ingredients → Heading different from 1905
4. EU/Japan EPA ↔ Other FTA’s
Main differences

Sufficient working rules - Example 1905 32 (Waffles)

Japan

CTH, provided that:
— the weight of non-originating materials of Chapter 4 used does not exceed 10 % of the weight of the product;
— the total weight of non-originating materials of headings 10.03, 10.06 and 11.01 to 11.08 used does not exceed 10 % of the weight of the product; and
— the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 30 % of the weight of the product.

Main rule = Change in Tariff heading (CTH), BUT …
4. EU/Japan EPA ↔ Other FTA’s
Main differences

Sufficient working rules - Example 1905 32 (Waffles)

Japan

Main rule = Change of Tariff heading, BUT …
Limited use of different non-originating ingredients

NOT IN VALUE, BUT IN WEIGHT

Supplier’s declaration(s) proving EU origin for all these ingredients
### Sufficient working rules - Example 2 – Chapter 84)

#### Traditional FTA’s

<table>
<thead>
<tr>
<th>ex Chapter 84</th>
<th>Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for:</th>
<th>Manufacture:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- from materials of any heading, except that of the product, and</td>
<td>- Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</td>
</tr>
<tr>
<td></td>
<td>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product</td>
<td></td>
</tr>
<tr>
<td>ex 8401</td>
<td>Nuclear fuel elements</td>
<td>Manufacture from materials of any heading, except that of the product (12)</td>
</tr>
<tr>
<td>8402</td>
<td>Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); superheated water boilers</td>
<td>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</td>
</tr>
<tr>
<td></td>
<td>Manufacture:</td>
<td>Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product</td>
</tr>
<tr>
<td></td>
<td>- from materials of any heading, except that of the product, and</td>
<td>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product</td>
</tr>
</tbody>
</table>

4. EU/Japan EPA ↔ Other FTA’s

Main differences
### Sufficient working rules - Example 2 – Chapter 84)

#### Japan

<table>
<thead>
<tr>
<th>Chapter 84</th>
<th>Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.01-84.06</td>
<td>CTH; MaxNOM 50 % (EXW); or RVC 55 % (FOB).</td>
</tr>
<tr>
<td>84.07-84.08 (i)</td>
<td>MaxNOM 50 % (EXW); or RVC 55 % (FOB).</td>
</tr>
<tr>
<td>84.09-84.24</td>
<td>CTH; MaxNOM 50 % (EXW); or RVC 55 % (FOB).</td>
</tr>
<tr>
<td>84.25-84.30</td>
<td>CTH except from heading 84.31; MaxNOM 50 % (EXW); or RVC 55 % (FOB).</td>
</tr>
</tbody>
</table>
5. Import duties in Japan
  + Rules of Origin
  + Schedule
## 5. Import duties in Japan

### Market access database

<table>
<thead>
<tr>
<th>Code</th>
<th>Product Description</th>
<th>EU</th>
<th>GEN</th>
<th>MFN</th>
<th>RoQ</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>CHAPTER 42 - ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILKWORM GUT):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4203</td>
<td>Articles of apparel and clothing accessories, of leather or of composition leather:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4203.10</td>
<td>- Articles of apparel:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4203.10.10</td>
<td>- - Trimmed with furskin or combined or trimmed with precious metal, metal clad with precious metal, metal plated with precious metal, precious stones, semi-precious stones, pearls, coral, elephants' tusks or Bekko</td>
<td>13.1%</td>
<td>40%</td>
<td>16%</td>
<td>RoQ</td>
<td>Schedule</td>
</tr>
</tbody>
</table>
5. Import duties in Japan

Market access database

- Change in Chapter (CC)
- Change in Tariff Heading (CTH) and maximum value of non originating materials = 45% of Ex Works price
- Change of Tariff Heading (CTH) and minimum regional value content = 60% of FOB price
5. Import duties in Japan

4203.10.10
- - Trimmed with furskin or combined or trimmed with precious metal, metal clad with precious metal, metal plated with precious metal, precious stones, semi-precious stones, pearls, coral, elephants' tusks or Bekko

Tariff Schedule

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 6</th>
<th>YEAR 7</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUTY RATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Schedule

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PERIOD, FROM - TO</th>
<th>BOUND DUTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
<td>01/02/2019 - 31/03/2019</td>
<td>14.5%</td>
</tr>
<tr>
<td>YEAR 2</td>
<td>01/04/2019 - 31/03/2020</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

Staging Category Code: B10
Staging Category Description: 

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Under the supervision of
# 5. Import duties in Japan

