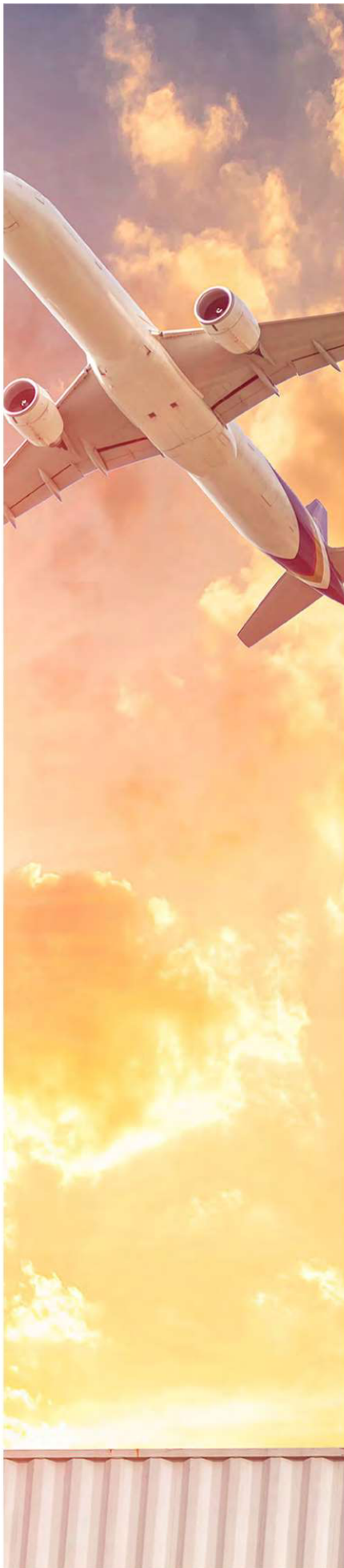


eBook on East Asia Customs Procedures

Japan





eBook on East Asia Customs Procedures

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MESSAGE FROM CHAIRMAN

Blessed with geographical proximity, cultural affinity, close business ties and natural advantages for trade and economic cooperation, East Asia is one of the regions in the world with the most potential and development prospects. Since its establishment in 2004, East Asia Business Council (EABC) has always held the belief that cross-border trade, investment liberalization and facilitation are the prerequisites and foundations for East Asian countries to



promote industrial advancement, reduce unemployment and improve the quality of economic development. EABC has long been devoting to reducing trade and investment barriers and facilitating enterprises to carry out cross-border trade and investment.

In 2018, EABC agreed to compile eBook on East Asia Customs Procedures and listed it as a top priority in the Council's annual work in 2019. Today, the eBook is officially launched, with the expectation to strengthen regional economic and trade information sharing and further improve trade facilitation and connectivity among East Asian countries.

The eBook on East Asia Customs Procedures covers the guides of Customs procedures in 13 countries in East Asia, with 24 major items related to the Customs clearance of goods such as legal system, clearance procedures,

prohibitions and restrictions, duty collection (including classification, valuation, rules of origin), trade statistics, violations and sanctions, FTAs, AEOs and etc. The eBook is published electronically in English, providing companies with practical reference for international trade.

I believe that the eBook will help enterprises in the region, especially small and medium-sized enterprises, improve their capabilities in business management, investment and financing, and international market development. We hope that enterprises will take full advantage of the eBook to actively explore the regional market and achieve development goals.

Lu Pengqi

EABC Chairman 2019

ACKNOWLEDGEMENTS

Heartfelt gratitude and sincere respects should be addressed to China Committee, East Asia Business Council (in short EABC China, also China Council for the Promotion of International Trade - CCPIT), to organize, support and sponsor the edition and publication of the eBook on East Asia Customs Procedures to provide manufactures, trader and related service-providers with comprehensive information and elaborate references on Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea, which is a unique, innovative and significant contribution to regional and even international trade community.

Cordial appreciations should be extended to the Trilateral Cooperation Secretariat (TCS) for supporting and partially sponsoring the eBook of China, Japan and the Republic of Korea and CCPIT Guangxi Sub-council for supporting the project.

Dedicated gratitude should also be expressed to all members of the editing team, proofreading team, project team for their arduous and continuous efforts during the process.

EDITOR'S STATEMENT

Customs procedures in almost every country are usually very professional, diverse, technical, abstruse, ambiguous, and even trapped for cross-border manufactures, traders and related service-providers, sometimes even cause significant invisible “barriers” to trade. Thus all the stakeholders imminently need information, materials and references as comprehensive, elaborate and concrete as possible in different countries to enhance the effectiveness and efficiency of cross-border trade.

This eBook on East Asia Customs Procedures aiming to provide a general picture involves in almost all aspects of Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea. For each eBook, a framework of 24 parts of contents is basically followed with certain flexibility of adjustments according to specific situation of each individual country.

It is not an easy task to edit this panorama-type of eBook and during the process the editors are facing significant challenges including English language proficiency, professional competence and most importantly very limited information and materials in English for references.

The contents of each eBook are based on current publicly available information and materials in English, mainly contained in the publications and on the websites of related Customs administrations, government departments and agencies, international organizations and private professional institutions. The editors believe the selection and use of publicly available information will not affect the interests of the above-mentioned organizations and sincerely appreciate those organizations having their information and publications publicly available.

During the editing process, the biggest and greatest challenge is the lack of information and materials in English, which are very limited in almost all countries and even very deficient, very scarce in some countries. Therefore some citations from the official websites and excerpts from legal documents do exist in the eBook.

As a first remarkable pilot project in the fields, this eBook on East Asia Customs Procedures are not perfect and flawless and we are satisfied with the qualities of the majority and will keep on improving the rest.

ABBREVIATIONS

AEO	Authorized Economic Operators
APEC	Asia and Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATA	A Combination of the Initial Letters of the French Words “Admission Temporaire” and the English Words “Temporary Admission”
CCCN	Customs Cooperation Committee Nomenclature
CITES	Convention on International Trade in Endangered Species
CMAA	Customs Mutual Assistance Agreement
COCOM	Coordinating Committee for Multilateral Export Controls
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CTB	Customs and Tariff Bureau
EPA	Economic Partnership Agreements
FTA	Free Trade Agreement
GATT	General Agreement on Tariff and Trade
GSP	Generalized System of Preferences
HS	Harmonized Commodity Description and Coding System
JAS	Japan Agricultural Standards
JETRO	Japan External Trade Organization
JISC	Japan Industrial Standards Committee
MFN	Most Favored Nations
NACCS	Nippon Automated Cargo and Port Consolidated System

PSR	Product-Specific Rules
RVC	Regional Value Content
QVC	Qualifying Value Content
RKC	Revised Kyoto Convention
SAFE	WCO Framework of Standards to Secure and Facilitate Trade
TPP	Trans-Pacific Partnership
WCO	World Customs Organization
WTO	World Trade Organization
WTO TFA	World Trade Organization - Trade Facilitation Agreement

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eBook on East Asia Customs Procedures

Japan

1. INTRODUCTION OF JAPAN CUSTOMS

Japan Customs originated in the mid-19th century and after World War II, Japan re-established Customs administration under the supervision of the Allies. With the development of the economy, Japan joined the GATT, the predecessor of the WTO in 1955. In 1961, Japan introduced the CCCN (Customs Cooperation Committee Nomenclature) as a framework for tariff classification that represents the Japan Customs accepted the international Customs standards. In 1964, Japan became the 38th member of the CCC (Customs Cooperation Committee), the predecessor of the WCO. Today, Japan Customs is one of the high-ranking Customs in the world.

1.1 Goals & Guidelines

Japan Customs has three major goals as their missions:

- Help to ensure the safety and security of society;
- Collect fair and proper Customs duties;
- Facilitate international trade.

The action guidelines for Japan Customs staffs are:

- Integrity;
- Commitment;

- Teamwork;
- Kaizen;¹
- Professionalism.

1.2 Customs and Tariff Bureau (CTB)

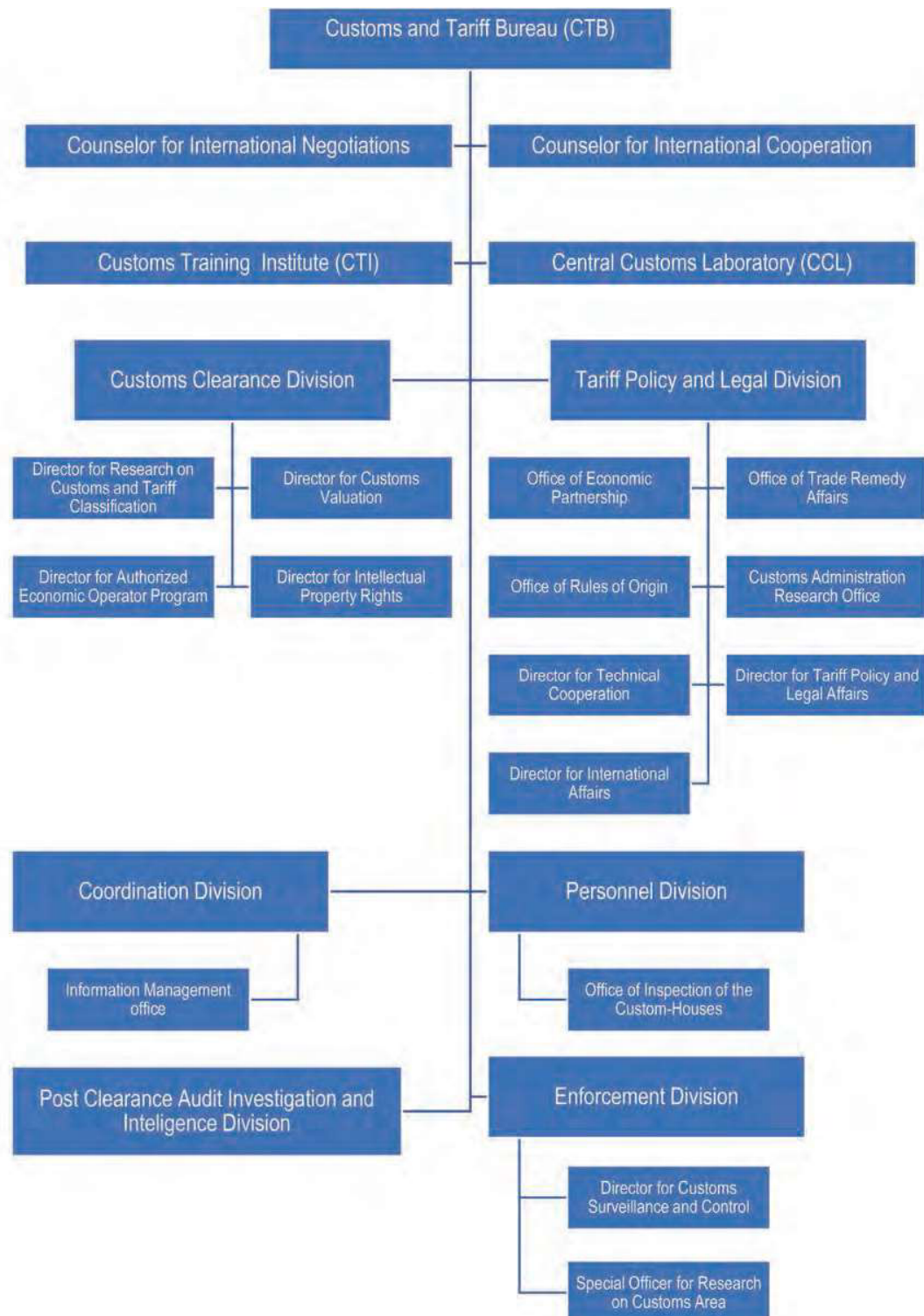
The Customs and Tariff Bureau (CTB) is Japan's highest-level Customs administration and a sub-bureau of the Ministry of Finance. It is headed by the Director General, assisted by two Deputy Directors-Generals. In CTB, there are six divisions and several offices (See Figure 1). Regarding international matters, there are two Counselor Offices and an Office of Economic Partnership. 191 Customs officials are working in the Bureau as of April 2019.

As an important official apartment, the responsibilities of CTB are as follows:

- Research and planning of Customs duties and Customs administration;
- Imposition and collection of Customs duties and other taxes;
- Surveillance and control of exporting and importing goods, vessels, aircraft, and passengers;
- Operation of Customs areas;
- Supervision of Customs brokers and registered Customs specialists;
- Process of sea and air cargo by NACCS;
- Trade statistics;
- Education and training of Customs officers;
- Support for the Tariff Branch of the Council on Customs, Tariff, Foreign Exchange and Other Transactions.

¹ Kaizen is a Japanese business philosophy of continuous improvement of working practices, personal efficiency, etc.

Figure 1 Organization of CTB



Source: Japan Customs website.

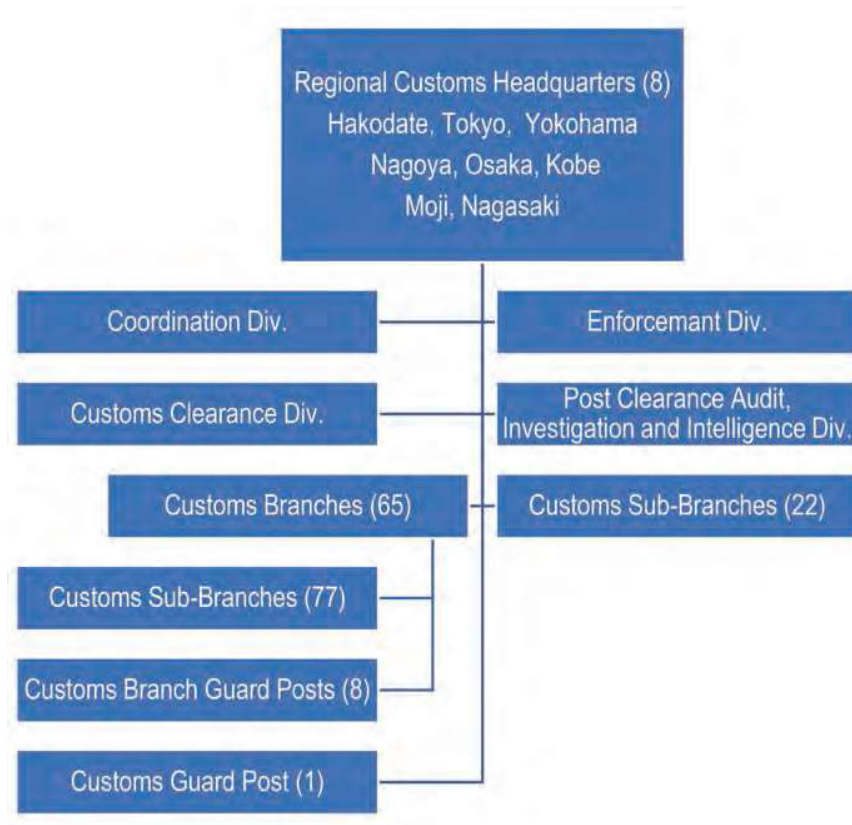
1.3 Regional Customs

There are nine regional Customs in Japan. The number of Customs officials in 2019 is 9,617.

