NATIONALITY OF IMPORTED GOODS

Statements received from the Contracting Parties

Addendum

Contracting parties were asked, in document L/71 of 21 January 1953, to submit statements of their present principles and practices in determining the nationality of imported goods. The following information has been received from the Government of Japan:

JAPAN

1. Purposes for which origin of imported goods is required to be established in the following cases:

(a) For the application of differential rates of duty.

At present, rates of duty are not differentiated in accordance with the place of origin of the goods imported. Therefore, determination of the place of origin is not required for such purposes.

However, with respect to goods grown or produced in the Ryukyu Islands, which are entitled to duty exemption upon their importation into Japan, a certificate of origin is required for the purpose of confirming the place of origin.

In future, however, if a conventional duty is established as a result of tariff negotiations, a definition to determine place of origin will have to be established for the application of such duty.

(Reference) Article 3 of the Customs Law, Article 1 of the Cabinet Order for Enforcement of the Customs Law, and Article 1 of the Cabinet Order Concerning Exemption from Import Duty of Goods Produced in Areas Treated as Foreign Territory under Article 23 of the Customs Tariff Law ..... Appendix (1), A, B and D.
(b) For the application of quantitative restrictions.

Since foreign exchange is under government control, and the estimates in the foreign exchange budgetary appropriation are made by settlement areas, a confirmation of place of origin is required.

The place of origin can usually be confirmed by invoice, bill of lading and marks of goods, etc. A certificate of origin is required only where the place of origin and place of shipment are in different settlement areas.

(Reference) Annex to Schedule No. 2 to the Regulation Concerning Standard Method of Settlement ...... Appendix (1) C.

(c) For the compilation of trade statistics.

In Japanese trade statistics (general trade statistics), actual figures of imported goods are tabulated according to country (or place) of origin.

This is the reason why origin is required to be declared for statistical purposes.

2. Definition of origin

The clear concept of origin is not defined in any of the existing laws or orders.

In practice, the country where the goods were actually grown, produced or manufactured, is regarded as the country of origin. If the goods were manufactured or have undergone processing, transformation, repair or mixture to such an extent as to be considered as manufacturing, the country where such manufacture or processing was done is regarded as the country of origin.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

Where goods were imported after merely passing through other countries, the treatment is the same as in the case of direct importation.

When formalities for importation of goods are required by a country, or countries, on the way to Japan, the country of origin will be different from the country of shipment for foreign exchange control purposes. Consequently, if the country of origin and the country of shipment are different, as far as the settlement accounts area is concerned, a certificate of origin is required.
4. **Proof of origin**

The following applies if a certificate of origin is required:

(a) **Form of certificate or other proof.**

There is a standard form of certificate, on which the mark, number, description, quantity, value, place of production, place of purchase, place of provenance and destination of the goods are required to be described.

(b) **Issuance of certificates.**

Certificates of origin are issued by Japanese consulates (or similar diplomatic establishments abroad) located in the place of origin of the goods, place of purchase, place of provenance or place of shipment. Where such Japanese consulates or similar diplomatic establishments do not exist, documents certified by customs authorities, other government agencies concerned, or chambers of commerce are accepted.

(c) **Verification by customs authorities.**

Certificates of origin are formal documents, and are not acceptable unless the requirements provided for in laws and orders are complied with.

Since changes in the number or quantity are not unusual in the course of transportation and trade, etc., it is the practice, however, that the certificates are acceptable if the customs officer is convinced, after checking with the actual goods, that they are true proofs.

(Reference) Paragraph 2, Article 1 of the Cabinet Order for Enforcement of the Customs Law .... Appendix (1) D.

5. **Proposals for international action**

There is no denying the desirability of having an international unification of the conception of origin in order to facilitate international trade. However it is considered impractical to come to such a unification since many problems are produced which are contrary to the interests of various countries as regards the degree of their different economic conditions.
APPENDIX (1)

Existing Legislation relating to Establishment of Place of Origin

A. Customs Law

Article 3. (Objects of Assessment)

Under this Law and the Customs Tariff Law (Law No. 54 of 1910), customs duty is assessed on imported goods provided, however, that the goods - with respect to which special provisions as to customs duty are established in Conventions - are subject to such provisions.

B. Cabinet Order for Enforcement of the Customs Law

Article 1. (Certificate of Origin)

Any person who, with respect to imported goods (except postal traffic and any goods not exceeding ninety-thousand yen (¥90,000) in value for customs duty), is desirous of obtaining the benefit regarding customs duties, provided for in special provisions of Conventions .... shall, upon import declaration, file with the Director of Customs a certificate of origin, certifying that the said goods are the growth, produce, or manufacture of the foreign country to which such special provisions shall apply. Provided, however, that the Director of Customs may, when it is shown to his satisfaction that the certificate cannot be submitted at the time of import declaration due to any unavoidable cause, allow the presentation of the certificate to be deferred.

C. Cabinet Order Concerning Exemption from Import Duty of Goods Produced in Areas Treated as Foreign Territory under Article 23 of the Customs Tariff Law

Article 1. (Proof of the Place of Origin)

Any person who desires to have the import duty exempted with respect to the importation of any goods produced in the area treated as foreign territory by virtue of the provisions of Article 12 of the Customs Tariff Law, (referred to hereinafter as "the areas treated as foreign territory"), shall prove the origin of such goods. However, this provision shall not apply to postal traffic and goods not exceeding ninety-thousand yen (¥90,000) in value.

With respect to any goods produced in areas other than the Nansei Shoto south of 29° north latitude (excluding the Daito Shoto), as among "the areas treated as foreign territory", the proof of their origin shall not be required for the time being - notwithstanding the provisions of the preceding paragraph.
D. Annex to Schedule No. 2 to the Regulation Concerning Standard Method of Settlement

Depending on the payment abroad, the value of imported goods has to be established on the basis of United Kingdom pound Sterling where the country of origin belongs to Sterling areas; through special settlement account where it belongs to Special Settlement Account areas; in US dollars or Canadian dollars where it belongs to Canada; in Swiss francs where it belongs to Switzerland and in US dollars where it belongs to any area other than those mentioned above. However, if the country of origin and the loading place belong to different areas, account will be taken of the place where the certificate of origin and certificate of bonded transportation which accompanied the goods was issued, from the country of origin to the loading port, and which are presented upon customs clearance.

E. Cabinet Order for Enforcement of the Customs Law

Article 1.

A certificate of origin in the preceding paragraph shall contain the marks, number, description, quantity, value, place of origin, purchase, provenance and destination of the goods, and shall be certified to by the Japanese Consulate or similar Japanese diplomatic establishments in the place of origin, purchase, provenance or shipment, or by the Customs authorities, other government agencies concerned, or chambers of commerce in their places if neither Japanese consulate nor similar diplomatic establishments are located there.