

GUIDE TO USING JAEPA TO EXPORT AND IMPORT GOODS

The Japan-Australia Economic Partnership Agreement (JAEPA) delivers substantial benefits for the Australian economy, making it easier to do business with Japan, our second-largest trading partner. JAEPA is the most liberalising bilateral trade agreement that Japan has ever concluded, providing Australian exporters, importers, investors and producers a significant advantage over their international competitors.

JAEPA eliminates or reduces barriers to trade in goods between Japan and Australia. This benefits Australian businesses that seek to export Australian goods to Japan or want to import Japanese goods for sale in Australia or for use as inputs into further manufacturing.

A key impediment to importing and exporting goods is tariffs (customs duties) – taxes imposed by governments on goods arriving from overseas. On full implementation, JAEPA will provide 97 per cent of Australian exports (by 2013 import value) with customs duty-free or preferential tariff access to Japanese markets. This includes rapid reduction of prohibitive tariffs on agricultural products and elimination of tariffs on 99.7 per cent of Australian resources, energy and manufacturing exports on day one of JAEPA's operation.

This step-by-step guide seeks to assist Australian exporters and importers in taking advantage of preferential tariff treatment under JAEPA.

This guide will help you answer the following questions:

- **What goods am I exporting/importing?**
 - Identifying the customs tariff code for a good is a critical first step.
- **How are these goods treated under JAEPA?**
 - This guide will assist you to identify whether a preferential duty rate applies to your goods.
- **Where are my goods produced?**
 - Only goods that 'originate' in Australia or Japan are eligible for preferential tariff treatment under JAEPA. There are specific rules to determine eligibility.
 - This prevents other countries gaining the benefit of JAEPA by simply transhipping their goods through Australia or Japan.
- **My goods qualify for preferential treatment under JAEPA. How do I ensure I get the lower tariff rate?**
 - Goods seeking preferential treatment under JAEPA must be accompanied by appropriate origin documentation.

FOUR STEPS TO USING JAEPA:

Step 1: WHAT goods am I exporting or importing?
(tariff classification)

Step 2: HOW are these goods treated under JAEPA?
(tariff treatment)

Step 3: WHERE are my goods produced?
(rules of origin)

Step 4: CERTIFY the origin of my goods

1 WHAT

STEP 1: IDENTIFY THE TARIFF CLASSIFICATION OF YOUR GOODS

Determining how JAEPA treats a particular good requires correct identification of that good.

In JAEPA, as in all trade agreements and the WTO, goods are identified by reference to an internationally-recognised system known as the *Harmonized Commodity Description and Coding System*, commonly referred to as the **Harmonized System (HS)**. The HS is a broad classification system of around 5000 six-digit product categories. Typically, countries further sub-divide the six-digit HS product categories into eight-digit or more tariff lines for greater specificity (Australia uses eight-digit tariff codes and Japan uses nine-digit codes).

Classification

There are multiple ways to find out the HS code applicable to your product:

1. For imports to Australia, use the working tariff provided by the Australian Customs and Border Protection Service (ACBPS) which lists all tariff classifications under [Schedule 3 of the Customs Tariff Act 1995](#).
2. For exports to Japan, we suggest consulting the [Japanese Customs Service tariff schedule](#) to search for your product.

Advance rulings

If in doubt about the HS classification applicable to your goods, it is a good idea to seek an advance ruling from the appropriate customs administration.

Under JAEPA, Australian exporters or producers can directly request an advance ruling from Japan's Customs Service on the tariff classification of the goods intended for export. More information is available at

http://www.customs.go.jp/english/c-answer_e/imtsukan/1202_e.htm

If you are importing goods into Australia and would like an advance ruling, please contact the ACBPS. More information can be found at

<http://www.customs.gov.au/tariff/tariff-advice.asp>.

Advance rulings

Australian and Japanese customs authorities are required to provide written advance rulings on tariff classification, valuation and origin in response to requests by importers, exporters or producers in the either Party. This gives greater certainty to businesses.

Advance rulings can cover the HS classification applicable to your goods, the method the relevant customs authority will use to assess the value of your goods or whether your goods are considered 'originating' for the purposes of JAEPA (see Step 3).

2 HOW

STEP 2: UNDERSTAND HOW YOUR GOODS WILL BE TREATED UNDER JAEPA

Once you have the tariff code, you can determine how your goods will be treated under JAEPA. Both Japan and Australia have set out their commitments to reduce duty rates on goods in lists, called tariff schedules.

The schedules contain thousands of rows of tariff lines that show in a column the base duty rate on which reductions occur (if required). In a separate column a code is used to indicate the tariff staging category for that product. A further column indicates any specific notes applicable to that tariff line.