1.3.1 Headquarters

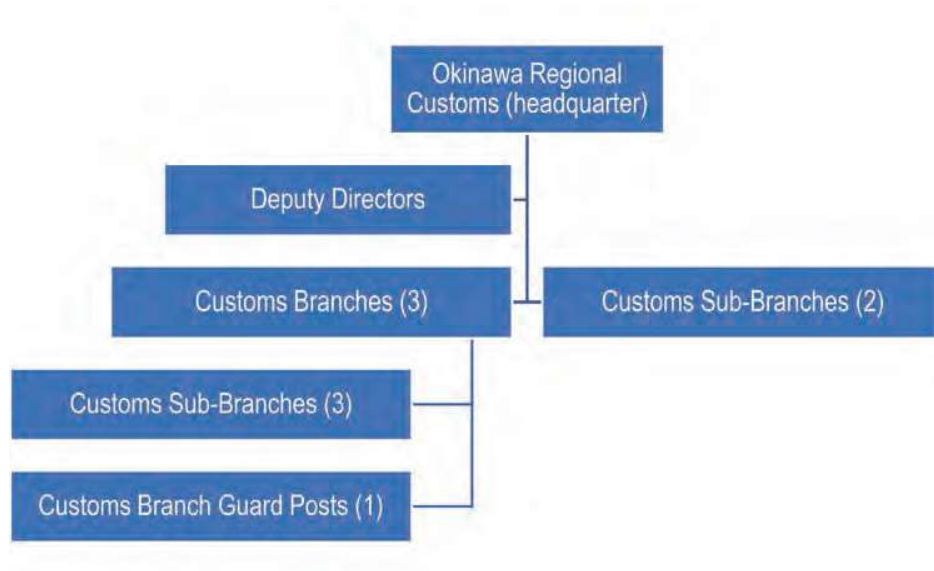
In each regional area, one Customs headquarter is responsible for a regional Customs administration and leads several branches, sub-branch offices, and guard posts. Except for Okinawa, each Customs headquarter has 4 Divisions (Coordination, Enforcement, Customs Clearance, and Post Clearance Audit, Investigation and Intelligence).

Figure 2 Organization of Regional Customs - 1



Source: Japan Customs website.

Figure 3 Organization of Regional Customs - 2



Source: Japan Customs Website.

1.3.2 Branch Offices

There are 68 Customs branch offices throughout the nation as of July 2019.

1.3.3 Sub-branches

The difference between sub-branches of Customs and sub-branches of Customs branches is determined by whether the location and jurisdictional area belong directly to Customs or branches. There is no substantial difference between them. As of July 2019, there are 104 sub-branches of Customs and Customs branches.

1.3.4 Guard Posts and Branch Guard Posts

There are 10 Customs guard posts throughout Japan as of July 2019. The jurisdiction of Regional Customs is following:

- [Hakodate](#): Hokkaido, Aomori, Iwate, and Akita;
- [Tokyo](#): Yamagata, Gunma, Saitama, Chiba (Part), Tokyo, Niigata, and Yamanashi;
- [Yokohama](#): Miyagi, Fukushima, Ibaraki, Tochigi, Chiba (Part), and Kanagawa;

- [Nagoya](#): Nagano, Gifu, Shizuoka, Aichi, Mie;
- [Osaka](#): Toyama, Ishikawa, Fukui, Shiga, Kyoto, Osaka, Nara, and Wakayama;
- [Kobe](#): Hyogo, Tottori, Shimane, Okayama, Hiroshima, Tokushima, Kagawa, Ehime, and Kochi;
- [Moji](#): Yamaguchi, Fukuoka (Part), Saga (Part), Nagasaki (Part), Oita, and Miyazaki;
- [Nagasaki](#): Fukuoka (Part), Saga (Part), Nagasaki (Part), Kumamoto, and Kagoshima;
- [Okinawa](#): Okinawa.

2. CUSTOMS LEGAL SYSTEM

Japan's Customs legal system can be divided into two parts: principal Customs laws and other related laws and regulations². Please find the list and Japanese version of laws and regulations related to Customs [here](#). For laws not listed, please use the [e-Gov Law Search](#). In addition, the following links also provide English version for convenience.

2.1 Principal Customs Laws

Customs Act, Tariff Act and Temporary Tariff Measures Act are the three main laws concerning Customs affairs in Japan. Customs Act covers all aspects of Customs work, with only the principle of the tariff system. The specific tariff system is constructed through Tariff Act and the Temporary Tariff Measures Act.

2.1.1 Customs Act

The Customs Act is divided into 11 chapters and 149 Articles and updated in 2018. Click [here](#) to view the full English text for reference.

² The following are unofficial English translations. Only the original Japanese texts of the laws and regulations have legal effects, and the translations are to be used solely as reference material to aid in the understanding of Japanese laws and regulations. Most translations are selected from Japanese Law Translation Database System ([Ministry of Justice](#)).

2.1.2 Tariff Act

The Tariff Act is divided into 21 Articles and updated in 2018. Click [here](#) to view the full English text for reference.

2.1.3 Temporary Tariff Measures Act

The Temporary Tariff Measures Act is divided into 19 Articles and updated in 2018. Click [here](#) to view the full English text for reference.

In addition, lots of administrative orders for enforcement of Customs Act, Tariff Act, and Temporary Tariff Measures Act have been formulated and update simultaneously.

2.2 Related Laws and Regulations

The following are the laws and regulations related to cargo clearance for reference.

Table 1 Related Laws and Regulations

Name of the laws	Key Words	Supervising Government Agencies
1. Foreign Exchange and Foreign Trade Law		
(1) Foreign Exchange Order	Means of payment (cash)	Legal Office, Research Division, International Bureau, Ministry of Finance
(2) Import Trade Order	Import quota items (herring, etc.)	Trade Control Policy Division, Trade Control Department, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry
	Para. 2 approved items (whale, etc.)	
	Prior confirmed items (Frozen Bluefin tuna, etc.)	
	Confirmation at Clearance (Fresh Bluefin tuna, etc.)	
Washington Convention (ivory, etc.)		
2. Law concerning Wildlife Protection and Hunting	Bird species and their by-products, animals and their by-products, bird eggs	Wildlife Division, Nature Conservation Bureau, Ministry of the Environment
3. Firearms and Swords Possessive Control Law	Pistol, imitation pistol, rifle, machine gun, shotgun, air gun; Sword with over a 15cm blade length, spear, halberd, sword with over a 5.5cm blade length, dagger and switch knife, etc.	Safety Division, Community Safety Bureau, National Police Agency
4. Regulation of Revenue Stamps and Counterfeiting Law	Object that could be mistaken for Revenue Stamps	Consumption Tax Office, Taxation Management Division, National Tax Agency
5. Cannabis Control Law	Cannabis plant and articles thereof	Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare

Name of the laws	Key Words	Supervising Government Agencies
6. Poisonous and Deleterious Substance Control Law	Poisonous and deleterious substances	Evaluation and Licensing Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare
7. Stimulant Drug Control Law	Stimulant drugs, raw materials for producing stimulant drugs	Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare
8. Narcotics and Psychotropics Control Law	Narcotics, psychotropic substances	Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare
9. Opium Law	Opium, poppy straw	Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare
10. Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetic Law	Pharmaceutical, pharmaceutical-related items, cosmetics, medical equipment, designated substance; Pharmaceutical, pharmaceutical-related items, medical devices for animal treatment/diagnosis, in vitro diagnostic and Cellular and Tissue-based Products	Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare Animal Products Safety Division Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
11. Fertilizer Control Law	Fertilizer	Plant Products Safety Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries

Name of the laws	Key Words	Supervising Government Agencies
12. Fisheries Resources Conservation Law	Koi (Carp), goldfish and other Crassus, silver carp, big head carp, grass carp, black Chinese roach, salmon eyed egg and fry, and Penaeus fry	Fish and Fishery Products Safety Office, Animal Health and Animal Products Safety Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
13. Law Concerning Sugar and Starch Price Stabilization	Sugar and Starch	Regional Agricultural Production Division, Crop Production Bureau, Ministry of Agriculture, Forestry and Fisheries
14. Provisional Measures Law for Processed Raw Milk Producer Subsidies	Butter, non-fat powdered milk and condensed milk	Milk and Dairy Products Division, Livestock Industry Department, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries
15. Law for Stabilization of Supply-Demand and Price of Staple Food	Rice grains (rice, rice flour, rice cake, etc.), wheat and barley (products processed/regulated wheat, barley, or rye)	Grain Trade and Operation Division, Staple Food Department, Crop Production Bureau, Ministry of Agriculture, Forestry and Fisheries
16. Explosives Control Law	Explosives, explosive compounds, articles processed by heat (fuse, etc.)	Industrial Safety Division, Agency for Nuclear and Industrial Safety, Ministry of Economy, Trade and Industry
17. Law Concerning Screening of Chemical Substances and Regulations on their Manufacture, etc.	Chemical substance	Chemical Management Policy Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry

Name of the laws	Key Words	Supervising Government Agencies
18. Regulation of Postal Stamps and Counterfeiting Law	Objects that could be mistaken for postal stamps	Postal Policy Planning Division, Postal Services Policy Planning Bureau, Posts and Telecommunications, Ministry of Internal Affairs and Communications
19. Alcohol Business Law	Alcohol with alcoholic content of 90 percent and above	Alcohol Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
20. Law of the Quality Control of Gasoline and Other Fuels	Volatile oil, kerosene, and light oil	Petroleum Refining and Reserve Division, Natural Resources and Fuel Department, Agency for Natural Resources and Energy
21. Agricultural Chemicals Regulation Law	Agricultural chemicals	Plant Products Safety Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
22. Enforcement of Invasive Alien Species Act	Black bass, Snapping Turtle, etc.	Wildlife Division, Nature Conservation Bureau, Ministry of the Environment
23. Laws Concerning the Prevention of Infections and Medical Treatment for Infected Persons	Ebola virus, Bacillus anthracis, Botulinum toxin	Tuberculosis and Infectious Diseases Control Division, Health Service Bureau, Ministry of Health, Labour and Welfare
	Monkey, prairie dogs, etc.	Tuberculosis and Infectious Diseases Control Division, Health Service Bureau, Ministry of Health, Labour and Welfare Animal Health Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries

Name of the laws	Key Words	Supervising Government Agencies
24. Industrial Safety and Health Law	Harmful substances (asbestos, etc.)	Chemical Hazards Control Division, Occupational Safety and Health Department, Labour Standards Bureau, Ministry of Health, Labour and Welfare
25. Food Sanitation Law	All food and drink, food additives, tableware, containers/wrapping, and toys	Quarantine Center Administration Office, Planning Information Division, Safety Department, Pharmaceutical and Food Safety Bureau, Ministry of Health, Labour and Welfare
26. Plant Quarantine Law	Flowering (phanerogams) plant, pteridophyte, bryophyte, harmful plants (bacillus, parasite, etc.), harmful animals (various insects and mites, etc.)	Plant Protection Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
27. Rabies Prevention Law	Dogs, cats, raccoons, foxes, and skunks	Animal Health Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
28. Domestic Animal Infectious Disease Control Law	Even-toed ungulate, horses, poultry (chickens, ducks), rabbits, bees and these meats, sausage, ham and rice straw	Animal Health Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
29. High Pressure Gas Safety Law	High pressure gas	Industrial Safety Division, Agency for Nuclear and Industrial Safety, Ministry of Economy, Trade and Industry

Source: Japan Customs website.

3. CUSTOMS CLEARANCE PROCEDURES

The Cabinet Order for Enforcement of the Customs Law formulated legal provisions related to Customs clearance procedures typically. With the supports of trade facilitation measures and technologies, the Customs clearance of Japan is very convenient and efficient. Formalities of exports and imports are normally processed by the information processing system called NACCS. More than 90 percent of import procedures are currently computerized. Moreover, goods information can be accessed in real time.

3.1 Export Clearance

According to the Customs Law, export goods are tax-free and the export process is relatively simple in Japan.

As shown in Figure 4, after the freight forwarding procedures, the exporter or its Customs broker prepares an export declaration indicating the nature, quantity and value of the exported goods and any other necessary information. Usually, the exported goods shall be stored in the bonded area³ until the Customs clearance is completed.

The declaration needs to be accompanied by invoices and other supporting documents. If required by laws and regulations other than Customs Law, other documents such as licenses and approvals should be attached. At the time of export declaration, the exporter is required to submit two export reports. One is used for statistics and the other is used to meet requirements such as export certification.

Customs will review the submitted export declarations based on invoices and other supporting documents. The review includes whether the statistical classification is performed correctly. When reviewing documents, the Customs also decides whether it is necessary to conduct a physical inspection of the goods to determine the correctness of the declaration and to determine whether the inspections required by laws and regulations other than Customs Law have been completed.

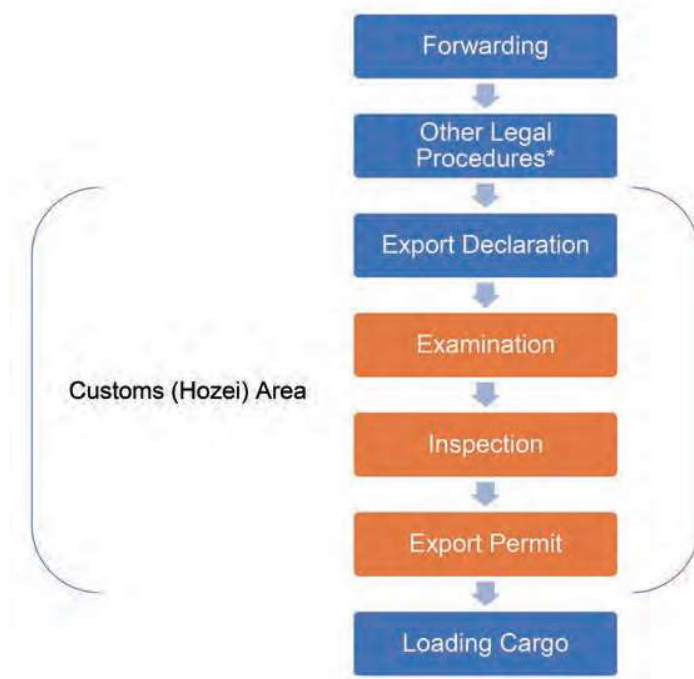
In addition, depending on the type of goods, some export goods need to be licensed or approved prior to export declaration. These must be issued by other competent authorities, such as the Ministry of

³ For details that do not have to enter the bonded area under special conditions, please refer to 3.3.

Economy, Trade and Industry and the Ministry of Health, Labor and Welfare, in accordance with other laws and regulations. Customs are not allowed to export goods unless they are confirmed.

It is noted that all document submission and information exchange procedures can be completed online through NACCS.

