

# EU – JAPAN EPA

# FOREST PRODUCTS

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.



EU-Japan Centre  
for Industrial Cooperation  
日欧産業協カセンター



[www.eu-japan.eu/epa-helpdesk](http://www.eu-japan.eu/epa-helpdesk)

Under the  
supervision of



# EPA Process

**INCREASE  
MARKET SHARE  
EU PRODUCTS**

**PROMOTION &  
INFORMATION**

**July 2018  
Signature**

**1/2/2019  
Entry into Force**

# Market Access

## Types of EPA Concessions

Type	EPA Code	Description
Immediate Liberalisation	A	Japan's base rate is eliminated at the entry into force of the Agreement
Duty elimination spread over a period	B	Gradual elimination of Japan's base rate over a period of time. the zero duty will be applied in subsequent years.
Duty reduction spread over a period	R	Gradual reduction of Japan's base rate to a certain level. The final reduced level will be applied in subsequent years.
Tariff rate quotas	TRQ	TRQs allow for one of the above preferences within the limits of an annual import quantity.
Exclusion	X	Tariff lines excluded from any preference

- **In General:**
- **All EU Forest products:**
  - were already liberalised at MFN level, or
  - have been liberalised at the entry into force of the EPA, or
  - will be gradually liberalised under the EPA.
- **tariff lines liberalised at the EIF are not listed in the EPA Schedule.**
- **All tariff lines can be found at website of Japan's Customs:**  
[http://www.customs.go.jp/english/tariff/2019\\_4/data/e\\_50.htm](http://www.customs.go.jp/english/tariff/2019_4/data/e_50.htm)

## In Detail:

### CH 44: Wood and Articles of Wood; Wood Charcoal

- Headings 44.01 to 44.06, 44.08, 44.11, 44.13 to 44.15, 44.17, 44.19 to 44.21: all duty free since EIF.
- Headings 44.07, 44.09, 44.10, 44.16 and 44.18: mixture of duty free since EIF and gradual liberalisation in 7 years.
- Heading 44.12 (plywood, veneered panels and similar laminated woods): mixture of
  - liberalisation at the EIF (e.g. HS 4412.94 - blackboard, laminboard, battenboard;
  - gradual liberalisation in 7 or 10 years (e.g. 4412.31 – other plywood with a least one outer ply of tropical wood)

## In Detail:

### Remaining Chapters

- **Chapter 45 – Cork & articles of cork: zero duty at MFN level**
- **Chapter 46 – Manufactures of straw, of esparto or of other plaiting materials: liberalisation since EIF of Agreement**
- **Chapter 47 – Pulp of wood or of other fibrous cellulosic material: zero duty at MFN level**
- **Chapter 48 – Paper and paperboard; articles of paper pulp: zero duty at MFN level**
- **Chapter 49 - Printed books, newspapers, etc.: zero duty at MFN level**

## BASICS

Specified by product in the Product Specific Rules of Origin (PSR) – Annex 3-B

The following **definitions** apply:

- **Chapter:** the first 2 digits
  - **Heading:** the first 4 digits
  - **Sub-Heading:** the first 6 digits
- } in the HS tariff classification code

**Wholly Obtained:** EU/Japan origin is required

**CC (Change of Chapter):** Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Chapter**

**CTH (Change of Tariff Heading):** Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Heading**

**CTSH (Change of Tariff Sub-Heading):** Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another **Sub-Heading**

**PSR may contain product-specific exceptions/conditions !!**

## Generalities

- to benefit from an EPA preference: product must be **originating** in the EU or Japan.
- to be **originating** the product must comply with:
  - the provisions “Rules of Origin” of the EPA text (Chapter 3), including:
    - conditions to be originating
    - provisions regarding cumulation, tolerances etc., claim for preferential treatment, self-certification system
  - the Product Specific Rules (**PSR**) for each product (Annexes 3A/3B and Appendix 3-B-1): further requirements in order to be originating.