You can check how your goods will be treated by either country by reading their tariff schedules, both of which form Annex 1 to the Agreement and can be found [here](#).

Exporters

If you are exporting to Japan, you will need to check Japan's tariff schedule. Japan's JAEPA tariff schedule can be difficult to navigate and contains a great deal of variation and detail in terms of staging categories relating to the treatment of products (see box on page 4).

To assist Australian exporters, [an unofficial 'explanatory' schedule](#) has been prepared, which reflects outcomes at Japan's nine-digit tariff line level. This document is for guidance only; you should rely on Japan's original tariff schedule as the authoritative document.

Under JAEPA, Australia also has access to exclusive Australia-only tariff rate quotas for a range of agriculture products (see page 6 for more information).

JAEPA exempts Australian exports from its automatic global 'snapback' beef safeguard, but does include a discretionary lower tariff rate safeguard measure on fresh and frozen beef (see box on page 6).

Importers

If you are importing from Japan, you will need to check Australia's tariff schedule. Australian staging categories range from 'A' – indicating that existing duty free access will be maintained – to 'G', indicating gradual elimination of the base duty rate over 5 equal annual stages, beginning in the fourth year of JAEPA's operation and falling to 0 by year 8.

What year has JAEPA reached now?

When reading the tariff schedules, it is important to know the year of JAEPA's operation. JAEPA entered into force on 15 January 2015, making the first year of the Agreement 2015. JAEPA then measures each year of operation from 1 April, thus:

Date commencing	Year of JAEPA's operation
15 January 2015	1
1 April 2015	2
1 April 2016	3
1 April 2017	4
1 April 2018	5
And so on	

Japan's staging categories – a quick guide

Japan's staging categories can appear complex and detailed. The following is a quick guide to the effects of the different staging categories:

Category	Tariff Treatment
"A"	Immediate elimination of tariffs on entry into force.
"B3 – B15"	Tariffs in 'B' staging categories will generally be eliminated within the number of years of the staging category (e.g. B3 tariffs will be eliminated within three years). Tariffs in these categories will therefore generally be reduced to zero in a number of equal annual stages from entry into force equivalent to the staging category <u>plus one</u> , to take account of the tariff cut which occurs on entry into force. For example, 'B3' tariffs are eliminated in <u>four</u> equal annual stages from entry into force, 'B15' in <u>sixteen</u> equal annual stages).
"P"	Tariffs in category P are reduced in accordance with the applicable note in column four of the schedule.
"PS"	Tariffs in PS are reduced in accordance with the applicable note in column four of the schedule, and will be subject to review within five years from entry into force of the Agreement.
"Q"	Tariffs in Q categories are subject to a tariff rate quota in accordance with the applicable note in column four of the schedule. Tariff rate quotas are specific volumes of goods which will be entitled to preferential tariff treatment in a given timeframe. For example, ham will be subject to a quota beginning at 5,600 tonnes in the first year of JAEPA's operation and rising to 14,000 tonnes by year six. Exports of ham to Japan that fall within this quota will be eligible for a preferential duty rate calculated by reference to the value of the exports.
"QS"	Tariffs in QS categories are subject to a tariff rate quota in accordance with the applicable note in column four of the schedule, and will be subject to review within five years from entry into force of the Agreement.
"R"	Tariffs in category R are excluded from any preferential commitment by Japan but are subject to negotiation in the fifth year following entry into force of this Agreement.
"S"	Tariffs in category S are excluded from any preferential commitment by Japan but are subject to review by the parties within five years from entry into force of the Agreement or a year on which the parties otherwise agree, whichever comes first.
"X"	Tariffs in category X are excluded from any preferential commitment by Japan.
Any of the above letters plus "*", "**" etc	Tariffs will be treated as for that category but special extra conditions in the notes will apply.

Reading the tariff schedules – examples

The Australian and Japanese tariff schedules look slightly different, but each schedule contains the following information:

- a 'base rate' column (column 3) showing the base duty rate or tariff from which reductions will be calculated; and
- a staging category column (column 4) indicating the rate of elimination or reduction of tariffs under JAEPA.

The Japanese schedule also contains a column referencing notes that provide more information about the treatment of those specific goods (column 5).

Sample Australian schedule

HS Code (HS 2012)	Description	Base rate	Staging category
8205.40.00	-Screwdrivers	5.0%	B
8421.23.00	--Oil or petrol-filters for internal combustion engines	5.0%	C

In the above examples, Australian tariffs on screwdrivers, in staging category B, will be eliminated on entry into force. Tariffs on oil or petrol filters for combustion engines, in staging category C, will be eliminated in three equal annual stages so as to be free of duty by year three of JAEPA's operation.