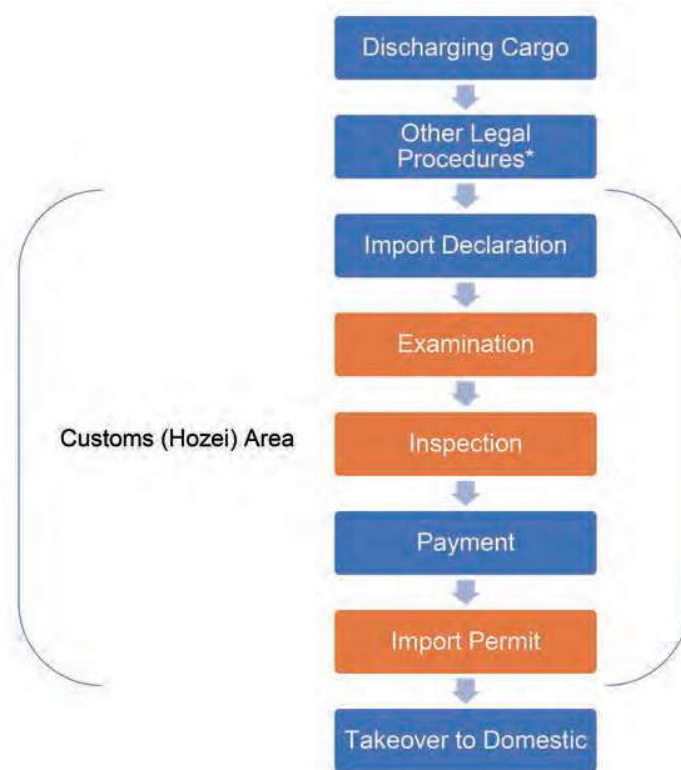
Figure 4 Flow of Export Clearance Procedures



**Other legal procedures Some goods to be exported require permits or approvals according to the laws and regulations other than the Customs Law such as food sanitation law plant quarantine law, and so on.*

3.2 Import Clearance

Figure 5 Flow of Import Clearance Procedures



**Other legal procedures Some goods to be exported require permits or approvals according to the laws and regulations other than the Customs Law such as food sanitation law plant quarantine law, and so on.*

Foreign goods arriving in Japan by air or by sea shall be stored in the bonded area⁴ until the Customs clearance is completed. When the goods arrive at the port of entry, the transportation company or airline will issue an arrival notification to the importer. The importer should then go to the airline or transport company to obtain the necessary documents for the transport agreement.

It is noted that all document submission and information exchange procedures can be completed online through NACCS.

⁴ For details that do not have to enter the bonded area under special conditions, please refer to 3.3.

3.2.1 Import Declaration

Usually, after the goods have been transported to the bonded area, the goods are declared to the Customs by submitting the necessary documents. Please see the detailed instructions on how to fill out the import declaration form [here](#) and 5.1 Customs Declaration Form for reference. It is noted that more than 90 percent of import procedures is currently computerized so the filling is not prerequisite.

3.2.2 Examination and Inspection

The Customs will review documents and decides whether it is necessary to conduct a physical inspection of the goods. The purpose of the Customs inspection is to make sure the declaration matches with the actual goods, from the following perspectives:

- To make sure no illegal goods are imported. For example, illicit drugs and firearms;
- To make sure necessary permit and approval based on various domestic laws and regulations are received if the goods require a permit and approval under laws and regulations other than the Customs Law;
- To make sure the origin of goods is not falsely or mistakenly indicated;
- To make sure duty payment is declared appropriately.

A. Sample Examination

When Customs initiates an identification procedure on suspected goods based on the application, applicant may take apart samples of suspected goods if they are unable to substantiate their claims without dismantling suspected goods in identification procedures, on condition that all the requirements for approval for “Sample Examination” are satisfied and the security is provided. When the approval for “Sample Examination” is given, nonetheless, it does not imply an extension of the limited period for a release of suspended goods.

B. Pre-arrival Examination

The Pre-arrival Examination System allows the importer to submit import-related documents to Customs before the cargo arrives in Japan or before import related procedures, such as import licenses issued by

the Ministry of Economy, Trade and Industry, are complete. By completing the examination before the cargo arrives, Customs can notify the importer whether an inspection is necessary.

3.2.3 Payment of Customs Duties

The import duties can be paid by the importer, but it can also be handled by a licensed Customs broker. If the import goods are subject to Customs duties or consumption tax, the payment instructions must be submitted at the time of import declaration. After the Customs inspection is completed, the statement will be returned to the importer.

Tariffs should be paid at the bank or post office. If the Customs declaration process is carried out through NACCS, payment can be made through the real-time account transfer method.

After that, the import will be approved and the receipt will be presented as proof of payment. If the payment is not paid via a multi-payment network or directly, the import will be approved immediately after payment.

In addition, the payment period can be extended by the importer providing the Customs with a guarantee equivalent to the tax rate. In principle, the import of goods is approved after confirmation of duties. The goods should be handed over to the importer after the importer present an import permit.

The locations and telephone numbers of Customs counselors are [here](#).

3.3 Special Clearance

According to the provisions of the Customs Law, special Clearance procedures for export and import are as follows:

3.3.1 Special Clearance Procedures for Export

According to the special clearance system, the “specific exporters” that have passed the safety management and compliance risk control mechanism and approved by the Customs, may apply directly to the Director General where the goods are stored (including the warehouse of the factory) or where the

goods will be exported (including during transportation). After approval, the goods can be released without being transported into the bonded area.

3.3.2 Special Clearance Procedures for Import

Under normal circumstances, import goods should be transported to the bonded area and then declared to the Customs. After receiving the import declaration, Customs will carry out the document review and the necessary inspection of the goods. In principle, after the duties are paid, the Customs will release the goods and the importer can pick up the goods. The following are some exceptions:

A. Without Entering the Bonded Area

- Bulk goods, etc. may not be transported into the bonded area;
- Air cargo that needs to be quickly transported away, such as vegetables and fish;
- Authorized enterprise recognized by risk management.

B. Picking-up Goods First

After the Customs guarantee is submitted to the Customs and the consent of the Director General is obtained, the following goods can be picked up first: (A) Valuables, dangerous goods, goods possible to deteriorating and damage; (B) Goods subject to time restrictions due to participation in the exhibition; (C) Goods subject to the Special Preferential Tariff Rate waiting for the certificate of origin.

The contract stipulates that the quantity needs to be verified after unloading, and the quantity that has not been determined at the time of declaration.

C. Release First and Payment Later

If it meets the requirements of the special clearance system, the goods can be released first without the payment of the duties. This is mainly for the “specific importers” who have passed the safety management and compliance risk control mechanism and approved by the Director General.

In addition, importers must file a preliminary declaration on NACCS.

3.4 Temporary Import/Export

The ATA Carnet is an international, unified Customs document under an international system and concluded among major countries. Goods imported from contracting countries and territories can generally be subject to a procedure on the basis of the ATA Convention.

In cases where articles for use at exhibitions, expositions, etc., with an ATA Carnet issued by authorized foreign or Japan organizations, the articles can be facilitated a quicken export/import clearance procedures for duty-free.

In using the ATA Carnet, the following are noted:

- The nation into/out which must be a member of the ATA Conventions;
- The term of validity (one year) is the term recorded in the ATA Carnet;
- The major goods covered by the ATA Carnet are professional equipment, samples of goods, goods for use at exhibitions;
- The holder has an obligation to re-import or re-export the goods.

In addition to professional equipment, samples of goods, goods for use at exhibitions, and others which are covered by the ATA Convention, the following goods are examples of goods eligible for temporary import/export.

- Goods to be processed specifically;
- Goods to be repaired;
- Articles for scientific research;
- Articles for testing;
- Articles to be used by any person exporting or importing goods, for testing the capacity or performance of, or for examining the quality of, the goods so exported or imported;
- Automobiles, vessels, aircrafts, or any other goods, which are brought into Japan by any person with him or her, or imported separately by him or her as unaccompanied goods, which enter Japan for a purpose other than for the removal of his or her residence to Japan and which are intended for his or her own personal use.

Samples are eligible for duty-free entry, provided they meet the following criteria:

- the total Customs value should be JPY 5,000 or less;
- the words “sample, not for resale” should be written on the commercial invoice;
- the goods should be marked or otherwise impaired so that they can only be used as samples and not be sold.

Please refer to 15. BONDED AREAS.

3.5 Simple Clearance

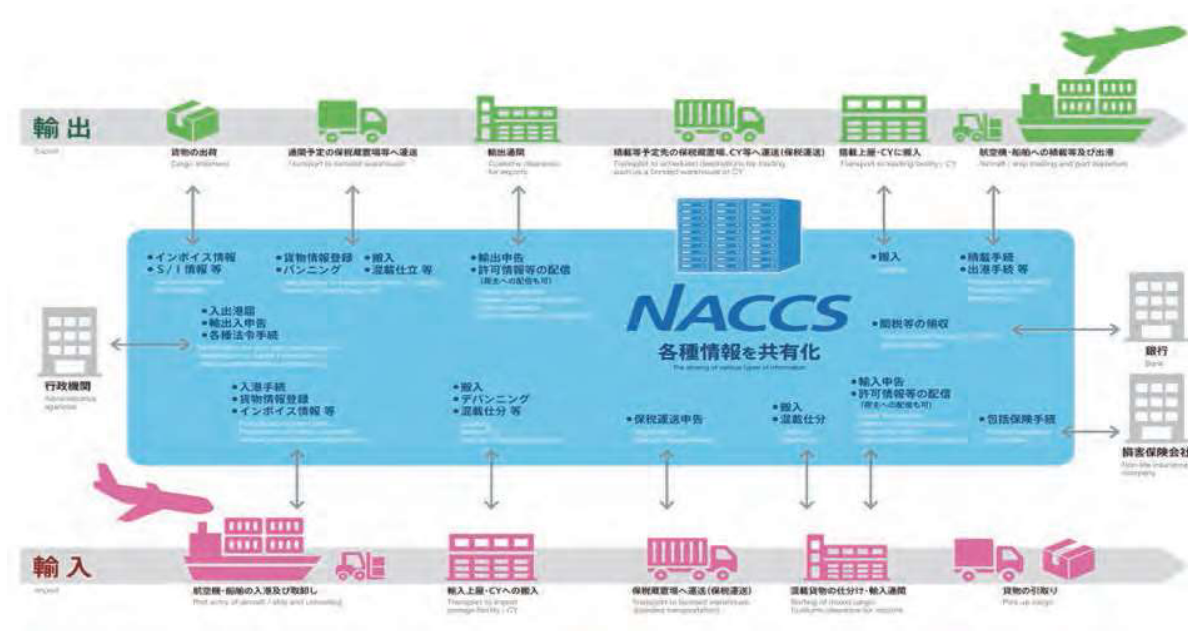
For goods whose value is less than or equal to JPY100,000, a simplified declaration system applies. The importer who has approved by a chief of any Customs previously can apply the simple declaration that separates the import declaration and the tax return on the designated types of freight with the condition of securing the observation of laws and ordinances and makes it possible to take the freight back before the tax return.

4. AUTOMATED CLEARANCE SYSTEM

Nippon Automated Cargo and Port Consolidated System (NACCS) is the Single Window platform of Japan that handles procedures for Customs and other related administrative agencies and related private businesses for ships and aircraft, and goods that are imported and exported. It is also a national system for electronic processing of import/export related services. Information sharing is the most important advantage of NACCS with participating parties with international trade.

With the privatization, NACCS was expected to increase the efficiency of international logistics and to enhance the competitiveness of Japan's ports and airports by taking such measures as streamlining its operations through the improved corporate management and providing better services to users by enlarging its scope of business.

Figure 6 Information Sharing of NACCS



Source: NACCS's website.

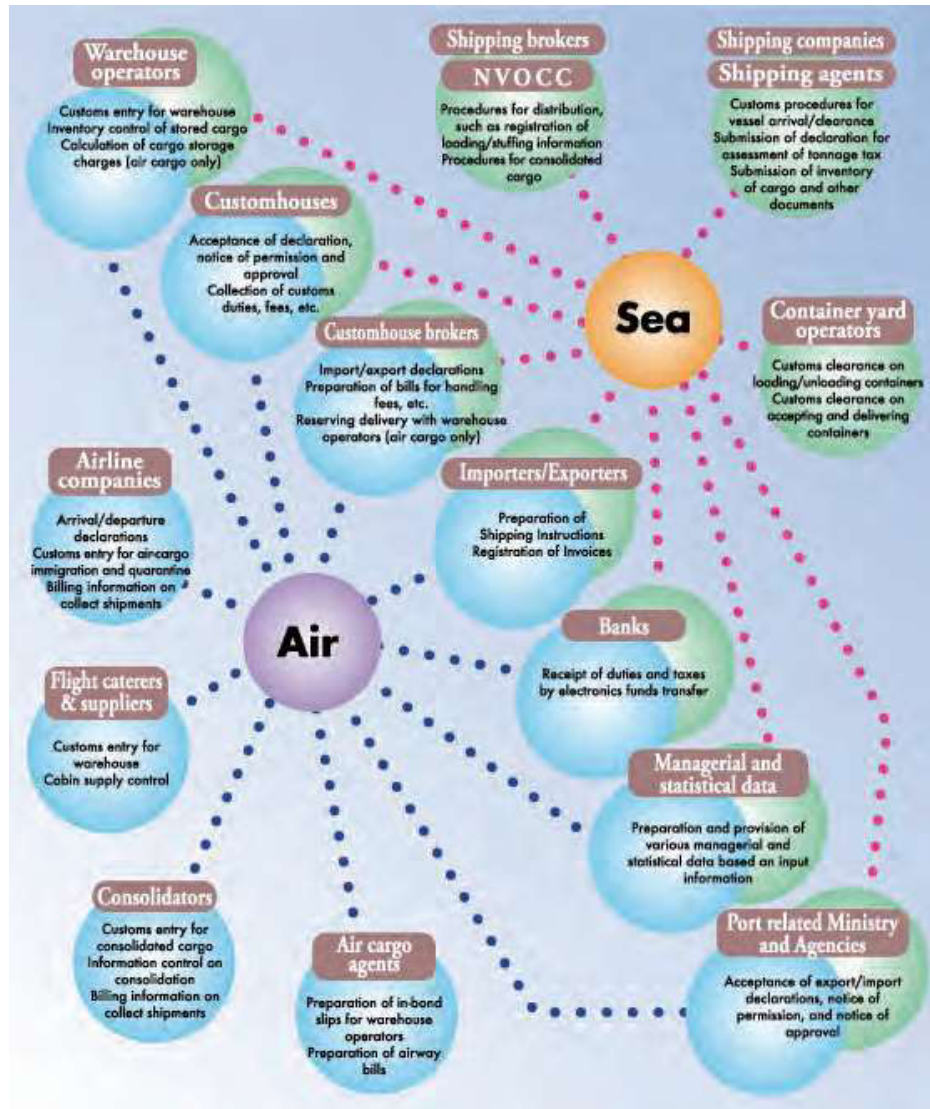
4.1 Air-NACCS

Air-NACCS is a sub-system for online processing of the series of Customs procedures and related private-sector services, ranging from the point of aircraft arrival at the airport to unloading of air cargo, import declaration, import permission and domestic delivery in the case of imports, and ranging from the point air cargo is carried to the "Hozei" bonded area to export declaration, export permission, loading onto aircraft and aircraft departure in the case of exports.

4.2 Sea-NACCS

Sea-NACCS is another sub-system for online processing of the series of Customs procedures and related private-sector services, ranging from the point of ship arrival at the port to unloading of sea cargo, import declaration, import permission and domestic delivery in the case of imports, and ranging from the point sea cargo is carried to the "Hozei" bonded area to export declaration, export permission, loading onto ship and ship departure in the case of exports.

Figure 7 Functions of NACCS



Source: NACCS's website.

With the former NACCS, the Air-NACCS and the Sea-NACCS were each operated as an independent system. However, the system underwent an upgrade of Sea-NACCS and Air-NACCS. The review led to Air-NACCS and Sea-NACCS being integrated, along with the Port EDI System managed and operated by the Ministry of Land, Infrastructure, Transport and Tourism, JETRAS managed and operated by the Ministry of Economy, Trade and Industry, and other related ministry/agency systems also being integrated with NACCS. Subsequently, Nippon Automated Cargo and Port Consolidated System, Inc. (NACCS Center) set out anew under its current name on October 1, 2008 based on the "Act for Partial Revision of

the Act on Special Provisions for Customs Procedure by Means of Electronic Data Processing System” (Act No. 46 of 2008).

