

Economic Partnership Agreement between the EU and Japan: simplification of certificates of origin

On July 17, 2018, the EU and Japan signed a new Economic Partnership Agreement (EPA), with expected entry into force in the first half of 2019 after ratification by the European and Japanese Parliaments.

In our <u>memorandum of December 2017</u> we highlighted several opportunities arising from this trade deal:

- the elimination of customs duties on more than 90% of EU products exported to Japan; and
- simplified access to the highly regulated Japanese market (non-tariff barriers).

This memorandum summarizes the planned simplification of certificates of origin between the EU and Japan.

Certificate of origin

The EPA allows for a request for preferential tariff treatment based on a statement of origin by the exporter or on the importer's knowledge that the product is an originating product. Where the claim for preferential tariff treatment is based on the importer's knowledge, the exporting party must provide the importer with detailed information proving that the product is an originating product. However, any disclosure of such information could harm the commercial interests of the exporter in question. Therefore, in practice, only related parties are expected to use the importer's knowledge method.

Where a claim is based on a statement of origin and the exporter shares limited information with the importer or with the importing customs authority, any additional information required must be obtained through the exchange of information between the exporting customs authorities (i.e. the EU and Japanese customs authorities).

The exporter is free to determine which, if any, information pertaining to the originating status of the products is shared with the importer. Time will tell whether this information sharing will affect the relationship between exporter and importer. The information the exporter shares with the importer and/or the EU and Japanese customs authorities determines how the verification process will proceed.

Questions?

We have specialists dedicated to international Trade & Customs, ensuring that we are well placed to help understand local and global operating requirements and answer any questions you may have in this respect.



Page 2

Meijburg & Co Contact Information

For additional information on our Trade and Customs Practice, please contact your local Meijburg & Co advisor or go to our website:

http://meijburg.com/index.php/page/trade-customs

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