Sample Japanese schedule

Tariff item number	Description	Base rate	Staging Category	Notes
22.01	Waters, including natural or artificial mineral waters		A	
6104.42	Dresses -- Of cotton	10.9%	B4	
02.01	Meat of bovine animals, fresh or chilled.	38.5%	PS*	(3)
1601.00	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.*		Q	(45)

In the above examples, Japanese tariffs on mineral waters, in category A, will be eliminated on entry into force of JAEPA. Accordingly, no base rate has been specified. Cotton dresses, in category B4, will be reduced from a base rate of 10.9 per cent in five equal annual stages.

Fresh or chilled beef will be reduced (but not eliminated) from a base rate of 38.5 per cent in accordance with the provisions of Note 3. As this product falls in the PS category, this reduction is subject to further review within five years of JAEPA's entry into force. Sausages, in category Q, are subject to a quota, the details of which are set out in note 45.

Exporting to Japan under JAEPA's Tariff Rate Quotas

Under JAEPA, Australian exporters have access to exclusive Australian-only tariff rate quotas (TRQs) on 19 agricultural products. These products are identified by a "Q" or "QS" in the staging category column on the schedule. Some of these agricultural TRQs are administered by Australia, and some are administered by Japan.

TRQ Products administered by Australia

- Pork
- Edible bovine offal
- Poultry offal
- Honey
- Prepared or preserved meats (two TRQs)
- Orange juice
- Apple juice

Information about how to apply for a certificate of TRQ for these Australian administered TRQs may be found at: www.agriculture.gov.au/japanquotas

TRQ Products administered by Japan

- Horses
- Frozen yoghurt
- Cheese (four TRQs)
- Malt
- Confectionary
- Chocolate
- Ice cream
- Esterified starches (and derivatives)

Information about how to apply for a certificate of TRQ for these Japan administered TRQs can be found at: www.maff.go.jp/j/kokusai/boueki/triff/t_au/06/01/h26/h261225/index.html (Japanese only).

Safeguard on beef

In a first, JAEPA exempts Australian beef exports from Japan's automatic global beef "snapback" mechanism, where it has the right to raise tariffs up to 50% if there is a surge in imports. The snapback mechanism remains in place for other beef exporting countries.

JAEPA does include a discretionary Australia-specific agricultural safeguard measure on fresh and frozen beef. Agricultural safeguard measures are generally used to protect domestic industry from sudden surges in imports.

Under the safeguard measures Japan has the right to apply the higher non-preferential tariff rate on beef (currently 38.5%) if import volumes exceed a set trigger level for a given year. The trigger levels for frozen and fresh/chilled beef are treated separately – but both trigger levels are set well above current trade and will grow. The trigger levels are set out in Annex 1 of JAEPA (www.dfat.gov.au/fta/jaepa/downloads/jaepa-annex-1.pdf).

If the trigger level is exceeded, and Japan chooses to apply the safeguard, Australian beef exporters will continue to be able to export beef but will no longer benefit from the prevailing reduced tariff rate provided by JAEPA on those beef exports above the trigger level. Any product in transit between Japan choosing to apply the safeguard and its implementation will still receive the reduced rate.

Japanese authorities will notify the Australian Government if they intend to apply the safeguard, after which the Government will notify relevant peak industry bodies as a priority.

3 WHERE?

STEP 3: DETERMINE WHETHER YOUR GOODS MEET RULES OF ORIGIN REQUIREMENTS

JAEPA preferential rules of origin (ROO) are agreed criteria used to ensure that only goods that originate in either Japan or Australia enjoy preferential tariff rates. These criteria are required to prevent transshipment, where goods from a third party are redirected through either Japan or Australia to avoid paying higher tariffs. Any imports into Japan or Australia that do not comply with the ROO set out in Chapter 3 and Annex 2: *Product Specific Rules* (PSRs) will be subject to the general rate of duty applied in Australia or Japan instead of the preferential tariff rates available under JAEPA.

In general, a good will qualify as 'originating' under JAEPA if it is:

- wholly obtained or produced entirely in Japan or Australia (or both);
- produced entirely in Japan or Australia (or both), from materials classified as 'originating' under the ROO; or
- produced in Japan or Australia (or both) using inputs from other countries, and meets the Product Specific Rule (PSR) applicable to that good.

Wholly Obtained Goods

Wholly obtained goods are goods which are exclusively derived from one country. Typically these are agricultural goods and natural resources (90% of Australia's current exports to Japan fall within this

category). The table on page 12 sets out the categories of goods which JAEPA treats as wholly obtained.

However, JAEPA also treats goods that are made exclusively from wholly obtained goods (from either Japan or Australia) as being wholly obtained (Art. 3.3(l)).