5. DECLARATION DOCUMENTS

5.1 Customs Declaration Form

5.1.1 Customs Declaration Form – Export

In general, the export needs to be reported with the C5010 Form for Customs declaration. The declarant can complete the form by typing or using a pen in black ink, in either Japanese or English, and follow the filling requirements below:

- (1) Enter the name of the Customs office;
- (2) When an exporter is the declarant, enter the name and address of the declarant with affixed seal (in general the consignor provided in the invoice);
- (3) Enter the name and address of the receiver of goods (the person who receives the goods from an exporter) (in general, the consignee provided in the invoice);
- (4) Enter the date of declaration;
- (5) Enter the name of the port (airport) of departure;
- (6) Enter the name of the vessel (the airline company and Airway Bill No.) that carries the goods;
- (7) Enter the date of departure of the vessel (aircraft) that carries the goods;
- (8) Enter the destination and the country of the goods;
- (9) Enter the name of the location where the goods are stored;
- (10) Fill in this column when approval is granted;
- (11) Fill in the form after confirmation is made by a Customs counselor or the relevant Customs officer;

- (12) Enter the general product name (for example, use the product name provided in the invoice);
- (13) Enter the tariff schedule code (six digits) and statistical code (three digits) of the Export Statistical Schedule;
- (14) Enter the statistical unit(s) listed on the Export Statistical Schedule. If two statistical units are listed, enter both;
- (15) Enter the quantity expressed by the “unit” given in (14). If the total quantity is less than the given unit, enter “0” in the non-colored section at the left of the form, and fill in the amount less than the unit in the colored section at the right of the form;
- (16) Enter the FOB price (at the point of origin) indicating in a Japanese yen denomination;
- (17) When the settlement other than the FOB price exceeds ¥1,000,000, enter the offered price and settled price with underlines;
- (18) Enter the total number of cargoes, package marks and numbers. When the cargo is loaded into a container, indicate this and enter the point of loading;
- (19) If the good falls under paragraphs 1 to 15, Annex 1 of the Export Trade Control Ordinance, such as in the case of weapon-related goods, enter the number of the applicable paragraph, and mark “X” in the box of “Applicable”;
- (20) If the good falls under Annex 2 of the Export Trade Control Ordinance, such as in the case of ingredients of narcotics, specified toxic waste materials, or rare species of wild animals and plants, etc., enter the number of the applicable paragraph, and mark “X” in the box of “Applicable”. When not applicable, mark “X” in the box of “Not Applicable”;
- (21) When the goods do not require permission or approval under Article 4 of the Export Trade Control Ordinance among those goods applicable to (19) or (29), mark “X” in the box of the “Applicable”;
- (22) Enter “16” as the number of the Paragraph. If the good falls under Paragraph 16, Annex 1 of the Export Trade Control Ordinance and yet is not used for the production of weapons, etc., mark “X” in the box, “Permit Required”. If the article does not fall under Paragraph 16, Annex 1 of the Export Trade Control Ordinance and is not used for the production of weapons, mark “X” in the box of “Permit Not Required”;
- (23) Enter the number assigned to the Import Permit, etc. (If you are unsure how to fill in the sections from (19) to (23), enter the sections after consulting a Customs counselor or the relevant Customs officer;

- (24) If you wish to receive approval for bonded transportation at the time of export declaration, enter the corresponding classification and transportation period; and
- (25) Enter the number of declaration forms and the number of columns;
- (26) Check “Yes” at the right of the form if there are any attached documents.

According to Article 67 of the Customs Law, Article 58 and Article 59-2 of the Cabinet Order for Enforcement of the Customs Law, the declaration items are the items the declarant should responsible for the accuracy and consistency of goods as following:

- Code number, name, quantity and price of goods;
- Destination of cargo and name or appellation and address or place of residence of consignor;
- Name and registration number of the carrier (vessel or aircraft) of the cargo;
- Location of the storage of goods.

Figure 8 Customs Declaration Form – Export C5010

税関様式C第5010号

輸出申告書

(1)

申告番号

999-0000-(D)

積込港符号

船(機)種符号

貿易形態別符号

仕向国(地)符号

輸出番号

(原産地符号)

先 ① 東京税関 長股

申告年月日 ④ 平成16年4月1日

積込港 ⑤ 東京

積込船(機)名 ⑥ AMERICA MARU

出港予定年月日 ⑦ 平成16年4月3日

仕向地 ⑧ BANGKOK THAILAND

(都市)

(国)

輸送場所 ⑨ ○○ H/W

⑩ 本船部 5 中板

輸出者住所氏名印 ② 東京都千代田区霞ヶ関3-1-1
税関 三郎

代理人住所氏名前

③ ○-○○ ○○○○○ THAILAND

代理人住所氏名 XYZ Co., Ltd.

品 名	統計品目番号	単位	数	量	申告価格 (F.O.B.)	(課税額)
(1) ⑫ USED MOTOR VEHICLE	⑬ 8703.22-910	⑭ NO	⑮ 10		⑯ 2,500 000	
(2)						
(3)					⑰ CIF US\$23,809	

備考、記号、備考

(外国為替及び外国貿易法)及び「輸出貿易管理令」関係

申告書 | 枚 | 備考

※新印可、許可年月日

⑱ 10UNITS
BANGKOK IN DIA T-10

CARGOS TO BE
CONTAINERISED
VIA ○○ HOZEI
WAREHOUSE

⑲

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(陸路) (非陸路)
外貨為替及び外国貿易法 第40条第1項に基_テ輸出貿易管理令第1条第1項所収表1の

輸出貿易管理令第2条第1項第1項第2の

輸出貿易管理令第4条第1項第1の

別表第1の

別表第1の

輸出貿易管理令第1条第1項第1の

輸出許可証又は輸出承認証の番号

保付通達 区分 陸路 海路 空路 郵便

経路 年 月 日

日本マ

⑳ 面付書類(輸出貿易管理令関係を除く)。

仕入書

輸出取引承認書

その他輸出証券の全部関係許可・承認書等

(法令名)

關稅定率法、關稅暫定措置法 第 余第 項第 條關係

内國消費稅 輸出免稅(運付手)關係

※ 税関記入欄

※ 検査場検査

※ 届場検査

通關士記名押印

(注) ※米の欄は記入しないで下さい。

「不図申立てについて」この申告に基づく処分について不図があるときは、その処分があったことを知った日の翌日から起算して2月以内に税関長に対し異議申立てをすることが出来ます。

(規格A4)

5.1.2 Customs Declaration Form – Import

In general, the import needs to be reported with the C5020 Form for Customs declaration. The declarant can complete the form by typing or using a pen in black ink, in either Japanese or English, and follow the filling requirements below:

- (1) Enter the date of declaration;
- (2) Enter the name of the Customs office;
- (3) When the importer is the declarant, enter the name and address of the declarant and affix your seal (in general, the consignee listed on the invoice);
- (4) Enter the name and address of the sender of goods (the person who sends the goods to an importer) (in general, the sender listed on the invoice);
- (5) Mark "X" in the IC box for regular importation;
- (6) Enter the name of the port (airport) of entry of the goods;
- (7) Enter the name of the ship (aircraft) that carries the goods;
- (8) Enter the date of entry of the ship (aircraft) that carries the goods;
- (9) Enter the country of origin of the goods;
- (10) Enter the name of the country and city where the goods are loaded on a ship (aircraft);
- (11) Enter the number of B/L (Air Way Bill for air cargo). If the goods have already been brought into to the bonded area, write the license number;
- (12) Enter the name of the location where the goods are stored;
- (13) Enter the form after confirmation is made by a Customs counselor or the relevant officer of the Customs office;
- (14) Enter the general product name (for example, use the product name listed on the invoice);
- (15) Using the Effective Tariff Schedule as a reference, enter the appropriate tariff schedule code (six digits) for imported goods in the "Number" column, the appropriate statistical code (three digits) in the "Statistic Subdivision" column, and the appropriate subdivision code in the "Tariff Schedule Subdivision" column;
- (16) Enter the statistic unit(s) listed on the Effective Tariff Schedule (If two statistic units are listed, enter both);

- (17) Enter the quantity expressed by the "unit" in (16). If the total quantity is less than the given unit, enter "0" in the non-colored section at the left of the form, and fill in the amount less than the unit in the colored section at the right of the form;
- (18) Enter the CIF price (the cost including the freight charges and the insurance to the destination: in other words, the actual landed cost of goods at the port of entry);
- (19) Using the Effective Tariff Schedule as a reference, enter the tariff rate applied to the goods and mark "X" in the section below according to the application classification. In the case of tax exemption, write "Free";
- (20) Enter the amount of duties by multiplying the Customs value (rounded to the nearest multiple of 1000) by the tariff rate in the smallest yen value. In this case, use the non-colored section at the left if the amount is 1,000 yen or more, and use the colored section at the right if the amount is less than 1,000 yen;
- (21) Mark "X" in the box of "Applicable Law" for articles subject to excise tax (both national and local) such as consumption tax and liquor tax;
- (22) Enter the amount obtained by adding the amount of duty levied by Customs (rounded to the nearest multiple of 100) to the declared value;
- (23) Enter the duty rate of the consumption tax;
- (24) Calculate the amount in the same way as (20) and enter the amount obtained to the smallest yen value;
- (25) Enter the amount by rounding the consumption tax amount entered in (24) to the nearest multiple of 100;
- (26) Enter the duty rate of the local consumption tax;
- (27) Enter the amount to the smallest yen value by multiplying the amount entered in (25) by the duty rate;
- (28) Calculate the amount of tax of each item and enter the total amount of each tax item (rounded to the nearest multiple of 100) and the number of columns of tax items;
- (29) Enter the total number, codes and assigned numbers of external packages;
- (30) Enter the Import License number, if any;
- (31) Check "Yes" at the right of the form if there are attached documents; and
- (32) If valuation declaration is required depending on the type of trade, mark "X" in the appropriate box.

According to Article 7 and Article 67 of the Customs Law, Article 59 and Article 59-2 of the Cabinet Order for Enforcement of the Customs Law, the declaration items are the items the declarant should responsible for the accuracy and consistency of goods as following:

- Code number, name, quantity and price of goods;
- Country of origin and shipping location of goods and name and address of sender;
- Name and registration number of carrier (aircraft or ship);
- Location of the storage of goods.

Figure 9 Customs Declaration Form – Import C5020

[illegible]

5.2 Accompanying Documents

5.2.1 Exports

- Purchase Order from Buyer;
- Sales Invoice (The commercial invoice should include names of the shipper and consignee and detail of each commodity in the shipment.);
- Packing List (The packing list should include the contents of each container, its gross and net weights in metric measurements.);
- Shipping Bill;
- Bill of Lading or Airway Bill;
- Certificate of Origin and any other specific documentation as specified by the buyer, or as required by financial institutions or LC terms or as per importing country regulations.

5.2.2 Imports

- Purchase Order from Buyer;
- Sales Invoice (The commercial invoice should include names of the shipper and consignee and detail of each commodity in the shipment.);
- Packing List (The packing list should include the contents of each container, its gross and net weights in metric measurements.);
- Bill of Lading or Seaway Bill or Airway Bill;
- Insurance Certificate;
- Freight Account;
- Certificate of Origin, and any other specific documentation required by the buyer, or financial institution or the importing country regulation;
- GSP Certificates of Origin (Form A) (where a preferential rate is applicable);
- Permit or Approval, etc. required by laws and regulations other than the Customs Law (where the import of certain goods is restricted under such laws and regulations);
- Detailed statement on reductions of, or exemption from Customs duty and excise tax (where such reduction or exemption is applicable to the goods).

6. CUSTOMS BROKERAGE SERVICE

The Japanese Customs broker regime has the following characteristics: the use of a broker is optional; brokers require a license to operate; brokers must employ qualified staff; and brokers may apply to join the authorized economic operator (AEO) program.

The use of Customs broker's services is optional. Even though their service is optional and is an additional cost for traders, about 98% of all Customs clearances in Japan are done by Customs brokers. Following the amendment of the Customs Brokerage Law, which taken effect in 2017, Customs brokers began to service nationwide with a single license.

The Customs Broker List is available [here](#) at the website of Japan Customs Brokers Association.

6.1 Customs Brokers

Customs brokers shall responsible for the formulation of the Customs clearance documents and declaration, request, protest forms, which includes the processing of electromagnetic records, in place of formulation of the above documents. Electromagnetic record means an electronic, magnetic, or other method of record which is imperceptible to human senses and is used in operation of a computer. Besides Customs operations, Customs brokers are licensed to conduct Customs related services prior to or following the Customs operations, upon the request of the client.

To engage in Customs brokerage in Japan, a company or an individual must obtain a license and be registered or employ people registered as Customs specialists – a status which is granted to professionals who have passed a specific examination. In companies offering brokerage services, only these professionals may examine and process documents relating to a Customs clearance. Currently, there are about 9,000 registered Customs specialists nationwide. All of them have passed a qualifying examination which is held once a year.

6.2 Customs Brokerage Fees

According to Article 18 of the Customs Brokerage Law, 18-1 and 18-2 of the Basic Notice of the Customs Brokerage Law, maximum charges for Customs clearance are listed below.

Table 2 Customs Brokerage Fees

Types of Customs Service	Unit	Yen
(1) Export (Reshipment) Declaration	one	5,900
Simplified Customs Clearance for small amount cargo	"	4,200
(2) Import Declaration		
Payment of duty by self-assessment (including pre-arrival examination)	"	11,800
Simplified Customs Clearance for small volume cargo	"	8,600
Payment of duty by official assessment	"	10,500
Simplified Customs Clearance for small volume cargo	"	7,800
Withdrawal from Bonded warehouse and integrated Bonded area (excluding processed, manufactured or displayed goods)	"	7,000
Simplified Customs Clearance for small volume cargo	"	5,100
(3) Application for storage of goods in the Bonded area	"	7,000
(4) Application for bringing goods into the Bonded manufacturing warehouse	"	7,000
(5) Application for storage of goods in Bonded display area	"	7,000
(6) Application for storage of goods in the integrated Bonded area	"	7,000
(7) Application for receipt of goods prior to import permit	"	5,100
(8) Declaration for loading of ship's (aircrafts) stores of foreign goods	"	5,100
(9) Declaration for transportation of foreign goods	"	5,100
(10) Other declarations, applications and reports	"	1,300
(11) Issuing transcripts of declarations, permits and approvals	"	200
(12) Additional charges	"	50%

Source: Japan Customs website.

7. CUSTOMS GUARANTEE

There are two types of Customs guarantees involved in Customs clearance of imported goods in Japan. The first is the Customs guarantee related to Customs clearance facilitation, and the second is the Customs guarantee in the Customs protection of intellectual property rights (also refer to 18. CUSTOMS IPR BORDER PROTECTION).

In Japan, the most typical Customs guarantee provided is cash. According to the relevant domestic tax laws, guarantees can also be offered as national bonds, local bonds, corporate bonds and other securities. Treasury bonds and local bonds must be submitted to the Customs with the original copy. If it is a registered treasury bond, a registration notice is required. Corporate bonds and other securities are required to provide the original copy.

Real estate is also common. Land, buildings, etc. can use the copy of the register or the original book of registration to handle the Customs guarantees affairs.

The guarantee can also be in the form of a Letter of Guarantee. That is, a legally binding guarantee document (tax guarantee related to imported goods) is submitted to the Customs. The guarantor is in principle a bank or an insurance company.

