



**Asia-Pacific
Economic Cooperation**

2011/MAG/WKSP2/006

Approved Exporter Self Certification System - Experience of Japan

Submitted by: Japan



**Self-Certification Pathfinder Phase 2:
Capacity Building Workshop 3
Bandar Seri Begawan, Brunei Darussalam
4–5 April 2011**



*APEC Self-Certification Pathfinder
Capacity Building Workshop 3
4 April 2011*

Approved Exporter Self Certification System

Experience of Japan

Koichi OKADA
Senior Investigator
The origin Administration and Investigation
Centre
Tokyo Customs, Japan

Topics

- 1. Preferential Tariffs Scheme in operation in Japan**
- 2. Scheme of Approved Exporter Self Certification**
- 3. Overview of Infrastructure for Uniform Application of Origin Administration**
- 4. Current Issues**

2

1. Preferential Tariffs Scheme in Operation in Japan

3

Preferential Tariffs Scheme in Operation in Japan

1971: GSP (Generalized System of Preferences)

2002: J/Singapore EPA (Revised in Sept.2007)

2005: J/Mexico EPA

2006: J/Malaysia EPA

2007: J/Chile EPA, J/Thailand EPA

2008: J/Indonesia EPA, J/Brunei EPA,
J/ASEAN CEPA, J/Philippines EPA

2009: J/Switzerland EPA, J/Vietnam EPA

•Signed in February 2011: J/ India CEPA

•Under negotiations: Australia, GCC (Gulf Cooperation Council), Korea, Peru



Each EPA has its own ROO. ⇒ 12 different Rules

It makes administration of ROO more complicated and difficult.

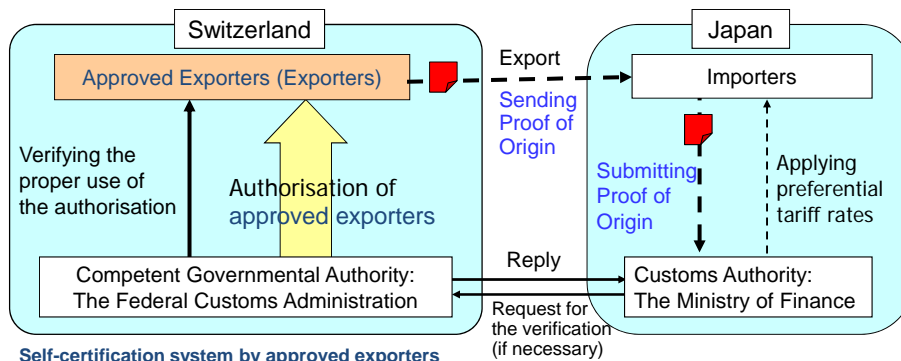
4

2. Scheme of Approved Exporter Self Certification

5

Features of Japan-Switzerland EPA

-Outline of self-certification system by approved exporters



Self-certification system by approved exporters

Under the system, exporters who have been authorised by the competent governmental authority of the exporting Party as approved exporters meeting criteria set out in Article XIX of Annex II may produce an origin declaration on a commercial document such as the invoice, in which they declare that the exporting goods qualify as originating products. Importers may submit the origin declaration to the Customs authority of the importing Party for applying the preferential tariff treatment under Japan- Swiss EPA.

Approved exporters may choose which system they use, certification system by a third party or self-certification system by approved exporters. It enables them to reduce cost and time regarding proof of origin along with an additional option of certifying originating goods, which is expected to make the export procedure smooth and promote the trade between both countries.

The competent governmental authority authorising approved exporters is:

- In the case of Switzerland, the Federal Customs Administration,
- In the case of Japan, the Ministry of Economy, Trade and Industry.

6

Features of Japan-Switzerland EPA

-Two types of documents to certify originating goods

1. Description of goods (optional)	2. Certificate used in preferential trade between	
3. Country of origin (optional)	and	
4. Country of destination (optional)	5. Description of goods (optional)	
6. Transport details (optional)	7. Remarks	8. Country of destination of the goods as considered on certificate
9. The name, address and telephone number and kind of package (description of goods)	10. Gross weight kg or other measure (in, etc.)	11. Invoice (Optional)
12. ENDORSEMENT The exporter certifies Export document		13. DECLARATION BY THE EXPORTER I, the undersigned, declare that the goods described above meet the conditions required
Stamp		

Certificate of Origin
referred to in Article XVI of Annex II
(Specimen of Certificate of Origin, Appendix 2)

or

Invoice

.....