Goods containing inputs from outside Japan or Australia

Goods made from inputs sourced from outside Japan or Australia may still qualify as originating, as long as they have undergone a 'substantial transformation' in Japan or Australia (or both).

PSRs, set out in [Annex 2: Product Specific Rules](#), provide rules by which Japanese and Australian customs will determine whether a good has undergone substantial transformation. If your good contains inputs from outside Australia or Japan, you will need to check the applicable PSR to determine whether your good qualifies as originating.

Goods with a very small proportion of imported inputs – less than 10 per cent of the product's value, will not need to comply with a PSR. See page 9 for more information.

Understanding PSRs

Change in tariff classification

Most PSRs in JAEPA apply a change in tariff classification (CTC) rule. A CTC rule requires that any non-originating inputs/materials that are incorporated into the final good undergo a specified change in tariff classification (HS code) in Australia or Japan.

For example, pure, unwrought gold (HS 7108) has a different classification to gold jewellery (falling within articles of jewellery in HS 7113). In the process of being incorporated into jewellery, the tariff classification of pure gold changes. This means that jewellery manufactured in Australia or Japan from imported gold would count as 'originating', regardless of the origin of the unwrought gold.

Different products may be subject to different CTC rules. There are three types of CTC rule which could apply:

- **Change in Chapter (CC)** – change in any of the first two digits (or 'chapter') of the HS code of non-originating materials once part of the finished product. E.g. importing flat-rolled stainless steel (classified in **Chapter 72**) and producing stainless steel letter openers (classified in **Chapter 82**).
- **Change in tariff heading (CTH)** – change in any of the first four digits of the HS code of non-originating materials once part of the finished product. E.g. importing pure gold (HS **7108**) to manufacture gold jewellery (HS **7113**).
- **Change in tariff subheading (CTSH)** – change in any of the six digits of the HS code of non-originating materials once part of the finished product. E.g. importing camera parts (HS **9006.91**) and incorporating them into an underwater camera (HS **9006.30**).

In JAEPA, Australia and Japan agreed, for simplicity, to consolidate (where possible) the list of PSRs. This means that, where whole groups of products are subject to the same PSR, they are listed as a group only. For instance, all 26 sub-headings in Chapter 10 (Cereals) are subject to a CC rule, so Chapter 10 is listed as only one line in the PSR schedule.

Qualifying Value Content

A CTC is not the only way to identify substantial transformations. Some PSRs require a product to have undergone a specific amount of value-add in Japan or Australia, measured by the 'qualifying value content' (QVC) of the good. Some PSRs provide a QVC rule as an alternative to a CTC rule; others require a QVC in addition to a CTC rule.

A QVC approach stipulates that originating materials and processes must represent a specific proportion of the product's final value. More information about calculating QVC is provided on page 12.

Although the term 'Qualifying Value Content' or QVC was used for the official text of JAEPA, the term has the same meaning as 'Regional Value Content' (or RVC), used in other trade agreements Australia has concluded. For the purposes of providing consistency for traders, a QVC requirement under JAEPA is listed as RVC in Australia's domestic legislation and Australian Customs and Border Protection's instructional materials.

How to find the PSR applicable to your product

Using the tariff classification from step 1, you can check [Annex 2: Product Specific Rules](#).

Using your good's tariff code, identify the relevant entry in the schedule. Recall that some goods will only be listed by chapter or tariff heading, not down to the six-digit sub-heading level. Once you have found the relevant entry, the third column identifies the relevant PSR, for example:

<u>HS Code</u>	<u>Description</u>	<u>PSR</u>	
2103.10	Soya sauce	CC	
7321.11	Cooking appliances for gas fuel or for both gas and other fuels	CTH or QVC 40	
3917.23	Tubes, pipes and hoses, rigid, of polymers of vinyl chloride	CTSH	CR, P, CPS or IS

In the above example, non-originating inputs into soya sauce must undergo a change in chapter (change in the first two digits of the HS classification).

Gas-fuelled cooking appliances, on the other hand, must either have all non-originating materials used in production undergo a change in the tariff classification at the four-digit level (change in tariff heading or CTH) or be made with a QVC of at least 40 per cent.

PVC piping must undergo a change in tariff classification at the six-digit level (change in tariff sub-heading or CTSH). The letters in the fourth column refer to specific notes which apply to the PSRs for that product. These notes apply to goods produced through specific processes (such as chemical reactions). More information can be found in the headnotes to Annex 2 or by contacting your customs broker.

Other Important ROOs

There are other important factors to take into account in understanding whether your good qualifies as 'originating'.