8. PROHIBITIONS AND RESTRICTIONS

8.1 Prohibited Imports/Exports

Japan strictly prohibits imports and exports of narcotics and related utensils, firearms, firearm parts and ammunition, explosives and gunpowder, precursor materials for chemical weapons, germs which are likely to be used for bioterrorism, counterfeit goods or imitation coins or currency, obscene materials, or goods that violate intellectual property rights. For more information on prohibited goods, click [here](#).

Other restricted items include but are not limited to certain agricultural and meat products, endangered species and products such as ivory, animal parts, and fur where trade is banned by international treaties. Also, there are articles prohibited for import not only under the Customs Law but also under other laws such as the Plant Protection Act and the Act on Domestic Animal Infectious Diseases Control, etc.

8.2 Imports Restrictions

Some imported goods may have a negative effect on Japan industry, economy, and hygiene, or on public safety and morals. Such goods fall under "import restrictions" as provided by various domestic laws and regulations. Restricted items include but are not limited to certain agricultural and meat products, endangered species and products such as ivory, animal parts and fur whose international trade is banned by international treaty, and more than two months' supply of medicines for personal use and more than 24 items of cosmetics.

For these restricted products, Japanese Customs reviews and evaluates the product for import suitability before shipment to Japan. The use of certain chemicals and other additives in foods and cosmetics is severely regulated and follow a "positive list" approach. Under the ATA Carnet System, commercial and exhibition samples, professional equipment, can be admitted without paying duties in the country.

In the case of restricted imports for which the importer must have a permit and approval relating to the import of goods under the Customs Law, requirements for inspection or other requisites (hereinafter referred to as a permit and approval) must be met. Therefore, when goods for import require a permit and approval under laws and regulations other than the Customs Law, a certificate of application for a permit and approval under other laws and regulations must be submitted.

According to "[Import Trade Control Order](#)" (Cabinet Order No. 414 of 1949, amended by Cabinet Order No. 248 of 2003), in accordance with the provisions of the [Foreign Exchange and Foreign Trade Control Act](#), the items of goods subject to import quotas, the places of origin or places of shipment of goods requiring import approval, and other necessary matters concerning import of goods should be provided for. So, according to "[Public Announcement on the Items of Goods Subject to Import Quotas, the Places of Origin or Places of Shipment of Goods Requiring Approval for Import, and Other Necessary Matters Concerning Import of Goods](#)" (Amended by Public Notice No. 94 of the Ministry of Economy, Trade and Industry of 2015), imports licenses are required for certain goods, including hazardous materials (e.g.), animals, plants, perishables, and in some cases articles of high value. Licenses are also required for products subject to import quotas, including certain fish products and controlled substances listed in the

Montreal Protocol on Substances that Deplete the Ozone Layer.

- Goods subject to import quotas are listed in the Section I Appended Table 1;
- Controlled Substances under Annexes to Montreal Protocol. See the Section I Appended Table 2;
- Goods originating in or shipped from the regions listed. See the Section II Appended Table 1;
- CITES fauna and flora and derivatives thereof, substances and products prescribed in the annexes of the Montreal Protocol, and Class I designated chemicals prescribed in the act on prohibition of chemical weapons and control, etc. of specific chemicals, etc. See the Section II Appended Table 2;
- Goods limited to approval pertaining to import of goods for which all regions are designated as the place of origin or the place of shipment that are listed in Section II-2 Appended Table 1 and 2.

According to “[Public Announcement on the Items of Goods Subject to Import Quotas, the Places of Origin or Places of Shipment of Goods Requiring Approval for Import, and Other Necessary Matters Concerning Import of Goods](#)” (Amended by Public Notice No. 94 of the Ministry of Economy, Trade and Industry of 2015), other goods that must be imported with confirmation including:

- the vaccine of microbial origin for experimental use;
- any specified foreign cultural property;
- goods for testing and research purposes;
- etching agents (limited to those used in the manufacture of compound semiconductors that enable piezoelectric filters or wireless devices that transmit/receive electrical waves of a frequency of 3 megahertz or more.) resist for semiconductor use or professional-use photographic film;
- by vessel, tunas (excluding albacore or long finned tunas, bluefin tunas, southern bluefin tunas and bigeye tuna, and limited to those that are fresh, chilled or frozen) or marlin (excluding swordfish, and limited to those that are fresh, chilled or frozen);
- frozen bluefin tunas, southern bluefin tunas, bigeye tuna or swordfish;
- mero;
- the whale or preparations thereof to be imported originate in and are shipped from the countries listed;
- listed animals or plants originating in the countries listed, click [here](#) see Article 3-7-(6) for the list;
- live animals belonging to the species listed in CITES Appendix II and III;

- animals and plants, etc. belonging to nationally endangered species of wild fauna and flora listed;
- substances listed in the Montreal Protocol, all of which are used as raw materials in the manufacturing process of any substance other than the substance;
- substances listed in the Montreal Protocol, used for testing, research or analysis;
- substances listed in the Montreal Protocol, used for quarantine upon import and export of goods;
- countries or regions limit, click [here](#) see Article 3-7-(12) for the list;
- others, e.g. alcohol, certain textiles, chemicals, compressed gases and their containers, food, food additives, motor vehicles, electric & telecommunication equipment, radios, telephones, and modems, high pressure gas, meat and meat products, medical equipment, medicine, radioactive Isotopes, rice, wheat and their products, sugar, toys for babies.

In addition, Japan imposes restrictions on the sale or use of certain products including those related to health such as medical products, pharmaceuticals, agricultural products and chemicals. For these products, Japan Customs reviews and evaluates the product for import suitability before shipment to Japan. Licenses from relevant regulatory bodies may also be required for the importation and sale of those products. The use of certain chemicals and other additives in foods and cosmetics is severely regulated and follows a “positive list” approach.

- Please visit <https://www.mhlw.go.jp/english/> for more details of the Pharmaceutical Safety and Environmental Health Bureau.
- Please visit <http://www.aff.go.jp/aqs/languages/info.html> for more details of the Animal Quarantine Stations.
- Please visit http://www.aff.go.jp/pps/j/information/language_top.html for more details of the Plant Protection Stations.

In addition, the Japanese Measurement Law requires that all imported products and shipping documents show metric weights and measures. Japanese law requires labels for textiles, electrical appliances and apparatus, plastic products and miscellaneous household and consumer goods. Generally labeling for most imported products is not required at the Customs but at the point of sale. For most products country of origin labelling is not required, except some beverages and foods which do require labelling and marking of true information. False or misleading labels displaying names of countries or flags other than the country of origin, and/or names of manufacturers or designers outside the country of origin are not permissible. Japanese laws requiring product certification and labelling are numerous. Reference

for information on these requirements is available in [JETRO's Handbook](#) for Industrial Product Import Regulations.

In addition, imported products are subject to product testing and cannot be sold in Japan without certification of compliance with prescribed standards, falling into two categories: technical regulations (or mandatory standards) and non-mandatory voluntary standards. Compliance with regulations and standards is also governed by a certification system in which inspection results determine whether approval (certification/quality mark) is granted. It is important that a Japanese agent or partner be fully aware of the wide variety of legislation that could affect the sale of the product in Japan. Major laws stipulating standards that apply to products in Japan include the following:

- [Electrical Appliance and Material Safety Law](#);
- [Consumer Product Safety Law](#);
- [Food Sanitation Law](#);
- [Pharmaceutical Affairs Law](#);
- [Road Vehicles Law](#);
- [Building Standard Law](#).

In addition, the Japan Industrial Standards Committee (JISC) plays a central role in the standards setting activities in Japan. See the [JISC](#) for further details of the JIS Mark Certification Scheme.

In addition, the Japan Agricultural Standards (JAS) mark is another "voluntary" but widely used product quality and labelling mark. JAS applies to beverages, processed foods, forest products, agricultural commodities, livestock products, oils and fats, products of the fishing industry, and processed goods made from agricultural, forestry, and fishing industry raw materials. Greater details on the list of JAS products and how to export JAS products to Japan can be found on [the Ministry of Agriculture, Forestry and Fisheries](#) website.

Private importation is permitted without the said license requirement provided that those products to be imported are for their personal use or consumption and that the import volume is within a permitted scope:

- No more than one month's supply of medicines that are toxicants, dangerous or prescription drugs;
- No more than two month's supply of medicines that are non-prescription drugs or quasi-drugs; or

- No more than 24 units (normal size) of similar cosmetic products.

8.3 Exports Restrictions

As stated in the import part, [the Foreign Exchange and Foreign Trade Control Act](#) is the basic law governing Japanese import and export controls. During the Cold War, in 1952, Japan joined the Coordinating Committee for Multilateral Export Controls (COCOM), and began to implement a multilateral export control system. In 1987, after the Toshiba mechanical incident, the Japanese government greatly strengthened its control by modifying the policy. In April 2014, the government re-established an export control policy framework. Today, Japan is a signatory and a member of the main non-proliferation treaty and the existing international export control system is implementing strong export controls in line with international standards and norms.

According to “[Export Trade Control Order](#)” (Cabinet Order No. 378 of 1949, amended by Extra Cabinet Order No. 19 of 2018) and “[Export Trade Control Ordinance](#)” (Ordinance of the Ministry of International Trade and Industry No. 64 of 1949, amended by Ordinance of the Ministry of Economy, Trade and Industry No. 6 of 2010), in accordance with the provisions of the Foreign Exchange and Foreign Trade Control Act, Japan has imposed export controls on many types of goods including strategically sensitive materials. These are mainly controlled by region depending on the usage of the goods so that strategic considerations are the key factor. Due to the space limitations, please click [here](#) and [here](#) for more details of export trade control of Japan)

Regions specified by Cabinet Order corresponding to Article 4 (white list) are: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Republic of Korea (recently deleted), Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Regions specified by Cabinet Order corresponding to Article 4 (black list) are: Afghanistan, Central African Republic, Democratic Republic of the Congo, Eritrea, Iraq, Iran, Lebanon, Libya, North Korea, Somalia and Sudan.

9. CUSTOM DUTIES AND TAXES

Products imported into Japan are subject to Customs duty (Tariff) in principle. In addition to Customs duties, a consumption tax is levied on a wide range of goods and services. The consumption tax rate is scheduled to increase to 10% from October 2019. Additional taxes are levied on imported liquors and tobacco products.

9.1 Tariff Rate Column

The duty rates are roughly classified as follows and complete tariff schedule can be found [here](#).

Table 3 Rate Column of Tariff

Statutory Tariff	General Rate	
	Temporary Rate	
	Preferential Rate	GSP (Generalized System of Preferences)
		LDC (Least Developed Country)
Tariff Enacted by Treaties	WTO Bound Rate	MFN Rate
	EPA Rates	Singapore
		Mexico
		Malaysia
		Chile
		Thailand
		Indonesia
		Brunei
		ASEAN
		Philippines
		Switzerland
		Vietnam
		India
		Peru
		Australia
		Mongolia
		TPP11 (CPTPP)
		EU

9.1.1 Statutory Tariff Rates

A. General Rate

General rates are set, taking the difference between domestic and foreign prices and the truly necessary protection standard into account with a long-term viewpoint based upon conditions of domestic industries and other things.

B. Temporary Rate

Temporary rates are applicable only for a certain period in order to modify general rates to meet policy needs or for other reasons. They are always applied in preference to general rates.

C. Preferential Rate

Preferential rates, aiming to support developing countries/territories, are applicable to products originating from designated developing countries/territories which satisfy certain conditions, such as the country of origin status, etc. They are set not greater than the MFN (Most-Favored-Nations) applied tariff (either statutory tariff (excluding preferential tariff and simplified tariff) or WTO bound tariff (whichever lower)) as an exception of the MFN principle. Goods that are covered by preferential tariffs are divided into agricultural and fishery products, and industrial products. The preferential tariff rates for agricultural and fishery products vary from one goods to another. Industrial products are almost tax-free, with a few exceptions. In addition, almost all products imported from least developed countries (LDCs) are tax-free. This is called a special preferential tariff. In order to impose preferential tariffs or special preferential tariffs, in principle, the “GSP Certificate of Origin (Form A)” is required. For countries and regions where preferential tariffs or special preferential tariffs apply, please refer to the offer country [list](#).

9.1.2 Tariff Rates Enacted by Treaties

A. WTO Bound Rate

Any Customs duty rate in excess of WTO bound one set forth in the schedule of concessions under the WTO Agreement is not applicable to products from all the WTO member countries and regions. Hence, MFN applied rate, whichever of WTO bound rate and statutory rate is lower, is applicable to products from all the WTO member countries or regions as well as non-WTO member countries with the MFN status

provided under the bilateral trade agreements with Japan (excluding Economic Partnership Agreements).

B. Rates Based on Economic Partnership Agreements (EPA Rates)

EPA rates are applied to goods imported from a Party of EPA if the goods satisfy the conditions provided in each EPA such as Rules of Origin.

9.2. Special Tariff

Special tariff is a unified system composed of several tariff measures for protecting and relieving domestic industries. It imposes surcharges in addition to normal tariffs by designating freight/supplier/supplier countries, etc. in the case of extraordinary circumstances such as unfair trade transactions or rapid increase in imports.

Special tariff system is adopted not only in Japan but also in many countries as a system to protect and rescue domestic industries. However, if the special tariff system is arbitrarily operated, trade transactions will be distorted. Therefore, the main requirements and procedures for special tariff activation are formed in international agreements (WTO agreements, etc.).

9.2.1 Countervailing Duty

The countervailing Duty is a duty of imposing additional tariffs on imported goods that are subsidized by the exporting country in order to protect the relevant industries. Japan has stipulated the “Customs Tariff Act” ([Article 7](#)) to levy countervailing duties in recognition of WTO rules.

In order to collect countervailing duties, the government conducts investigations to ensure compliance with tax requirements. The investigation will be completed in principle within one year and will determine whether countervailing duties are applicable. For details, please refer to the [“Guidelines on Countervailing Tariff Procedures”](#).

If the amount of countervailing duty paid exceeds the actual amount of the subsidy, the importer can propose a tariff refund.

9.2.2 Anti-dumping Duty

Anti-dumping Duty is a duty that imposes surcharges on imported goods within the margin of the

difference between the normal price and the dumping price. According to the WTO Agreement, it is also recognized under certain rules. Japan has established the “Customs Tariff Act” ([Article 8](#)) as the basis.

The government conducts investigations to ensure that duty requirements are met. The applicants for the survey were domestic producers of the same type of goods as the surveyed goods, and the output accounted for 25% or more of it. At the same time, the total output of domestic producers (including applicants) supporting the application exceeded the domestic production against the application.

Within two months after the application for investigation is filed, it is decided whether to start the investigation. The investigation will be completed in principle within one year and will be decided to levy or not. If the amount of anti-dumping tariff paid exceeds the actual amount of dumping, the importer can propose a tariff refund.

For details, please refer to the “[Guidelines for Anti-dumping Tariff Procedures](#)”, “[Guidelines for the Documents for Anti-Dumping Tariff](#)” and the [Anti-Dumping Tariff Guide](#).

9.2.3 Safeguard Measure

According to the WTO Agreement, the Safeguard measure is an emergency measure designed to prevent serious damage to domestic industries due to the rapid increase in imports. In Japan, it is regulated by Article 9 of the Customs Tariff Act.

As a result of increased imports, surcharges (Safe Guard) can be imposed within the range of domestic and foreign price differences to prevent and remedy serious damage in domestic industries that produce similar and competitive goods.

9.2.4 Retaliatory Duty

When it is necessary to protect Japan’s interests and achieve its objectives under the WTO Agreement, when a country treats Japanese ships, aircraft, exported goods or transported goods in a discriminatory manner, Japan will impose retaliatory duties according to the Customs Tariff Act (Article 6).

