Regional integration - Rules of Origin -

Japan Customs

June 15, 2015
Total 262 RTAs as of 7 April 2015
(excluding ones between EU Member States)

Note: The number of RTA notified to GATT/WTO, counting one if notified under both GATT and GATS. The number in bracket is the year that the RTA entered into effect.
Source: Summarized by Ministry of Finance, based on Regional Trade Agreements Notified to the GATT/WTO and in Force(WTO)
Since 2002, 14 EPA have entered into force, covering 22.3% of Japan’s total trade.
EPA/FTAs under Negotiation

EU

Japan-EU EPA
2013. April –

TPP
2013. July – ※

U.S. + 10

Japan joined the negotiation in July 2013.

China-Japan
-South Korea FTA
2013. March –

Others: Colombia
e.t.c

Japan’s total trade

Under Negotiation 62.2%
Signed 0.02%
Concluded 22.3%
Other 15.5%

ASEAN + 6

※Japan joined the negotiation in July 2013.
Certification and Verification

Exporting Country

- producer
- exporter

Export

Certificate of Origin (CO)

Issuing Authority

Customs Administration

Importing Country

- importer

Verification

Check the authenticity/accuracy of the proof of goods by Customs of importing country

Certification

Certify the origin of goods to Customs of importing country
## Types of Certification

<table>
<thead>
<tr>
<th>Competent Authority Certification</th>
<th>Approved Exporter Self-Certification</th>
<th>Self-certification Exporter/Producer/Importer</th>
</tr>
</thead>
<tbody>
<tr>
<td>certificate of origin can be issued by</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- government of exporting Party or</td>
<td></td>
<td></td>
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<tr>
<td>- the designated authority</td>
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<tr>
<td>origin declaration can be made by</td>
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<tr>
<td>- exporter approved by exporting Party</td>
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<td></td>
</tr>
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<td>Proof of origin can be issued by</td>
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<tr>
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<td></td>
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<tr>
<td>- producer</td>
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</table>

Government of Exporting Party involved

Government of Exporting Party uninvolved

WCO Guidelines on Certification of Origin
• Competent authority certification (All 14 EPAs)

• Approved exporter self-certification* (3/14 EPAs)
  *introduced together with competent authority certification

+ Newly introduced

• Self-Certification by importer, exporter or producer* (Japan-Australia EPA)
  *introduced together with competent authority certification

- 2 types of Origin Certification System
  - Competent Authority Certification System
  - Self-Certification System by importer, exporter or producer

Self-Certification is widely used

- Importer can reduce costs and save time to obtain certificate of origin issued in exporting country.
- Document can be submitted electronically.

From Customs point of view:
- Self-Certification has benefit to reduce administrative costs.
“Considering the increasing volume of preferential trade and recognizing the need for the facilitation of origin-related procedures, self-certification of origin … shall be utilized to the maximum extent possible…”

WCO Guidelines on Certification of Origin

Japan Customs needs to ensure originating status of the imported goods by:
- Requesting importers to submit supporting documents at import declaration
- Conducting origin verification
# Verification Methods

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<th>Description</th>
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<tr>
<td>1. Administrative Cooperation</td>
<td>Customs of importing country requests assistance to competent authority of the partner country</td>
</tr>
<tr>
<td>2. Direct inquiry</td>
<td>Customs of importing country directly requests information from exporter/producer in exporting country</td>
</tr>
<tr>
<td>3. On-site Visit</td>
<td>Competent authority of exporting country, importing country, or jointly, visits premises of exporter/producer</td>
</tr>
<tr>
<td>4. Importer based inquiry</td>
<td>Customs of importing country makes an inquiry to importer</td>
</tr>
</tbody>
</table>

**WCO Guidelines on Preferential Origin Verification**
Verification Process

Exporting Country

producer

exporter

① Administrative Cooperation

Issuing authority

Customs Administrations

importer

Japan Customs

④ Importer Based Inquiry

② Direct Inquiry

③ On-site visit

① Administrative Cooperation

Exporting Country

Importing Country

① Administrative Cooperation

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WCO tools on Rules of Origin

Guidelines on Certification of Origin
July 2014

Guidelines on Preferential Origin Verification
June 2012 (updated 2015)

Guide to Counter Origin Irregularities
June 2015
Challenges and the Way Forward

FTAs need to be utilized by traders.

Customs administrations play an important role

- **Awareness raising**
  - Sufficient information and knowledge on Rules of Origin for Customs officers, Importers and Exporters
    - *e.g.* National training, International training, EPA seminar, website

- **Self-Certification and Verification**
  - Training for Customs Officials, advance ruling for importers

- **WCO tool and instrument**
  - Support to WCO capacity buildings
Thank you for your attention