The 10 per cent (de minimis) rule

Where a good contains a small amount of imported inputs, but those non-originating inputs fail to meet the necessary CTC rule once incorporated in the final good, the product may still be considered originating. If the value of all non-originating materials used in producing the good does not exceed 10 per cent of the customs value of the good, the product will count as originating under this rule. There

are exceptions to this rule – for example, for textiles goods the 10 per cent measurement is applied by weight. Further, non-originating materials of goods in HS Chapters 1-24 must also have undergone a CTSH (change at the six-digit level) to be able to apply the 10 per cent rule.

Goods seeking to use this rule must comply with any other applicable requirements of the ROOs. Further information can be found in JAEPA Art. 3.4(3). Box 3 on page 12 provides details on calculating a good's adjusted value.

Accumulation

The rule of accumulation provides that goods which are originating in one country are considered originating in the other for the purposes of JAEPA. Thus, if Australian-originating goods were incorporated into a product made in Japan, that input would be treated as if it originated in Japan.

Fungible goods and materials

Fungible goods are those which are identical or interchangeable, because they are of the same kind of commercial quality, possess the same technical and physical characteristics, and, once mixed, cannot be readily distinguished. Examples include natural gas, grain, or simple parts (e.g. rivets). Specific accounting rules apply to exporters wishing to demonstrate that fungible goods are originating under JAEPA. More information is available in Art. 3.10.

Non-qualifying processes

Goods will not qualify as 'originating' if they have only undergone a simple process such as packaging, simple assembly or preservation methods. A full list of processes that will not confer origin is available in Art. 3.7.

Indirect materials

Materials used in the production of a good, but not physically incorporated in the good, are not counted in determining whether a good is originating. Examples include fuel and energy, tools, moulds, catalysts and solvents. A full list is available by reading Art. 3.11 in conjunction with Art. 3.1.

Accessories, spare parts and tools

The origin of accessories, spare parts or tools presented and classified with a good

will not be taken into account to assess whether a good has complied with applicable CTC rule, provided that the quantity and type of accessories are customarily supplied with those finished goods and they are not invoiced separately. The value of accessories, spare parts and tools is taken into account, however, in assessing a good for the purposes of a QVC rule.

Packaging materials, containers and packing

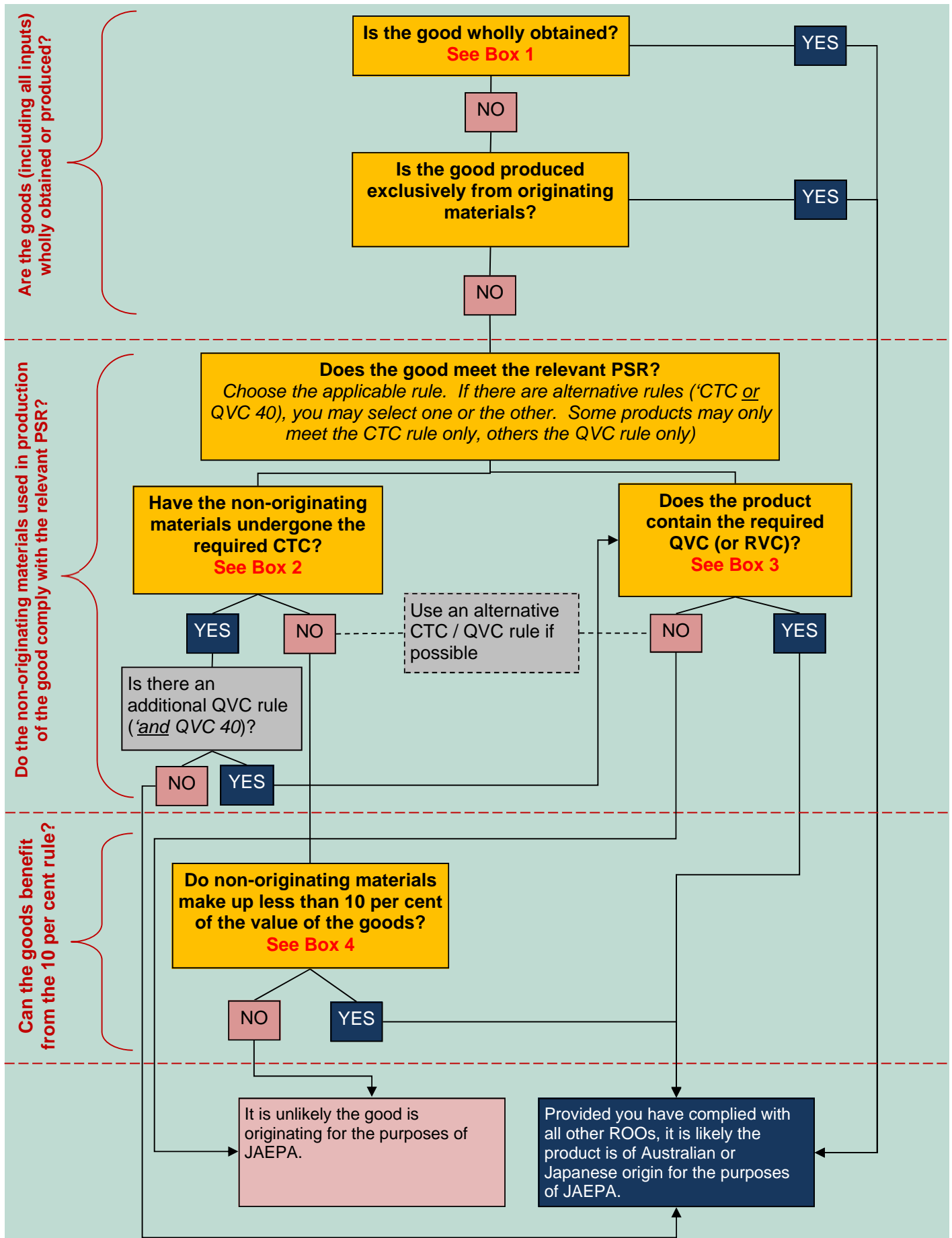
For the purposes of the CTC rule, retail packaging materials are not taken into account to determine whether a product incorporates non-originating materials. However, the value of retail packaging materials is considered in assessing the value of a good for the purposes of a QVC rule, where one applies. Further information can be found in JAEPA Art. 3.13. Packing materials for shipping and transport are not considered in determining origin.