9.3 Duty Rates for Major Products

Japan’s import duty is on average one of the lowest in the world, approximately 2% for non-agricultural

products on overall arithmetic average. Japan's duty rates for major products as of April 1, 2019, are shown in the following:

Table 4 Rates for Major Products

Category	Items	Duty rate
Clothing	Fur coats (Chapter 43)	20%
	Fabric coats, jackets, trousers, skirts (Chapter 61, 62)	8.4--12.8%
	Shirts, vests (Chapter 61, 62)	7.4--10.9%
	Swimwear (Chapter 61, 62)	8.4--10.9%
	Ties (fabric) (Chapter 62)	8.4--13.4%
	Scarves (fabric) (Chapter 61, 62)	4.4--9.1%
Handbags	Leather or composition leather handbags (Chapter 42)	8--16%
Accessories	Articles of gold, silver, platinum and precious stones (Chapter 71)	5.2--5.4%
Watches	Watches and other clocks (Chapter 91)	Free
Machinery and electrical equipment	Personal computers (Chapter 84)	Free
	Digital cameras and video camera recorders (Chapter 85)	Free
Musical instruments	Pianos, string instruments and wind instruments (Chapter 92)	Free
Recorded materials	Blu-ray Disc, CD (Chapter 85)	Free
	Books and magazines (Chapter 49)	Free
Printed matters	Music, posters, reproduction paintings and catalogues (Chapter 49)	Free
Works of art	Paintings by hand, engravings and sculptures (Chapter 97)	Free
Cosmetics	Perfumes, cologne, lipsticks, manicure preparations, skin lotions (Chapter 33)	Free
	Bath soaps (Chapter 34)	Free
Toys	Toys, including dolls (Chapter 95)	Free
Sporting goods Leisure goods	Motor cars, motorcycles (Chapter 87)	Free
	Motorboats, yachts, canoes (Chapter 89)	Free
	Snow-ski equipment, golf clubs (Chapter 95)	Free
	Fishing tackle (Chapter 95)	3.2%

Source: Japan Customs website.

9.4 Reduction, Exemption and Refund

Specific import goods which satisfy certain conditions may be granted duty reduction, exemption or repayment. Duty reduction/exemption/refund system can be roughly divided into two types: a permanent system and a temporary system.

9.4.1 By Customs Tariff Law

- Reduction or refund for deterioration and damage;
- Reduction for goods exported for processing or repair;

- Reduction and exemption for commodities, pork, sugar, etc.;

The duty may be reduced or exempted in cases where the prices of imported daily necessities have increased to prevent price increase of daily necessities such as food and clothing, for the purpose of maintaining stability in people's everyday lives.

- Reduction and exemption for raw materials for manufacturing use;

The duty of imported raw materials (corn, etc.) may be reduced or exempted to develop domestic industries manufacturing specific products (formula feed, etc.) or to maintain stability in people's everyday lives.

- Unconditional exemption;

The duty of the following articles may be exempted: 1) articles for the use of the Imperial House, 2) articles belonging to the head of any foreign country, etc. 3) articles under the state monopoly, and 4) re-imported articles.

- Reduction and exemption for re-importation;

In cases where the amount of Customs duty chargeable upon any goods as provided for in any of the following products, which are re-imported without changes in quality and shape after exportation, exceeds the following amount of Customs duty, the Customs duty shall be reduced by an amount equal to the difference between the previous and the current amounts: 1) Products carried out under Bonded work: the amount of Customs duty chargeable upon said products which was not actually levied under Bonded work; 2) Products reduced, exempted, refunded or deducted previously: the amount of Customs duty reduction/exemption/refund newly chargeable upon said product.

- Reduction and exemption for marine products, etc., collected or caught in foreign countries;
- Exemption for special use;

The duty of special goods (articles used for scientific research or education, etc.) may be exempted conditionally in terms of promotion of science in Japan.

- Exemption for goods for diplomats;
- Exemption for re-exportation;

In terms of the promotion of processing trade and the advancement of cultural/academic levels, the duty of the goods which do not have an influence on domestic industries and are not consumed in Japan may be exempted when the said goods will be re-exported within a year of the date of import permit.

- Reduction for re-exportation;

With regard to those goods which can be used for long periods of time and are imported for the purpose of being used temporarily in Japan, normally in accordance with a lease contract, and are re-exported, the duty of said goods chargeable in re-exporting (excluding the value when the goods was used) may be reduced.

- Reduction and exemption on raw materials for use in production of export goods;
- Refund and exemption for exportation of goods manufactured from duty-paid raw materials;
- Refund on export of goods whose nature and form are unchanged the times of their importation;
- Refund for claimed merchandise.

In cases where claimed merchandise is re-exported or destroyed, the Customs duty paid may be refunded to help the importers who do not realize any economic benefits.

9.4.2 By Temporary Tariff Measures Law

- Exemption for parts of aircrafts, etc.;
- Reduction for products manufactured from goods exported for processing or assembling;
- Exemption for goods exported for processing or repair under Economic Partnership Agreement.

9.4.3 Reduction, Exemption and Refund for Domestic Excises

Japan has in place programs of exemption, reduction, refund and repayment of Customs duties. The purposes of these programs are as follows:

- to develop and protect domestic industries;
- to promote trade and science;
- to meet requirements associated with social welfare;
- to eliminate double taxation; and
- to stabilize commodity prices.

A. Exemption or Reduction

"Exemption or Reduction" here refers to a situation in which an importer is exempt from all or part of Customs duty payment, in accordance with requirements set out in the Customs Tariff Law (for permanent programs) or the Temporary Tariff Measures Law (for temporary programs).

The Exemption or Reduction Programs are categorized into two types, namely, unconditional programs and conditional programs. The unconditional programs require that the goods meet certain conditions only at the time of importation whereas the conditional programs require conditions to be met both at the time of importation and thereafter. Under conditional programs, the importer must pay the normal amount of Customs duties and, in some programs, penalties as well when the conditions are violated or cease to be met after importation.

Application procedures to obtain reduction or exemption of Customs duties are stipulated in the above-mentioned laws. They include limitation of importers, procedures for reduction and exemption, special use after importation, approval of manufacturing plants, and procedures for use after importation.

B. Refund

"Refund" here means that a Customs duty that has been paid is returned all or in part to the person who paid it, provided conditions in the Customs Tariff Law are satisfied.

A Customs duty is refunded when the goods are spoiled or damaged, or when the goods are raw

materials for the manufacture of export goods, or raw materials used in the production of export goods at Bonded Manufacturing Warehouses, or claimed merchandise, or to be exported without any change in their nature and form after their importation.

C. Repayment

The "Repayment" program is provided for in the Temporary Tariff Measures Law and is the same as the "Refund" program in that all or part of the duty is returned. As distinct from the "Refund" program, however, the party receiving the returned duty is not necessarily the one who paid the duty but rather the one who is legally stipulated as such.

This is because the "Repayment" program is designed to nurture petroleum industries and to lower distribution costs, and applicable entities are technically unable to apply for the "Exemption or Reduction", or "Refund" program.

The "Repayment" program applies to petroleum products, such as naphtha, which is produced domestically from imported oil on which duty has already been paid and will be used in the process of manufacturing petrochemical products. It also applies to petroleum asphalt, which is produced domestically from imported oil on which duty has already been paid and is either issued from the factory or consumed in the factory as fuel.

10. HS CLASSIFICATION

The Customs Tariff Schedules of Japan is based on the Harmonized Commodity Description and Coding System (HS System) which is developed by WCO. The Customs Tariff Schedules of Japan further divides the HS Nomenclature when necessary so that imported goods are classified based on the Customs Tariff Schedules and are systematically classified into chapters, headings, subheadings and subdivisions of the tariff schedule, by further dividing each category. Furthermore, Japan adopts statistical codes with the three-digit subdivision codes of the tariff schedules to the six-digit subheadings. The number of digits of

the statistical code is different in each country.

Importers are required to indicate the tariff code in line with the Customs Tariff Schedule of Annex of the Customs Tariff Law in an import declaration.

“The Explanatory Notes” is published by the WCO in order to assist HS classification. The Explanatory Notes provide a commentary on the scope of each heading, together with technical descriptions of the goods concerned and practical guidance for their identification.

“The Compendium of Classification Opinions” is also published by the WCO as a reference for classification. Classification decisions taken by the Harmonized System Committee of WCO are compiled in this publication.

In order to enhance transparency and predictability for importers, Japan Customs also discloses the Advance Rulings on Classification which have been issued in writing (see also 13.1 ADVANCE RULING ON CLASSIFICATION). The information is available on the [website](#). As a general rule, an Advance Ruling issued in writing would be disclosed and applicants for Advance Rulings may request a postponement of disclosure for a maximum period of 180 days.

Classification examples of imported goods are also published on [website](#).

Interpretations, tariff rates and other information on specific commodity classification can be searched by a tariff schedule code of the Customs Tariff Schedule.

11. CUSTOMS VALUATION

Japan has adopted a Customs valuation system based on the WTO Valuation Agreement and stipulates provisions regarding the system in the Customs Tariff Law.

11.1 Primary Method

Customs Tariff Law (Article 4) stipulates that, when the import transaction of the imported goods (excluding ones whose buyer does not have its domicile, residence, principal office, branch office, other offices, place of business or equivalent places thereto in Japan) has been made, the Customs value of imported goods shall be the transaction value, that is the price actually paid or payable by the buyer to or for the benefit of the seller for the imported goods relating to the import transaction, adjusted to take into account certain additional costs such as the cost of transport, to the extent that they are not included in the price actually paid or payable for the goods.

There are five possible adjustments to be considered when applying the primary method:

- (1) The cost of transport, the cost of insurance and other expenses associated with the transport of the imported goods to the port of importation.
- (2) The following, to the extent that they are incurred by the buyer related to the import transaction of the imported goods: (i) commissions and brokerage, except buying commissions; (ii) the cost of containers of the imported goods; (iii) the cost of packing of the imported goods.
- (3) The value of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and the import transaction of the imported goods: (i) materials, parts and similar items incorporated in the imported goods; (ii) tools and similar items used in the production of the imported goods; (iii) materials consumed in the production of the imported goods; engineering, plans and other services for the production of the imported goods.
- (4) Royalties and license fees including payments in respect to patents, designs or trademarks and such similar rights related to the imported goods that the buyer must pay, either directly or indirectly, as a condition of the import transaction of the imported goods.
- (5) The proceeds of any subsequent disposition or use of the imported goods by the buyer that accrue directly or indirectly to the seller.

11.2 Alternative Methods

Since the primary method cannot be used in the following cases, alternative methods will apply to determine the Customs value of the imported goods.

A. When there are any special circumstances with respect to the import transaction as follows:

- There are restrictions as to the disposition or use of the goods by the buyer;
- The import transaction is subject to the condition which makes it difficult to determine the Customs value of the imported goods;
- The amount of proceeds of any subsequent disposition or use of the imported goods by the buyer which accrue directly or indirectly to the seller is not clear;
- The relationship between the seller and the buyer influences the transaction value of the imported goods.

B. When the goods being valued are not imported by import transactions

- "Import transaction" is defined as a sale made by the buyer, either individual or corporate body, who has its domicile, residence, principal office, branch office, other offices, place of business or other equivalent places in Japan with the seller in order to have goods arrived in Japan. Therefore, the following goods are considered not to be imported by import transactions;
- Free consignment;
- Goods imported on consignment;
- Goods imported by the seller's agent for sale in an importing country on account and at the risk of the seller;
- Goods imported under a hire or leasing contract;
- Goods supplied on loan, which remain the property of the sender;
- Goods imported by branches which are not separate legal entities;
- Goods imported for destruction in country of importation, with the sender paying the importer for his services.

C. When the doubts about the Customs value have not been resolved

- The case where the further explanation and information from the importer do not resolve the doubts about the documents provided to calculate the Customs value of the imported goods, and the case where the price actually paid by the buyer to or for the benefit of the seller cannot be confirmed as the further explanation and information are not presented, are the examples of this category.

If the primary method cannot be used, one of the following alternative methods will be used to determine the Customs value.

11.2.1 Identical or Similar Goods Value Method

If the transaction value of identical or similar goods exported from the same country of production to Japan at or about the same time of importation is found, the Customs value of the imported goods shall be determined based on the said value.

In applying this method, the necessary adjustments shall be made to take into account of differences in commercial level, quantity, distances and modes of transport between the imported goods and the identical or similar goods in question.

11.2.2 Deductive Value or Computed Value Method

If the Customs value of the imported goods cannot be determined under the method (1) above, the Customs value shall be determined under the either of the followings.

- (i) The price at which the imported goods or identical or similar imported goods are sold in Japan, subject to deductions for either the usual commissions or the usual profit and general expenses in connection with sales in Japan, the usual costs of transport and insurance and associated costs incurred within Japan, and the Customs duties and other national taxes payable in Japan.
- (ii) The cost of production of the imported goods added by the amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to Japan, and the cost of transport and other expenses associated with the transport of the imported goods to the port of importation.

This method shall be used when the Customs value cannot be determined under the method (i) above except that, at the request of the importer to the Director General of regional Customs, the order of application of (i) and (ii) shall be reversed.

11.2.3 Fall-back Value Method

If the Customs value of the imported goods still cannot be determined under the method of (1) or (2),

the Customs value shall be determined using reasonable means of the primary method or alternative methods with flexible interpretation of each requirement.

12. RULES OF ORIGIN

The rules of origin are rules for determining the country of origin (i.e. “nationality”) of goods. Determination of the country of origin of goods is necessary in application of various Customs and trade policy measures, because the application of such measures may depend on the origin of a good. The relevant policies include the preferential tariff treatment under GSP (Generalized System of Preferences) and EPAs (Economic Partnership Agreements), WTO tariff rates, and anti-dumping duties.

Rules of origin are categorized into preferential rules of origin and non-preferential rules of origin. Preferential rules of origin include the rules for the application of the preferential tariff rates under the Generalized System of Preferences (GSP) and the rules for the application of the preferential tariff rates under Economic Partnership Agreements (EPA). Non-preferential rules of origin are applied to determine the country of origin for the purposes other than granting of preferential tariff treatment (such as the application of WTO tariff rates, the application of anti-dumping duties, trade statistics, etc.).

Japan is a party to 15 Economic Partnership Agreements (EPA). Under the Customs Act of Japan, the provisions on rules of origin in each agreement are directly applied. In general, originating goods are either: “wholly obtained goods”, “goods produced exclusively from originating materials”, or “goods satisfying the product-specific rules (PSR)”. Rules of origin of each EPA reflect the result of negotiations with the partner countries, thus there are slight differences from one agreement to another.

A. Wholly obtained or produced goods

Wholly obtained goods are the goods whose production is completed in one country.

B. Goods produced exclusively from originating materials

Goods produced exclusively from originating materials are the goods produced using originating materials only. Because all the materials used in the production are originating materials, the production is seemingly completed in one country. However, there is the case where materials from a third country (i.e. no originating materials) are used in the production of the originating materials.

C. Goods satisfying the product-specific rules (PSR)

Even if the materials from third countries (non-originating materials) are used in the production, goods are considered as originating when the goods satisfy the requirement set out in the product-specific rules (PSR). PSR is generally provided as an annex to each EPA. In most of the EPAs that Japan is a party to, PSR is stipulated in the form of either: “change in tariff classification”, “qualifying/regional value content”, “specific manufacturing or processing”, or a combination of these.