## 4203 10 – Import duties EU

<table>
<thead>
<tr>
<th>EU/BE</th>
<th>Territoire géographique</th>
<th>Type de mesure</th>
<th>Tarif</th>
</tr>
</thead>
<tbody>
<tr>
<td>🇪🇺</td>
<td>ERGA OMNES</td>
<td>Droit pays tiers</td>
<td>4%</td>
</tr>
<tr>
<td>🇪🇺</td>
<td>ERGA OMNES</td>
<td>Suspension - produits destinés à certaines catégories de bateaux et de plates-formes de forage ou d'exploitation</td>
<td>0%</td>
</tr>
<tr>
<td>🇧🇪</td>
<td>ERGA OMNES</td>
<td>Suspension droit certains équipements militaires</td>
<td>0%</td>
</tr>
<tr>
<td>🇧🇪</td>
<td>JP - Japon</td>
<td>Préférence tarifaire</td>
<td>0%</td>
</tr>
</tbody>
</table>

5. Import duties in Japan

4203 10 – Import duties EU

- Third country duty (01-01-2005 - ) : 4.00 %

- Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms (01-07-2016 - ):
  [Show conditions]

- Japan (JP)
  Tariff preference (01-02-2019 - 31-01-2020) : 0 %
6. The import document
6. The import document

Preferential treatment at import from Japan

| 31 Colis et désignation des marchandises | Marques et numéros - No(s) conteneur(s) - Nombre et nature | 32 Article No. | 33 Code des marchandises
|-----------------------------------------|--------------------------------------------------------|---------------|------------------------
|                                         |                                                        |               |                        |
|                                         |                                                        | 34 Code P. origine | 35 Masso brute (kg) |
|                                         |                                                        | 37 RÉGIME | 38 Masso nette (kg) |
|                                         |                                                        |               | 39 Contingent |
|                                         |                                                        |               |                        |
| 40 Déclaration sommaire/Document précédent |                                                        |               |                        |
|                                         |                                                        |               |                        |
| 44 Mentions spéciales et documents produits/ Certificats et autorisations |                                                        |               |                        |

- **Statement of origin** → U110
- **Multiple shipments** → U111
- **Importer’s knowledge** → U112

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Under the supervision of European Commission
7. Supplier’s declarations
7. Supplier’s declarations

I, the undersigned, declare that the goods described below:

.................................(1)
.................................(2)

which are regularly supplied to .................(3), originate in .................(4) and satisfy the rules of origin governing preferential trade with (5)

AD (Andorra), AL (Albania), BA (Bosnia-Herzegovina), CA (Canada), CH (Switzerland), CL (Chile),
CO (Colombia), CI (Ivory Coast), DZ (Algeria), EC (Ecuador), EG (Egypt), FO (Faroe Islands),
GE (Georgia), GH (Ghana), IL (Israel), IS (Iceland), JO (Jordan), JP (Japan), KR (South Korea),
LB (Lebanon), LI (Liechtenstein), MA (Morocco), MD (Moldova), ME (Montenegro), MK (Macedonia),
MX (Mexico), NO (Norway), PE (Peru), PS (West Bank / Gaza Strip), SY (Syria), TN (Tunisia), TR (Turkey),
UA (Ukraine), XC (Ceuta), XK (Kosovo), XL (Melilla), XS (Serbia), ZA (South Africa), ACP,
Central America, Cariforum, OCT, ESA, SADC, Western Pacific, GSP, CAS

Compulsory to communicate the origin criteria used
7. Supplier’s declarations

Mention of origin criteria used:

- According to criteria in use for statement
- On the supplier’s declaration itself
- On any other document, with a link to supplier’s declaration
- Only useful in case of resale to Japan (no working)
8. Additional information
8. Additional information

➢ **Belgium - Customs**

https://finances.belgium.be/fr/douanes_accises/entreprises/douane/origine/ue-japon

https://financien.belgium.be/nl/douane_accijnzen/onderneming/douane/oorsprong/eu-japan

PDF document, explaining the most important topics and giving links to latest publications

In French and Dutch
8. Additional information

➢ Belgium – FPS Economy


Link to ➔ DG Trade
➔ EU-Japan Centre
8. Additional information

- Belgium – EU-Japan Centre for Industrial Cooperation

https://www.eu-japan.eu/

Helpdesk – Publications – Webinars – Useful links – …
8. Additional information

➢ **France**

http://www.douane.gouv.fr/articles/a14896-accord-de-partenariat-economique-ue-japon

- Links to publications
- List of FAQ
8. Additional information

➤ Germany
https://wup.zoll.de/wup_online/index.php
8. Additional information

➢ Germany

Google → Deutschland Zoll Merkblatt Japan

Merkblatt EU-Japan-EPA

(Version 8. August 2019)
8. Additional information

- **European Commission**
  - Different guidelines

Google ➔ EU Japan guidance
Thank you for your attention!

Roger TENEY

QUESTIONS?

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.