For Forest products, these requirements can include:

- a change in tariff classification
  - a maximum value of non-originating materials
  - a minimum regional value content
- the EPA allows for **Bilateral Cumulation**: if a product qualifying as originating in one Party, it is considered as originating in the other Party if that product is used as material in the production of another product in the other Party

## SPECIFIC PRODUCT RULES (PSR)

**CC except from Chapter 14** (Headings 4601.29, 4601.94 and 4602.19):  
Non-originating materials can be used in the production if these materials are classified under a Heading different than the one of the produced good, except from Chapter 14.

For all other tariff lines:

### **CTH or MaxNOM 50% (EXW) or RVC 55% (FOB)**

Non-originating materials can be used in the production if these materials are classified under a Heading different than the one of the produced good, on condition that:

the value of the non-originating materials is not higher than 50% of the Ex-Works price value of the produced good, or that the produced good includes at least 55% as a minimum regional value content in value (FOB).

▶ EPA text and Annexes:

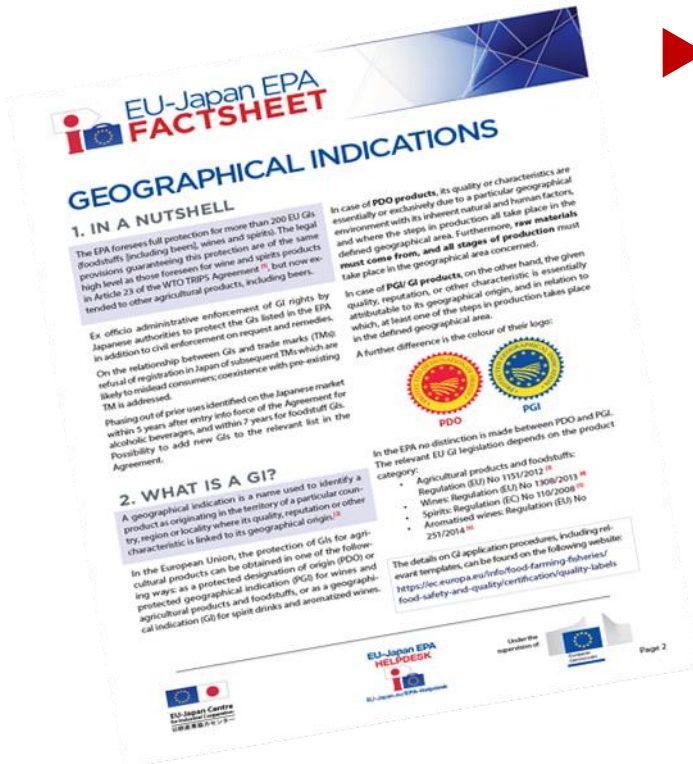
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

Of which:

- ▶ Annex 2-A: Schedule and Notes;
- ▶ Annex 3-B: Product specific rules of origin;

▶ EPA Helpdesk: <https://www.eu-japan.eu/epa-helpdesk>

▶ Fiches per sectors and webinars on EPA outcome



9 April 19	Wines and Spirits
7 May 19	Geographical Indications
21 May 19	Dairy Products
11 June 19	Meat Products
18 June 19	Processed Agricultural Products
28 Jan 20	Fruit & Vegetables

- ▶ Overall import conditions in Japan:
  - ▶ European Commission DG TRADE “Market Access Database”:  
<http://madb.europa.eu/madb/indexPubli.htm>
  
- ▶ Japan’s Customs:  
[http://www.customs.go.jp/english/c-answer\\_e/imtsukan/1524\\_e.htm](http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm)

- ▶ **European Commission (DG TAXUD) – Rules of Origin:**
  - ▶ [https://ec.europa.eu/taxation\\_customs/business/calculation-customs-duties/rules-origin\\_en](https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en)
  - ▶ [https://ec.europa.eu/taxation\\_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan\\_en](https://ec.europa.eu/taxation_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan_en)
  - ▶ [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/eu\\_japan\\_epa\\_guidance\\_claim\\_verification\\_denial\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_japan_epa_guidance_claim_verification_denial_en.pdf)

# Thank you for your attention

Yvan VAN EESBEEK

Consultant at the EU-Japan Centre for Industrial Cooperation

## QUESTIONS ?

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.