D. Change in tariff classification criterion

Goods are considered as originating if there is a certain change between the tariff classification of the no originating materials and the tariff classification of the (final) goods.

E. Qualifying Value Content (QVC)/Regional Value Content (RVC)

Goods are considered as originating if a certain value (%) is added through the production undertaken in the territory of a party/country, and the value added exceeds the prescribed threshold (%).

F. Specific manufacturing or processing

Goods are considered as originating if the goods undergo a specific manufacturing or processing such as chemical reaction, distillation, purification, etc. in the territory of a party/country.

Please refer to the [website](#) for details.

13. CUSTOMS ADVANCED RULINGS

Japan Customs issues the Advance Rulings upon requests from importers. The Advance Ruling allows importers to receive information regarding the applied tariff to goods before they lodge import declarations. It makes Customs clearance procedures much more prompt and problem-free, thus benefiting importers in their preparation of cost estimates and sales plans. “Advance Ruling” is also an internationally accepted Customs facilitation measure and the WTO TFA requires contracting parties to adopt it. There are three kinds of Advance Rulings in Japan as following:

13.1 Advance Ruling on Classification

The Advance Ruling on Classification allows the importers and other related parties to inquire about the tariff classification, tariff code and duty rate of the goods prior to importation and receive a response from Customs. Although the prior instruction can be provided either orally or in writing, written inquiries are recommended. In addition, inquiries by e-mail may be regarded as oral inquiries.

Qualified formal written enquiries and emails will be responded by Customs in the form of a response paper. The importer can attach it at the time of import declaration. Customs will respect with the tariff schedules, tax rates and statistical codes listed in the attached form when verifying imports.

If the content of the inquiries does not match the actual items, or expires (3 years.), and if the laws and regulations change, and the application of laws and regulations is not correct, it is invalid.

Objections to the Advance Classification Rulings can be filed within two months from the date of issuance of the response.

Refer to the “Inquiry Document concerning Advance Classification Ruling” ([Customs Form C-1000](#)) for inquiries in writing.

13.2 Advance Ruling on Valuation

The Advance Ruling on Valuation is a recommendation will be construed or applied to the imported goods in question for the purpose of Customs valuation. The rulings are issued in writing in response to a document submitted by an importer or other relevant person.

Qualified formal written enquiries (“Customs Valuation Advance Request”, Customs Form C1000-6) and emails will be responded by Customs in the form of a response paper. It is noted that some supporting documents such as the facts of the transaction and the sales contract of the applicable goods should be submitted.

Requested regional Customs will examine the submitted forms and related documents and issue the ruling in the form of “Reply to the Customs Valuation Response” within 90 days. The ruling is valid for three years.

Any request for review of the rulings must be posted within two months.

All issued rulings will be made available on the Customs website. Any information identifying the party included in the ruling was not disclosed. Those who receive the ruling may require for an embargo period not exceeding 180 days.

13.3 Advance Ruling on Origin

Importers and other interested parties can request to Customs before the import of the Country of Origin of the goods. The ruling determines the applicable tariff rate, which increases the predictability of traders. The advance ruling is issued in writing at the request of the applicant.

However, if the content of the inquiries does not match the actual items or expires (3 years), and if the laws and regulations change, and the application of laws and regulations is not correct, it is invalid.

For the sake of transparency, all written advance rulings were available at the [website](#).

It is recommended that traders conduct an inquiry in writing. To file an application for a written advance ruling, please submit the “Request for Advance Ruling (Rules of Origin)” ([Customs Form C-1000-2](#)).

14. FREE TRADE AGREEMENTS

Japan has concluded 17 free trade agreements (FTAs) and economic partnership agreements (EPAs). Japan is also negotiating FTA-EPAs with Canada, Colombia, Korea and Turkey, and regional FTA-EPAs with China-Korea, the Gulf Cooperation Council (GCC, namely Bahrain, Oman, Qatar, Saudi Arabia, the UAE and Kuwait), and the Regional Comprehensive Economic Partnership (RCEP, involving the 10 ASEAN member countries and the six countries that the bloc has FTAs, namely, China, Japan, Korea, India, Australia and New Zealand).

In October 2015, the Trans-Pacific Partnership (TPP) agreement was concluded with Japan among the 12 Pacific-Rim signatory countries. Following the withdrawal of the US, the remaining 11 countries signed the pact and renamed it the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in March 2018.

14.1 FTA-EPAs in Force or Signed

- [Japan-Singapore](#)
- [Japan-Mexico](#)
- [Japan-Malaysia](#)
- [Japan-Chile](#)
- [Japan-Thailand](#)
- [Japan-Indonesia](#)
- [Japan-Brunei](#)
- [ASEAN-Japan](#)
- [Japan-Philippines](#)
- [Japan-Switzerland](#)
- [Japan-Vietnam](#)
- [Japan-India](#)
- [Japan-Peru](#)
- [Japan-Australia](#)

- [Japan-Mongolia](#)
- [Comprehensive and Progressive Agreement for Trans-Pacific Partnership \(TPP11\)](#)
- [Japan-EU](#)

14.2 FTA-EPAs under Negotiation

- [Japan-Canada](#)
- [Japan-Colombia](#)
- [Japan-China-Republic of Korea](#)
- [Regional Comprehensive Economic Partnership \(RCEP\)](#)
- [Japan-GCC](#)
- [Japan-Republic of Korea](#)

15. BONDED AREAS

The purpose of the bonded area is to maintain an orderly trade by ensuring that import and export cargo is regulated by law, and to ensure collection of Customs duties, etc., as well as to promote trade and cultural exchange.

There are five types of bonded areas: designated bonded area, bonded warehouse, bonded factory, bonded exhibition area, and Integrated bonded areas. In the bonded area, foreign cargo can be unloaded, transported, stored, processed / manufactured, displayed, etc., but in order to ensure tariff collection and appropriate control, foreign cargo in the bonded area are under Customs supervision.

Table 5 Types and Main Functions of Bonded Areas

Types	Principal features	Length of storage
Designated Bonded Area	Loading/unloading, transport and temporary storage of foreign goods	1 month
Bonded Warehouse	Loading/unloading, transport and long-term storage of foreign goods	2 years (may be extended)
Bonded Factory	Processing and manufacturing using foreign goods as material	2 years (may be extended)
Bonded Exhibition Area	Display and use of foreign goods	Length of time designated by the head of Customs office
Integrated Bonded Area	Loading/unloading, transport long-term storage, processing & manufacturing and exhibition of foreign goods	2 years (may be extended)

Source: Japan Customs website.

15.1 Designated Bonded Area

The Designated Bonded Area is designated by the Minister of Finance for public facilities such as land and buildings owned or managed by local governments. It is provided for the quick and easy processing of Customs procedures.

In this area, cargo that has not yet been imported, cargo that has been licensed for export, cargo that passes through Japan (collectively referred to as “foreign cargo”) is unloaded, transported, or temporarily (in principle 1 Months) can be stored.

The Designated Bonded Area is originally intended for anyone to use freely and cheaply for the Customs procedures and handling of cargo, so it is not allowed to place cargo for a long period of time or to be used exclusively by designated contractors. In addition, complex processing and manufacturing within this region cannot change the nature of the cargo.

The Designated Bonded Area is mainly located near the Customs office because it is a place where cargo is placed for Customs procedures.

15.2 Bonded Warehouse

The Bonded Warehouse is a warehouse approved by the Director General of Customs. Foreign cargo can be loaded and unloaded or stored here (in principle 2 years, can be extended). In the meantime, taxes such as Customs duties are not applied. Bonded warehouses were established to facilitate transactions and develop relay trade.

15.3 Bonded Factory

The Bonded Factory is approved by the Director General of Customs as a place where foreign cargo can be processed and manufactured without imposing Customs duties.

It is established for the promotion of processing trade, and the processing or manufacturing period is two years in principle. However, depending on the circumstances of work, it is also possible to extend the period. During this period, there will be no Customs duties, so during this time, foreign cargo can be processed and manufactured, and the product sent out abroad.

The Bonded Factories are usually installed at a convenient location for importing foreign materials and exporting products, but there are also cases where export products are processed and manufactured together with domestic sales products. Depending on the location of the factory for sale, it may be remote from the port.

In Japan, the main products processed and manufactured in the factory are canned seafood, confectionery, steel, electric wires, ships, automobiles, precision machinery, civil engineering machinery, machine tools, petroleum products, textiles, agricultural chemicals, chemical products, films and so on.

15.4 Bonded Exhibition Area

The Bonded Exhibition Area is authorized by the Director General of Customs as a venue for exhibiting foreign cargo. In order to facilitate the operation of international exhibitions and exhibitions of foreign products conducted by public institutions, the Customs procedure of Bonded Exhibition Area is simple without imposing tariffs on foreign cargo.

15.5 Integrated Bonded Area

The Integrated Bonded Area is approved by the Director General of Customs as an area where the Bonded Warehouse, the Bonded Factory and the Bonded Exhibition Area can be used in a comprehensive manner such as storage, processing, manufacturing, and exhibition of foreign cargo.

An Integrated Bonded Area was created as a bonded system corresponding to the area where such facilities are concentrated in order to promote the benefits of aggregating various import infrastructures against the backdrop of the promotion of imports and the facilitation of inward investment business.

In this area, various facilities with various functions can be flexibly arranged in the area, and foreign cargo can be moved between the facilities without requiring Customs procedures so that simplification will be achieved.

See the list of Japan's Bonded Areas [here](#).

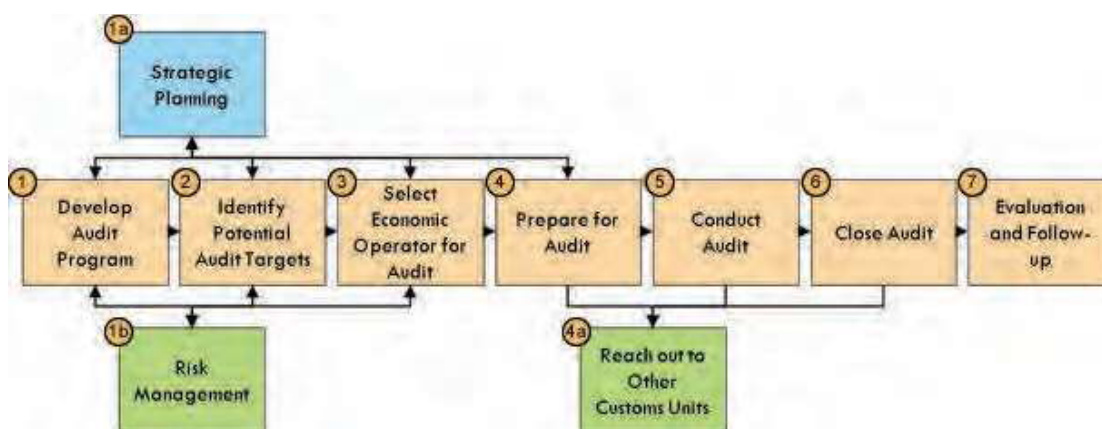
16. CUSTOMS POST-CLEARANCE AUDIT

From 1968, the Japan Customs began to implement the Post-Clearance Audit. The purpose of the Post-Clearance Audit is to check whether the transaction and Customs clearance of the goods meet the legal requirements of relevant laws and regulations, and achieve the purpose of correct and fair taxation. In 1973, Post-Clearance Audit (PCA) was defined by the Revised Kyoto Convention as measures by which the Customs satisfy themselves as to the accuracy and authenticity of declarations through the examination of the relevant records, business systems and commercial data held by persons concerned. Now, Post-Clearance Audit is a critical control methodology for Customs in various countries as it enables them to apply a multi-layered risk-based control approach.

The regional Customs in Japan have their dedicated Post-Clearance Audit (PCA) department and the Customs officers working there need to be trained after a long period of professional training. In general,

the audit department develops an annual audit plan, which is generally implemented from June of each year.

Figure 10 Post-clearance Audit Process



Source: WCO website.

For the purpose to carry out their official duties, Article 105 of the Customs Act endows Japan Customs officials to:

- examine books and documents concerning goods, including electromagnetic records, if such records are prepared or preserved in lieu of preparing or preserving books or documents;
- question an exporter of exported goods, customs broker who concerned to examine books and documents concerning such goods and any other materials, or to request to produce or submit such books, documents and other materials (including their copies);
- examine goods for which Customs duty is reduced or exempted, goods pertaining to refund of Customs duty, goods pertaining to deduction of Customs duty, products manufactured from such goods, machines and instruments used for such manufacture, or books and documents relating thereto;
- to question an importer of imported goods, a customs broker who provided customs Clearance services pertaining to the importation, a person who entrusted an importer with importation of goods, or a person who sold in Japan goods that have been dumped, to examine such goods, books, documents or other materials concerning such goods, or to request production or submission of, such books, documents or materials;
- seal such goods or the place where they are stored.

If Customs officials find it necessary for the purpose of carrying out their official duties, Article 105-3 of the Customs Act endows Japan Customs officials to:

- request the Government agencies or Government-affiliated agencies to enable them to inspect, or to provide them with books, documents or other materials that may for reference purposes, be used for carrying out their duties or to extend other forms of cooperation. (Authority of the Director General of Customs in special cases).

In addition, if the audit finds that the import duty needs to be adjusted, the collection of import duty should be processed and corrected in accordance with Article 7-4 of the Customs Act.

17. CUSTOMS ENFORCEMENT AND APPEALS

17.1 Enforcement of the Laws

The main provisions addressing the issue of penalties and offences in a general way are provided for in Customs Act, Customs Brokerage Act and Temporary Tariff Measures Act, and Foreign Exchange and Foreign Trade Law. No detailed procedures with offenses are set out in Tariff Act. Since that Japan Customs Act predates the Revised Kyoto Convention (RKC) and other similar international Customs instruments dealing with modern Customs formalities such as the World Trade Organization Trade Facilitation Agreement (WTO-TFA). The main provisions in Customs Act and other related laws are consistent with international rules.

There is no single source listing all Customs offences and penalties and the various Customs offences and their related penalties are incorporated in various provisions of the Customs Laws. Likewise, the quantum of penalties varies from provision to provision.

17.2 Offence and Penalties in Customs Act

17.2.1 Smuggling

- Persons who export and import prohibited items shall be punished by imprisonment or a fine, or both;
- Persons who provide prohibited items for export or import shall also be sentenced to fixed-term imprisonment or a fine, or both;
- Persons who deliberately export or import prohibited items will be aggravated;
- Persons who illegally store prohibited items, bonded goods, transit goods, bulk goods, etc., shall be punished by fixed-term imprisonment or a fine, or both;
- The above provisions also apply to the clients of Customs brokers and Customs brokers.

17.2.2 Duty Evasion

- Persons who evade tariff payments or obtain Customs refund duties by cheating or other illegal acts, or through Customs brokers, will be punishable by a fixed-term imprisonment or a fine, or both;
- The above provisions also apply to the clients of Customs brokers and Customs brokers.

17.2.3 Forged Declarations with False Certificates

- Persons who exports or imports goods by making a forged statement or false certificate or submitting a forged or false document will be punished with a fixed-term imprisonment or a fine, or both;
- If the statement / certificate / document is submitted to the Customs by the Customs broker after his review, the punishment shall also apply to the Customs broker.

17.2.4 Import or Export without the Permit of Customs

- Persons who export goods from Japan to a foreign country without permit will be punished with a fixed-term imprisonment or a fine, or both;
- Persons who import goods from a foreign country to Japan without permit will be punished with a

fixed-term imprisonment or a fine, or both;

- Persons who export or import the goods as a sample without permit shall be punished with a fixed-term imprisonment or a fine, or both;
- The above provisions also apply to the clients of Customs brokers, Customs brokers and the staff of international transport vehicles.

