Self-Certification System in Japan

Submitted by: Japan
Self Certification System in Japan

For dissemination at the APEC Workshop on Self-Certification in Brunei Darussalam

Origin Certification Policy Office
Ministry of Economy, Trade and Industry
Japan

For inquiry: gensanti-shomei@meti.go.jp
Japan has introduced the self-certification system since September 2009.

The self-certification ... 
- is available for exporters with government approval;
- is available for exportation for Switzerland so far; and
- will be available for those for Peru and Mexico soon.
Exporters apply for the status of “approved exporter” to the Ministry of Economy, Trade and Industry (METI).

METI confers the status (with approval number) when the application meets the criteria.

“Approved exporter” can make out origin declaration on a commercial document. (e.g.: invoice, packing list)

METI can issue corrective order, conduct inspection, and revoke the approval in certain cases.
Advantages of the system

Under the self-certification system, exporters can enjoy;

- shorter lead time than obtaining COs from the issuing body;
- less paperwork (application) than obtaining COs;
- no issuing fee.

Origin declarations by “approved exporters” retain high level of confidence because of examination and approval of such exporters by the government.
Major Challenges

Introducing Self-Certification system raises two major challenges:

1. Setting approval criteria which is...
   - workable (to approve only eligible exporters)
   - clear and simple (to make the approval process foreseeable)

2. Improve compliance levels of...
   - approved exporters (to keep them rule-abiding)
   - other exporters (to encourage them to make application for approved exporters)
Challenge #1: Setting Approval Criteria

Exporters with “sufficient knowledge and competence to conduct operations of producing an origin declaration properly and reliably” can be approved.

To approve them, exporters should demonstrate followings to METI:

- Exporter obtains preferential COs regularly;
- Certification personnel (with certain experiences) is assigned;
- Senior officials responsible for compliance is assigned;
- Exporter maintains appropriate certification procedure; and
- Exporter maintains close contact with METI/producer(if any).
**Challenge #2: Improving Compliance levels**

1. **Introduce Obligations for Approved Exporters**

   *In addition to preservation of documents proving originating status...*

   - **Recordkeeping of own declarations**
     - e.g. date of issuance, HS code/name/volume of goods, invoice number, name and address of importer

   - **Notification of noncompliance, major changes to METI**
     - e.g. lack of originating status, major errors in origin declarations, change of company name/address or goods to be exported

   - **Renewal of approval (every 3 years)**

   - Penalty, sanction (revocation of approval) applied against violations.
   - METI can order exporters to report/make correction, or conduct inspection.
Challenge #2: Improving Compliance levels (cont’d)

2. Issuing Guidelines for In-house Examination

- Guidelines show examples of CTC/VA examination worksheet and necessary support documents, basic concept and important points of ROO.
- Several kind of guidelines are released (general, textile, chemical products) under close cooperation with related industries.

### Examples of worksheet for CTC/VA examination

<table>
<thead>
<tr>
<th>Product</th>
<th>HS Code</th>
<th>Name</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>HS# and name of all components</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Points to be considered in examination</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VA calculation result</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name and FOB value of exporting good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name, cost and originating status of all components</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>List of supporting documents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Examples of worksheet for CTC/VA examination:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HS# and name of exporting good</td>
<td>HS# and name of all components</td>
<td>points to be considered in examination</td>
<td>VA calculation result</td>
</tr>
<tr>
<td>name and FOB value of exporting good</td>
<td>name, cost and originating status of all components</td>
<td>list of supporting documents</td>
<td></td>
</tr>
</tbody>
</table>
3. Holding seminars on ROO (METI, Chambers of Commerce)
- For all industries (biannual, mainly for company CO officials)
  Contents: basic concept of EPA/FTA, and ROO, overall certification procedures, important points in examining originating status.
- For specific industries (on their request)
  Contents vary with their specific needs.

4. Other measures
- Providing general information on the Web (FAQs, brochures)
- Taking specific inquiries (telephone/email)
  e.g. overall procedure to get COs, techniques to verify the originating status, interpretations of specific ROOs
- Troubleshooting
What We’ve Learned

Applying for an approved exporter is a good opportunity to make the exporter *review* its compliance level.
- whether examination/certification process are appropriate
- whether human resources/oversight system are properly set

Setting clearer compliance requirements makes the approval process more *foreseeable* to all exporters
- Ideas about “*what should be done*” and “*to what extend*”
- Guidelines, seminars are useful way for improvement

→Introducing self-certification system while providing supports for improving compliance makes exporters more reliable.