Transit through a third-party

JAEPA is designed to reflect modern trading practices, including the use of transport and distribution hubs for consignments of goods. Under JAEPA Art. 3.8, goods that are transhipped through a third-party (e.g. Singapore) will not lose their originating status so long as they do not undergo any operation other than storing, repacking, relabelling, splitting up for transport reasons or any operation necessary to preserve the goods in good condition to be transported on to Japan or Australia.

However, goods shipped through a third-party must remain under customs control, or they will lose their originating status.

A SIMPLE GUIDE TO USING RULES OF ORIGIN UNDER JAEPA



A SIMPLE GUIDE TO USING RULES OF ORIGIN UNDER JAEPA

1. Is the good wholly obtained?	2. Does the good meet the relevant Change in Tariff Classification Rule?	3. Does the good comply with the Qualifying Value Content rule?	4. Can the good benefit from the 10 per cent (<i>de minimis</i>) rule?
<p>Wholly obtained goods from the area of one or both of the parties (see Art. 3.3): <i>Note – Art 1.2 provides a definition of the term ‘area’.</i></p> <p>live animals born and raised in the area of a party</p> <p>animals obtained from hunting, trapping, fishing, gathering or capturing in the area of a Party;</p> <p>goods obtained from live animals in the area;</p> <p>plants, fungi and algae, harvested, picked or gathered;</p> <p>minerals and other naturally occurring substances extracted or taken;</p> <p>goods of sea-fishing and other goods taken by Australian or Japanese vessels outside the territorial sea of the Parties;</p> <p>goods produced on board a Japanese or Australian factory ship from any sea-fishing and other goods taken by Australian or Japanese vessels;</p> <p>goods taken from the seabed or subsoil beneath the seabed outside the territorial sea, where Japan or Australia have rights to exploit that seabed, ocean floor or subsoil;</p> <p>articles collected which can no longer perform their original purpose nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of raw materials;</p> <p>scrap and waste derived from manufacturing or processing operations or from consumption in the Party and fit only for disposal or for the recovery of raw materials;</p> <p>raw materials recovered from articles which can no longer perform their original purpose nor are capable of being restored or repaired</p>	<p>Check the CTC rule applicable to the tariff classification for your good at http://www.dfat.gov.au/fta/jaepa/downloads/jaepa-annex-2.docx</p> <p>CC – do the non-originating inputs that went into the product now come under a different chapter as part of the finished product (change in any of the first two digits of the tariff classification)?</p> <p>CTH – do the non-originating inputs that went into the good now come under a different tariff heading as part of the finished product (change in any of the first four digits of the tariff classification)?</p> <p>CTSH— do the non-originating inputs that went into the product now come under a different tariff subheading as part of the finished product (change in any of the six digits of the tariff classification)?</p>	<p>The QVC percentage of a good can be assessed using the following method. Further information is available in JAEPA Art. 3.3:</p> $QVC = \frac{FOB - VNM}{FOB} \times 100$ <p>QVC is the qualifying value content, expressed as a percentage;</p> <p>FOB is the free-on-board value of a good payable by the buyer of the good to the seller of the good, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported.</p> <p>The FOB value is worked out in accordance with the <i>WTO Customs Valuation Agreement</i>. This agreement also covers situations where the FOB is unknown or cannot be calculated. Consult your customs broker if you think there may be an issue in identifying the value of your goods.</p> <p>VNM is the value of non-originating materials used in the production of the good. This is also worked out in accordance with the <i>Customs Valuation Agreement</i></p> <p>Further information on calculating the VNM and FOB is available in Art. 3.5.</p>	<p>Goods where the inputs have not undergone the requisite CTC may still qualify as originating if the value of non-originating materials does not exceed 10 per cent of the customs value of the final good.</p> <p>The 10 per cent rule applies specifically to the weight of non-originating yarn or fibres for goods in HS Chapters 50-63. See Art. 3.4(3)(b) for more information.</p> <p>The 10 per cent rule does not apply to goods coming under HS Chapters 1-24, unless the non-originating inputs into those goods have also undergone a CTSH (change in any of the six digits of the tariff classification).</p>