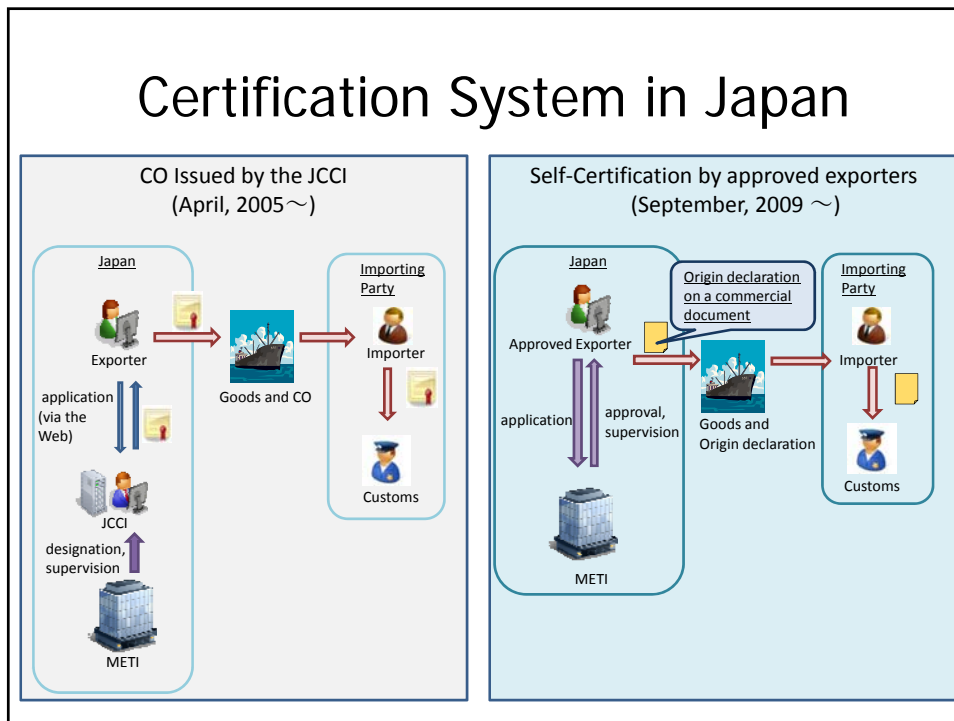
"The exporter of the products covered by this document (The authorisation number of the approved exporter) declares that, except where otherwise clearly indicated, these products are of (The origin of the products) preferential origin."

An origin declaration shall be produced by an approved exporter by typing, stamping or printing on the invoice, the delivery note or any other commercial document which describes the product concerned in sufficient detail to enable it to be identified.

Origin Declaration
referred to in Article XIX of Annex II
(Text of Origin Declaration, Appendix 3)

Importers may submit either document.
(According to exporters' choice.)

7



Criteria for Approved Exporters in Japan

Exporters with “sufficient knowledge and competence for conducting operations of producing an origin declaration properly and reliably” proved by facts such as

- obtaining preferential COs regularly
- having certification personnel (with certain experiences)
- having senior officials responsible for compliance, and
- presenting flow of entire certification process
- maintain close contact with METI/producer(if any)

3. Overview of Infrastructure for Uniform Application of Origin Administration

10

Necessity of Infrastructure for Uniform Application of Rules of Origin

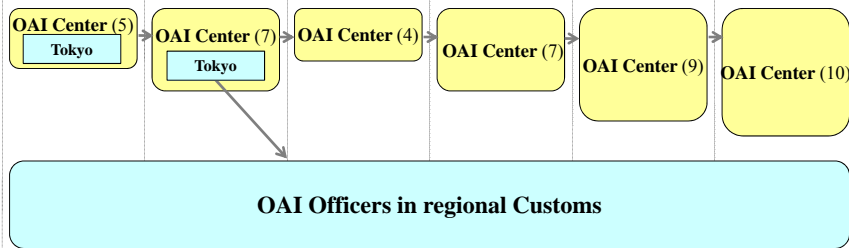
We have rules of origin of 11EPAs and GSP.

- ✓ To ensure uniform application for all Customs offices nationwide, we need specific infrastructure.
- ✓ In Japan, **Origin Administration and Investigation Center** was established in July 1 2005.