17.2.5 Failure to Provide Supporting Documents as Required

- In the absence of a valid reason, a person (mainly the person in charge of international transport, the person in charge of domestic transport, the Customs broker, the postal operator) who has not submitted a written special statement within the time limit shall be punished with a fixed-term imprisonment or a fine;
- In the absence of a valid reason, a person (mainly the person engaged in bonded warehouse, bonded exhibition, bonded storage, bonded processing) who fail to report within the time limit or as required shall be punished with a fixed-term imprisonment or a fine, or both;
- However, he may be excused from his sentence if necessary.

17.2.6 Failure to Record or Save Documents as Required

- Persons such as the person in charge of international transport, the person in charge of domestic transport, the Customs broker, the postal operator, the person engaged in bonded warehouse, bonded exhibition, bonded storage, bonded processing fail to record or save documents as required shall be punished with a fixed-term imprisonment or a fine, or both;
- However, he may be excused from his sentence if necessary.

17.2.7 Supplementary Provisions

- A representative of a juridical person or a juridical person stands as the accused or suspect apply *mutatis mutandis*;
- Goods related to the above crimes and illegal behavior should be confiscated. The exception can be made under special circumstances.

17.3 Offence and Penalties in Temporary Tariff Measures Act

- Some goods imported from Australia can only be used as raw materials or used for the intended purpose, and those who violate related provision will be punished with a fixed-term imprisonment or a fine, or both;
- In the investigation of the above violations, those who refuse, interfere or evade the prescribed inspections will be punished with a fixed-term imprisonment or a fine, or both.

17.4 Offence and Penalties in Customs Brokerage Act

A person who falls under any of the following items shall be punished by imprisonment or a fine:

- Obtain the permission of Customs brokers clearance or establish business office by deception or other wrongful means;
- Provide false information to Customs about Customs brokers and registered Customs specialists;
- Conduct the Customs brokerage business in violation of the provisions;
- Conduct the Customs brokerage business after it is suspended;
- Conduct the Customs brokerage business in the period of one year that the business is temporarily prohibited.

A person who divulges or misappropriates any confidential information which he has learned in connection with Customs brokerage shall be prosecuted only upon complaint.

A person who falls under any of the following items shall be punished by a fine:

- improper operate;
- fail to make a report or make a false report;
- fail to respond or make a false response to inquiries made by a Customs official;
- refuse, interfere with, or avoid the examination;
- permit any other person to use his name in violation of the act;
- use the title of Customs broker or registered Customs specialist in violation of the act.

18. CUSTOMS IPR BORDER PROTECTION

The application for Japan Customs protection of IPRs covers patent rights, utility model rights, design rights, trademark rights, copyright & neighboring rights, plant breeder's rights, unfair competition relating to famous indication of goods, configuration of goods and access/copy control of restricted material. The exportation, importation, and transit of goods infringing IPRs are prohibited under Articles of the Customs Law. Any person who has transported or attempted to transport such goods into/from Japan shall be punished. Layout-design rights are exempted from the procedures, however "Information Recordation" can be made at Customs for suspension.

18.1 Penal Provisions

The purpose of the penal provision is to prevent crime and reinforce border enforcement by imposing liabilities on juridical persons to supervise their employees not to commit such an offense. The goods infringing IPRs may be confiscated and destroyed by Customs.

Any person who has exported, imported, or attempted to export or import goods infringing IPRs shall be punished by imprisonment with work for not more than ten years and/or a fine not more than ten million yen. Any person who has transported or attempted to transport goods infringing IPRs, or has transferred or attempted to transfer goods infringing IPRs from the importing means of transport to the exporting means of transport, shall be punished by imprisonment with work for not more than ten years, and/or a fine not more than seven million yen. Where an employee or any other workers of a juridical person or an association or a foundation without juridical personality has committed an offence described above with regard to the business of the said juridical person, etc., such juridical person, etc. shall be punished by a fine as provided in the respective corresponding Articles.

18.2 Application for Suspension

Application for Suspension is the procedure that IPR holders request Customs to initiate Identification Procedures in the case Customs detects goods suspected of infringing their IPR in imports or exports.

To apply for Suspension at Headquarters of regional Customs, a right holder must fulfill following conditions.

- Ownership of the right must be proved;
- The IPR must be valid⁵;
- The IPR has been infringed or is likely to be infringed;
- Evidence must be provided to satisfy Customs that there is Prima Facie an infringement of the IPR;
- Information concerning the goods must be provided to enable Customs to identify infringing goods.

If all the conditions are fully satisfied, the application is approved with a validity period of not more than four years. Existing applications are renewable and the application form is required to be filled out in Japanese.

In cases where an application for suspension has been lodged with Customs or for the purposes of identification procedures, if Customs faces difficulties in determining whether goods subject to either procedure are infringing or not, Customs may designate three persons with sufficient knowledge and experience in the area of IPR from 45 candidates (lawyers, patent attorneys, scholars) for seeking opinions.

18.3 Identification Procedures

Identification Procedures are the procedures in which Customs decides as to whether the suspected goods are infringing IPRs or not.

18.3.1 Identification Procedures for Imports

STEP 1 When Customs detects suspected goods in the course of physical inspection on imports of general cargoes (sea and air) or postal items, Identification Procedures are initiated unless the case is subject to Investigation Procedures for Offences.

STEP 2 When suspected goods are detected, Customs notifies both importers and right holders of the initiation of Identification Procedures by providing them respectively with relevant information such as names and addresses of parties concerned. The producer's names and addresses are also notified to right holders if they are obvious in the import declaration form, etc. which has been submitted to Customs.

⁵ In the case of unfair competition, submission of the Written Opinion of the Minister of Economy, Trade and Industry is required.

STEP 3 Both right holders and importers are provided with equal opportunities to submit their opinions and evidence to Customs within 10 working days (3 working days for perishable items) from the day following the date of the “Notification of Initiation” letter.

In the cases based on approved applications for suspension, each party may inspect goods during Identification Procedures.

Applicants may also conduct “Sample Examination” (i.e. dismantlement, analysis), on the condition that all the requirements for approval for “Sample Examination” are satisfied and the security is provided.

Importers may take a measure of “Voluntary Disposal” (e.g. destruction, abandonment, reshipment, obtaining consent from the right holder, removal of infringing parts.) In the case of either consent from right holders or removal of infringing parts, Customs makes a decision of no infringement. In the other cases, Customs discontinues Identification Procedures.

STEP 4 Opinions and evidence from one party are disclosed to the other party for submitting additional opinions, etc. Based on opinions and evidence from both parties, Customs makes a decision as to whether the suspected goods are infringing IPRs or not (decisions are expected to be made within one month).

STEP 5 To notify the result of the Identification Procedure, “Notification of Decision” letter is sent to both right holders and importers. If it is decided that the goods are not infringing IPRs, an import permit is granted.

If it is decided that the goods are infringing IPRs and no measures of voluntary disposal have been taken during the period for protest (for two months), Customs may confiscate and destroy the infringing goods.

18.3.2 Simplified Identification Procedures

STEP 1 When Customs detects suspected goods in the course of physical inspection on imports of general cargoes (sea and air) or postal items, Identification Procedures are initiated unless the case is subject to investigation for offence.

STEP 2 When suspected goods are detected, Customs notifies both importers and right holders of the initiation of Identification Procedures by providing them respectively with relevant information such as

names and addresses of parties concerned.

“The Notification of Initiation (Confirmation of Importer's Objection)” to importers also explains that objections from importers may be submitted in writing within 10 working days from the day following the date of receipt of such notification.

The producer's names and addresses are also notified to right holders if they are obvious in the import declaration form, etc. which has been submitted to Customs.

STEP 3 Cases where no objections have been filed by importers Customs decides as to whether the suspected goods are infringing IPRs or not based on the approved applications for suspension from right holders (i.e. the application form and the attached documents). If it is decided that the goods are not infringing IPRs, an import permit is granted. If it is decided that the goods are infringing IPRs, Customs sends a “Notification of Decision” to right holders, and a “Notification of Decision (Confiscation)” to importers for notification. Neither protests nor contact has been made by importers within two months from the day following the date of receipt of such notification Customs may confiscate and destroy the infringing goods unless no measures of voluntary disposal have been taken. Cases where objections are filed by importers Customs notifies both importers and right holders of the deadline to submit opinions and evidence. Each party should submit opinions and evidence with respect to the suspected goods to Customs within 10 working days (3 working days for perishable items) from the day following the date of the Notification.

19. AUTHORIZED ECONOMIC OPERATOR (AEO)

Figure 11 Japan's AEO LOGO



Ensuring the safety and smoothness of international logistics has become crucial after 911. In response to this trend, WCO recognizes companies that have established Customs security management and legal compliance systems and provides benefits such as streamlining Customs procedures. Japan Customs has developed AEO program for importers, exporters, warehouse operators, Customs brokers, logistics operators and manufacturers which is consistent with the “SAFE Framework” developed by the WCO. As of July 2019, the number of AEO entities in Japan exceeded 700. For different types of AEO entities, the system offers different facilitation treatments.

19.1 Beneficial Measures of AEO System

19.1.1 For AEO Exporters

- Use of specific export declaration;
- Open office;
- Simplification of correcting export license;
- Simplification of tax exemption for returnable containers;
- Reduction of examination and inspection;

- Mutual Recognition Arrangement (MRA);
- Cooperation with procedures for determining the total weight of maritime containers;
- Cooperation with KS / RA system;
- Cooperation with trade security management.

19.1.2 For AEO Importers

- Use of special statements;
- Open office;
- Simplify re-export tax reduction;
- Simple handling and maintenance tax exemption based on the CPTPP and Japan-EU EPA;
- Simplification of tax exemption for returnable containers;
- Relaxation of the inspection of imported goods under the Washington Convention;
- Reduce inspections and inspections;
- Mutual Recognition Arrangement (MRA).

19.1.3 For AEO Warehouse Operator

- Establish a bonded warehouse, etc. by notification;
- Shorten the documents storage limitation;
- Reduce inspection;
- Free license fee;
- Mutual Recognition Arrangement (MRA).

19.1.4 For AEO Customs Brokers

- Open office;
- Use of the specified consignment;
- Use of special import declaration;
- Simplify re-export tax reduction;

- Simple handling and maintenance tax exemption based on the CPTPP and Japan-EU EPA;
- Relaxation of the inspection of imported goods under the Washington Convention;
- Mutual Recognition Arrangement (MRA).

19.1.5 For AEO Logistics Operators

- No approval is required for any bonded shipment;
- Carry out the transportation related to the specified export declaration;
- Mutual Recognition Arrangement (MRA).

19.1.6 For AEO Manufacturers

- Use specific manufactured export declarations;
- Open office;
- Mutual Recognition Arrangement (MRA).

19.2 Mutual Recognition Arrangement

Mutual recognition of the AEO system means that the two countries with the AEO system mutually recognize each AEO system (AEO operator), improve the safety level of bilateral logistics, and be consistent across the country. Worldwide, more than 70 AEOs have been approved for mutual approval, 11 of which are related to Japan. Japan is the only country that has signed and implemented AEO mutual recognition with the United States and the European Union.

Japan Customs has also signed mutual recognition of AEO programs with:

- New Zealand (May 2008);
- United States (June 2009);
- EU and Canada (June 2010);
- Korea (May 2011);
- Singapore (June 2011);
- Malaysia (June 2014);

- Chinese Hong Kong (August 2016);
- China (Oct 2018);
- Chinese Taipei (Nov 2018);
- Australia (Jun 2019).

Please visit the [website](#) for details.

20. INTERNATIONAL CUSTOMS COOPERATION

The Customs Mutual Assistance Agreement (CMAA) is an international agreement between national Customs authorities that provides mutual support to prevent the smuggling of evil things in society, access to goods infringing intellectual property rights, and cooperation to simplify and harmonize Customs clearance procedures. Through the conclusion of the Customs Mutual Assistance Agreement, Japan Customs has actively promoted the establishment of a mutual tariff support framework with countries and regions around the world.

A. Customs Mutual Assistance Agreement

- United States (1997);
- Republic of Korea (2004);
- People's Republic of China (2006);
- European Union (2008);
- Russia (2009);
- Netherlands (2010);
- Italy (2012);
- South Africa (2012);

- Germany (2014);
- Spain (2015);
- Norway (2016);
- Mexico (2018);
- Brazil (2017).

B. Customs Clearance Arrangement

- Australian Customs (2003);
- New Zealand Customs (2004);
- Canadian Customs (2005);
- Hong Kong Customs (2008);
- Macau Customs (2008);
- French Customs (2012);
- British Customs (2013);
- New Zealand Customs (2014);
- Belgian Customs (2017);
- Austrian Customs (2019).

21. TRADE STATISTICS

A. Online

The Trade Statistics of Japan are made and published by the Ministry of Finance and the Customs under the provision of the Customs Law and the relevant international conventions. Please visit website [here](#)

for more details. Useful information such as glossary, code lists, corrigendum and official notice of Japan Customs are also available.

B. Trade Statistics Reference Room, etc. in Tokyo and Osaka

- Trade Statistics Reference Room, CTB
Address: 2F, 4th Bldg., Central Common Government Office
3-1-1, Kasumigaseki, Chiyoda-ku, Tokyo
Opening time: Monday to Friday, 9:30-12:00, 13:15-17:00
- Trade Statistics Reading Center, Ohtemae Sub-branch, Osaka Customs
Address: 4F, 4th Bldg., Osaka Common Government Office
4-1-76, Ohtemae, Chuo-ku, Osaka
Telephone: 06-6966-5385
Opening time: Monday to Friday, 9:00-17:00

C. Statistics Data Reference Room in each Customs

Please visit individual websites for more details and please note that no telephone inquiries are accepted about statistical figures.

22. BUSINESS HOURS

Starting in April 2008, the head of each Customs office has established “Business Hours for Customs Offices”, which are announced on their own websites, etc.

Business hours for most Customs offices and branches are from 8:30 AM to 5:15 PM (or 5:45 PM) on weekdays. However, there are Customs offices that are open on a 24/7 basis, such as the Customs office at the Tokyo international Airport in Narita. For details, please check the website of each Customs office or contact each office.

23. OFFICIAL WEBSITE

A. Official Agencies

- [Japan Customs](#)
- [Ministry of Finance](#)
- [Ministry of Foreign Affairs](#)
- [Ministry of the Environment](#)
- [Ministry of Health, Labour and Welfare](#)
- [Ministry of Land, Infrastructure and Transport](#)
- [Ministry of Agriculture, Forestry, and Fisheries](#)
- [Ministry of Economy, Trade and Industry](#)
- [Ministry of Education, Culture, Sports, Science and Technology](#)
- [Statistics Bureau & Statistics Center](#)
- [Small and Medium Size Enterprise Agency](#)
- [Public Information about the Japanese Government](#)
- [National Institute of Advanced Industrial Science and Technology](#)

B. Business Organizations

- [Bank of Japan](#)
- [Development Bank of Japan](#)
- [Japan Bank for International Cooperation](#)
- [Japan International Cooperation Agency](#)
- [Institute for Monetary and Economic Studies, Bank of Japan](#)
- [Japan Chamber of Commerce and Industry](#)
- [Tokyo Chamber of Commerce and Industry](#)
- [Manufactured Imports & Investment Promotion Organization](#)

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