More information on the Japan-Australia Economic Partnership Agreement is available at www.dfat.gov.au/fta/jaepa
 Version last updated 13 January 2015

4 CERTIFY

STEP 4: PREPARE ORIGIN DOCUMENTATION FOR YOUR GOODS

Once you have completed the first three steps and determined that your goods will qualify for preferential tariff treatment under JAEPA, you will need to have the appropriate origin documentation to demonstrate this, should you be asked, to the importing customs. There are two ways to do this.

Certificates of Origin

Certificates of Origin (COOs) are one means of demonstrating the originating status of your goods. COOs can be obtained from organisations authorised by the Australian or Japanese Governments.

For Australian exporters, the Australian Chamber of Commerce and Industry (ACCI) and the Australian Industry Group (Ai Group) are authorised to issue COOs. Contact details for these organisations can be found on page 15. Charges will apply for a COO from ACCI or Ai Group.

Origin Certification Documents

Alternatively, an importer, exporter or producer may choose to complete an Origin Certification Document (OCD). This is often referred to as self-certification.

An OCD may be in any format but must, as a minimum, include information under five different headings ('data elements') to enable customs authorities to assess the goods. These data elements are set out in [JAEPA Annex 3](#) and as an annex to this document. To assist traders, a ['sample' OCD has been agreed by Australia and Japan](#).

Both COOs and OCDs remain valid for a year, and apply to a single consignment.

Exporters or producers must maintain all records necessary to demonstrate goods' origin for five years from the date the COO

is signed or the OCD is completed. Art. 3.20 provides further detail on record keeping requirements.

Waiver of origin documentation

A COO may not always be required. For certain goods, Australia and Japan have waived the requirement altogether. Neither country will require a COO or OCD for goods where the total customs value is less than \$1000 AUD (for Australia) or ¥100,000 (for Japan).

Verification

Customs authorities may need to verify the information contained in a COO or an OCD. The approach for such processes is outlined in Art. 3.21. Verification activities may involve:

- requests for information from the authorised body (ACCI or Ai Group), importer, exporter or producer;
- requests for information from the exporting customs administration; or
- a request to undertake a verification visit to the premises of the exporter or producer.

Where information is requested, an importer, exporter, producer or authorised body has 45 days to respond. When a visit is requested, an exporter or producer should provide written consent within 30 days from the receipt of notification. Arts. 3.21 and 3.22 provides further information.

Appeal Procedures

If you are unhappy with a decision made by a customs administration at any point in seeking a preferential tariff under JAEPA, you are entitled to appeal that decision in accordance with JAEPA Art. 1.6.

Disclaimer

DFAT does not guarantee, and accepts no liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material in this Guide or any linked Australian Government website. Users of this Guide should exercise their own skill and care with respect to the information and advice in this Guide.

CONTACTS FOR FURTHER INFORMATION

Australia

- *Department of Foreign Affairs and Trade* (for general enquiries concerning JAEPA)
Ph: (02) 6261 1111
Email: JapanEPA@dfat.gov.au
Web: <http://www.dfat.gov.au/fta/jaepa/>
- *Australian Customs and Border Protection Service* (for all customs matters, including advance rulings, enquiries about tariff classification, ROOs and import requirements and procedures)
Ph: 1300 363 263
Web: <http://www.customs.gov.au/site/japan-australia-agreement.asp>
- *Australian Chamber of Commerce and Industry* (for enquiries regarding COOs)
Ph: (02) 6273 2311
Email: info@acci.asn.au
Web: www.acci.asn.au
- *Australian Industry Group* (for enquiries regarding COOs)
Web: <http://www.aigroup.com.au/contact>
(various offices around Australia)