11

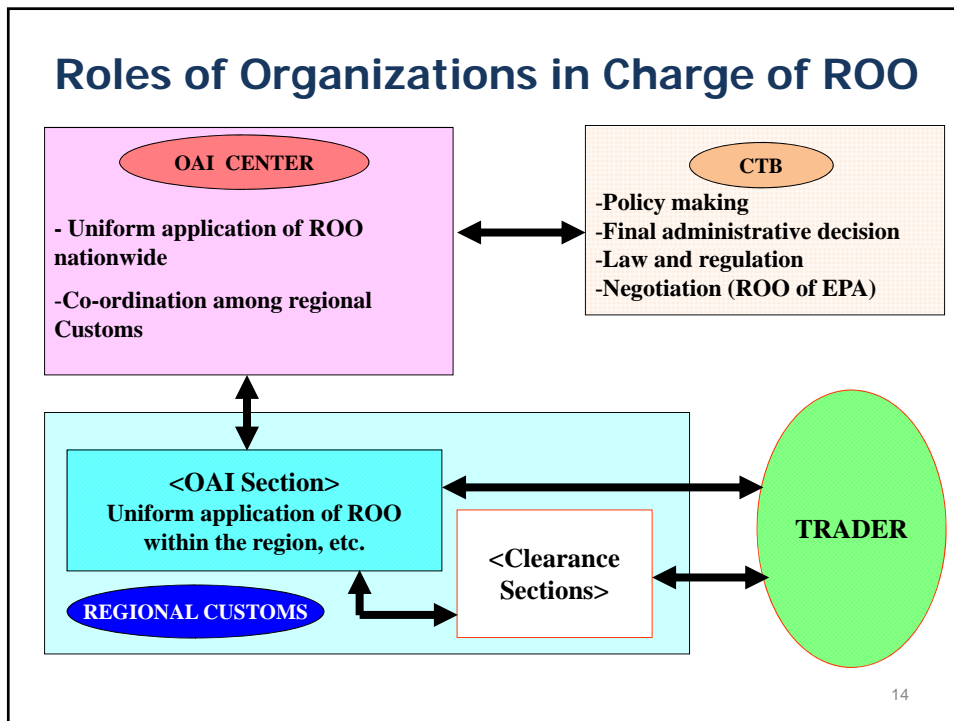
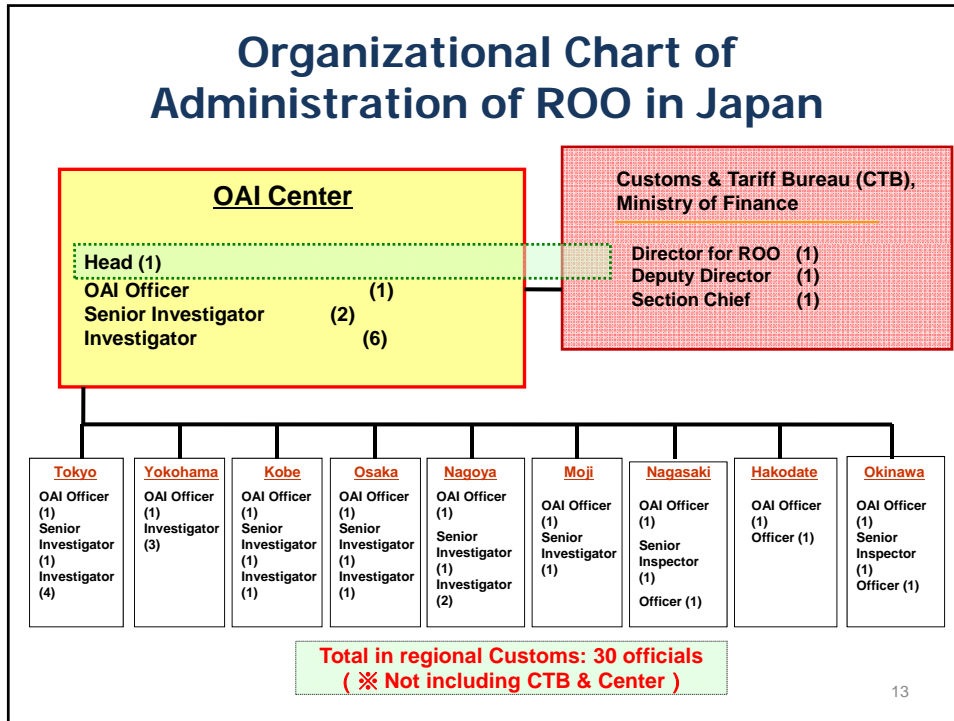
History of Origin Administration and Investigation Center (OAI Center)

Establishment July 1, 2005 *Reorganization* July 1, 2006 July 1, 2007 July 1, 2008 July 1, 2009 July 1, 2010



