Advance Ruling on Origin
-Japan’s experience-

WCO Origin Conference 2014

20 January, 2014
Yuichiro OKUMURA
Origin Administration and Investigation Center,
Japan Customs
### Importer-based self certification will increase the responsibility of importers, resulting in raising the importance of Advance Ruling.

<table>
<thead>
<tr>
<th>Competent Authority Certification</th>
<th>Approved Exporter Self-Certification</th>
<th>Exporter Self-Certification</th>
<th>Importer-based Self Certification</th>
</tr>
</thead>
</table>

- **Competent Authority Certification**
  - Importer proves with certificate of origin issued by government of exporting Party or the designated authority

- **Approved Exporter Self-Certification**
  - Importer proves with origin declaration by exporter approved by exporting Party

- **Exporter Self-Certification**
  - Importer proves with certificate of origin by exporter

- **Importer-based Self Certification**
  - Importer proves with:
    1. Certificate of origin by importer, exporter or producer
    2. Importer's Knowledge

### Countries and Regions

- **ASEAN, Japan, China**
- **EU, Switzerland**
- **Canada, Mexico, Chile, Australia, NZ**
- **USA**

*Japan adopt this type in FTA with Switzerland, Peru, Mexico*

- Some ASEAN countries are now implementing a pilot project of approved exporter self-certification under ATIGA.
- EU decided to introduce registered exporter self-certification from 2017 and to abolish competent authority certification.
- Importer-based self certification was introduced in US’s FTAs after NAFTA. (Ex. US-Korea, US-Chile)
Government to Business verification will increase the responsibility of importers, resulting in raising the importance of Advance Ruling.

- **G to G Verification through the Government of Exporting Country**
  - Exporter, Producer
  - ASEAN, Japan, Korea, China, EU

- **G to B Verification by the Government of Importing Country**
  - Exporter, Producer
  - Canada, Mexico, Latin America

- **G to B Verification by the Government of Importing Country**
  - Importer (Claimer for preferential treatment)
  - USA, NZ, Australia, (Japan)

  ※If exporter/producer is the certifier, they can submit supporting documents to the Customs of importing country directly if they contain business confidential information.

USA/AU/NZ basically verifies importer.

Japan verifies importers firstly, and use G to G Verification if necessary.
Advance Ruling on Origin is legally based on Customs Law.

Customs Law, Article 7(3)

- Origin, Classification, Valuation
- Imported goods

DG’s Decree of Customs Law

- Procedures of written request
- Procedures of oral request
- Procedures of request through internet (started on April 1, 2013)
Advance Ruling is honored at the time of import declaration.

- Valid for 3 years
- Honored by Customs

Annulments or Invalidation

- More than 3 years since the issuances
- Differences of descriptions from actually declared goods
- Revisions of the related laws or regulations
- Mistaken application of laws and regulations
Procedure of Issuance (Overview)

Necessary documents for Request
• Requests for Advance Ruling on Origin (C-1000-2)
• Additional supporting documents such as material lists, photos and samples. (if necessary)

Goods which can not be accepted
• Hypothetical goods
• The goods under import declaration
• The goods related conflicts such as judicial action

Flow to issue (Issued within 30 days)
1. OAI officer make a draft of response.
2. In easy case, OAI Officer issue the rulings.
3. In other cases, OAI officer consult the draft with OAI center.
4. OAI center consult it with CTB when necessary.

Review process
• Request base (within 2 months of receipt)
• Response by Customs (within 30 days of the request)
Request form for Advance Ruling (C-1000-2)

I hereby make a request for ruling on the origin with respect to the following commodity concerning to apply of tariff rate of □WTO □EPA □GSP □Others.

General or commercial name of the commodity | Manufacture site Manufacturer | Customs office where import declaration will be filed

Status of merchandise | □Arrived □NOT yet arrived | Reference Materials (Return/ NOT return) | Samples, Drawings, Catalogues , documents, Explanatory Notes, or Others ( )

Possible date of Contract: Possible date of importation: Time of planning for import Quantity, Value, special request, Investment, whether there is a plan for long term contract

Whether there are former example of advance ruling of same or similar goods in question

Explanation of the merchandise (manufacturing process in relevant countries, or other specific matters concerning to manufacturing, etc.)

I have an opinion on the origin of goods as below. (□YES □NO)

Disclosure | OK/ NO | The reason for No disclosure

Period to be disclosed | ( ) days (within 180 days) | Additional material | Request/ Submit

Please refer overleaf Notes.
The number of Advance Ruling on Origin has been increasing steadily over time.

Number of Issued Advance Origin Rulings

- GSP
- EPA
- Non-preferential

Year
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013

Number of Issued Advance Origin Rulings:
- 2007: 403
- 2008: 305
- 2009: 5
- 2010: 713
- 2011: 403
- 2012: 305
- 2013: 5
For improving the transparency of the determination of the origin of the goods, Issued **advance rulings are publicly available** on the Customs website after the reply in principle.

In case that the inquirer or related stakeholders may suffer from a loss because of its publication, **inquirers can request** the OAI Officer **not to publish the contents of advance rulings for up to 180 days.**
PR for Advance Ruling

Customs Answer

1522 Advance Ruling on Rules of Origin

Under this system, importers are able to inquire of the customs office about the rules of origin for the cargo scheduled to be imported, and receive its ruling. The system offers the advantages of enhancing the accuracy of cost calculation through advance identification of the customs duty rate and also facilitating customs clearance, due to the identification of the country of origin for the cargo at the point of import declaration. In principle, advance ruling requires an inquiry to be submitted in writing form and a ruling is issued also in writing.

If an advance ruling is issued in writing, the said document describing the reply from the customs office will be handed to the importer. • • • •

The advance ruling is effective for three years. The content of the ruling will not be respected at import declaration inspection if the cargo content differs from that described in the inquiry and ruling, if the effective period has expired, if customs handling has been revised with revision of laws and regulations, etc., and in case of error in application of laws and regulations. Additionally, if the importer has an opinion on the advance ruling and requests a review, such a request may be submitted within two months from the day following the date of issue or delivery of the advance ruling.

It must also be noted also that the details of the inquiry and advance ruling issued in writing will be disclosed as a general rule in order to guarantee transparency in handling at the customs office. • • • •
OAI Center and OAI Sections in 9 district Customs were established in 2005.
Thank you for your kind attention.