Japan

- *Japan Customs Service*
Web: <http://www.customs.go.jp/english/>
Email: a list of Japanese regional customs offices and their email addresses is available at http://www.customs.go.jp/question_e.htm
- *Japan Chamber of Commerce and Industry*
Web: <http://www.jcci.or.jp/english/>

ANNEX: ELEMENTS FOR DOCUMENTARY EVIDENCE OF ORIGIN (COOS AND OCDS) AND SAMPLE OCD

Australia-Japan Economic Partnership Agreement Certificate of Origin

Data Elements	Description
Exporter or producer details	The name and address (required), and other contact details (optional), of the exporter or producer.
Certification number	A unique number assigned to each Certificate of Origin issued by the authorised body or other certification bodies of the exporting Party.
Description of good(s) and HS tariff classification number	Description of good(s) including HS tariff classification number (six digits); number and kind of packages; marks and numbers on packages; weight (gross or net weight), quantity (quantity unit) or other measurements (litres, m ³ , etc.); invoice number(s) and date(s), or sufficient details to identify the consignment.
Preference criteria	<p>Applicable origin criterion (WO, PE, or PSR). The rules of origin are contained in Chapter 3 (Rules of Origin) and Annex 2 (Product Specific Rules).</p> <p>NOTE: In order to be entitled to preferential tariff treatment, each good must meet at least one of the criteria below.</p> <p>Preference criteria:</p> <p>WO The good is wholly obtained in the Party, as provided for in Article 3.3 (Rules of Origin – Wholly Obtained Goods) of this Agreement.</p> <p>PE The good is produced entirely in the Party</p>

	<p>exclusively from originating materials of the Party.</p> <p>PSR The good satisfies all applicable requirements of Annex 2 (Product Specific Rules), as a result of processes performed entirely in one or both Parties by one or more producers, and the last process of production of the good, other than the operations provided for in Article 3.7 (Rules of Origin - Non-Qualifying Operations) of this Agreement, was performed in the exporting Party.</p>
Other	<p>Specifications of any other applicable origin criteria or requirements, including the indication of the application of <i>de minimis</i> or accumulation, and the usage of non-party invoice, retrospective issuance and its date of shipment, duplication of the original certification of origin, if applicable, or other indication agreed by the Parties.</p>
Declaration	<p>Declaration by the exporter, or producer or their authorised representative stating that the good(s) is (are) (an) originating good(s) for the purposes of the Australia-Japan Economic Partnership Agreement.</p>
Certification	<p>Certification by the authorised body or other certification bodies of the exporting Party that, based on the evidence provided, the goods specified in the Certificate of Origin meet all the relevant requirements of Chapter 3 (Rules of Origin).</p>

Origin Certification Document

Data Elements	Description
Exporter or producer details	Name and address.
Description of good(s) and HS tariff classification number	Description of good(s) including HS tariff classification number (six digits) (required); number and kind of packages; marks and numbers on packages; weight (gross or net weight), quantity (quantity unit) or other measurements (litres, m ³ , etc.); invoice number(s) and date(s), or sufficient details to identify the consignment (if known).
Preference criteria	<p>Applicable origin criterion (WO, PE, or PSR). The rules of origin are contained in Chapter 3 (Rules of Origin) and Annex 2 (Product Specific Rules).</p> <p>NOTE: In order to be entitled to preferential tariff treatment, each good must meet at least one of the criteria below.</p> <p>Preference criteria:</p> <p>WO The good is wholly obtained in the Party, as provided for in Article 3.3 (Rules of Origin - Wholly Obtained Goods) of this Agreement.</p> <p>PE The good is produced entirely in the Party exclusively from originating materials of the Party.</p> <p>PSR The good satisfies all applicable requirements of Annex 2 (Product Specific Rules), as a result of processes performed entirely in one or both Parties by one or more producers, and the last process of production of the good, other than the operations provided for in Article 3.7 (Rules of Origin - Non-Qualifying Operations) of this Agreement, was performed in the exporting Party.</p>

JAPAN-AUSTRALIA

ECONOMIC PARTNERSHIP AGREEMENT

Other	Specifications of any other applicable origin criteria or requirements, including the indication of the application of <i>de minimis</i> or accumulation, and the usage of non-party invoice, if applicable, or other indication agreed by the Parties.
Certification	<p>Certification, and its date of completion, by the importer, exporter, or producer, that, based on the evidence and records maintained, the goods specified in the origin certification documents meet all the relevant requirements of Chapter 3 (Rules of Origin) and are originating goods for the purposes of the Australia-Japan Economic Partnership Agreement.</p> <p>Name and address of the importer, exporter or producer who has completed the origin certification document.</p>