	July 1, 2005	July 1, 2006	July 1, 2007	July 1, 2008	July 1, 2009	July 1, 2010
Number of preferential tariff treatment	3	4	6	10	12	12
	GSP J/Singapore + J/Mexico	+ J/Malaysia	+ J/Chile J/Thailand	+ J/Indonesia J/Brunei J/ASEAN J/Philippines	+ J/Switzerland J/Vietnam	

12



Functions of Organizations in Charge of ROO

- **Uniform application of Rules of Origin**
 - National (OAI Center, final decision by CTB)
 - Regional (OAI Officers, guided by OAI Center)
- **Research / investigation**
(CTB, OAI Center, OAI Officers)
- **Dissemination / Training / Technical Cooperation**
(CTB, OAI Center, OAI Officers)
- **Making ROO and Establishment of the OAI procedures** (CTB, OAI Center(support))

15

(1) Dealing with Inquiries <For uniform application of ROO>

- ✓ **Inquiries** (by e-mail, telephone, at counter)
- ✓ **Advance Ruling**
 - Oral Advance Ruling
 - Written Advance Ruling
- ✓ **Check of stamp or signature on Certificate of Origin**
- ✓ Others

16

(2) Research and Investigation

- **Verification under EPAs**
 - ✓ To secure appropriate administration of ROO
 - ✓ Request for information / verification visit

- **Cooperation with Post Clearance Audit (PCA) section and clearance section**
 - ✓ Dealing with inquiries on ROO
 - ✓ Sharing information on refused cases, doubtful transactions, etc.
 - ✓ Analyzing information and supporting implementation of PCA

17

(3) Dissemination

<For enhancing better understanding of ROO for Customs officer and private sectors>

- **Seminar on ROO**
 - ✓ Seminar on ROO (for Customs brokers, importers, etc.)
 - ✓ Pre-implementation seminar for newly implemented EPA (for Customs officers, Customs brokers, importers, etc.)
 - ✓ Seminar for clearance section, PCA section, etc. (for Customs officers)

- **Producing and providing useful material on ROO**
 - ✓ Customs Website (for private sector) and Customs Intranet (for Customs officers)
 - Operational Manual on ROO
 - Instruction for C/O
 - Issued Advance Rulings
 - Related laws and regulations, etc.



(4) Training on ROO (FY 2010) <To raise professionals on ROO>

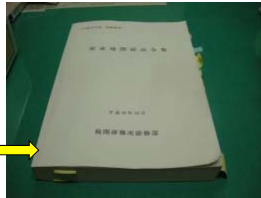
◆ Special Technical Course on ROO (intermediate)

- ✓ 24 participants from regional Customs in Dec. 2010 (for 7 days) at CTI
- ✓ Mainly on theoretical matters

◆ Special Technical Course on ROO (advanced)

- ✓ 12 participants from regional Customs in Feb. 2011 (for 5 days) at CTI
- ✓ Mainly on difficult case study, discussion, skill on presentation

Compilation of
ROO related
Laws &
Regulations



✓(about 950 pages)



Compendium
of ROO

✓(about 660 pages)

19

4. Current Issues

20

Experience of Japan Customs in introducing Approved Exporter system

- Japan Customs had confirmed the reliability of Swiss system of authorizing approved exporter before introducing self-certification system by approved exporter under Japan-Switzerland EPA.
 - Japan Customs had explained the details of this system by holding nationwide pre-implementation seminars for Japan-Switzerland EPA.
- We have introduced this system smoothly.

21

Experience of Japanese Customs in introducing Approved Exporter system

- **Japan Customs had faced difficulty in confirming the validity of origin declaration on invoice or other commercial documents.**
For example,
 - Country code “CH” was used instead of “Swiss” as the origin in the text of origin declaration. → Accepted
 - The phrase “see invoice” was used instead of “Swiss” as the origin in the text of origin declaration. → Accepted in case that the origin of the products is clearly described on the invoice.
 - Origin declaration was written in German language.
→ Not accepted. Origin declaration shall be produced in English under the Japan-Switzerland EPA.

22

Experience of Japanese Customs in introducing Approved Exporter system

OAI Center is in charge of:

- Solving any difficulty that Customs officers face by consulting with OAI officers of regional Customs in order to achieve smooth and uniform implementation.
- Collecting and analyzing information about any suspicious origin declaration in terms of authenticity or accuracy, if necessary, utilizing verification process

23

Challenges

- **Enhancing understanding of RO by stakeholders**
 - Dissemination to Customs officers and the public
- **Ensuring proper application of RO**
 - **Cooperation:**
 - with other division (e.g. PCA section of PCA, Investigation & Intelligence Div.)
 - with private sectors
 - Effective utilization of verification process

24

Thank you for your kind attention!

25