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Report Name: USJTA Rules of Origin and Origin Procedures

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Report Highlights:

The United States-Japan Trade Agreement (USJTA) entered into force on January 1, 2020. Nearly 90 percent of U.S. food and agricultural products imported into Japan are now duty free or receive preferential tariff access. In order to receive preferential treatment, a good must be an originating good and meet the preferential rules of origin of USJTA. The laws, regulations, or procedures of Japan further specify how importers should comply with requests for additional information for products seeking preferential treatment. Exporters are not permitted to initiate the submission of any documents for origin procedures to Japan Customs. However, exporters may submit supplementary documents directly to Japan Customs in coordination with the importer. Final origin determination will be made by Japan Customs and U.S. exporters are encouraged to work closely with their importer to ensure all proper information has been made available.

General Information

Under the [United States-Japan Trade Agreement \(USJTA\)](#) some U.S. goods exported to Japan are now eligible for preferential tariffs. Section C of Annex I of the Agreement identifies the rules of origin used to determine if a good is eligible for preferential tariffs. Japan Customs applies the rules of origin described in USJTA as well as the laws, regulations, or procedures that govern additional information required to verify product origin. Generally, U.S. goods are considered originating if they are, wholly obtained or produced in the U.S. or Japan (WO); produced entirely in the United States or Japan, exclusively from originating materials (PE); or produced entirely in the United States or Japan with non-originating materials, providing the final product results in the necessary harmonized system (HS) code transformation (PSR). Additionally, there is a de minimis exception for non-originating materials that do not exceed 10 percent of the total value of a good even if they do not meet the rules of origin criteria (DMI). A good cannot qualify as an originating good via DMI alone. Product specific information can be found in Section C of Annex I of the USJTA.

Overview of Origin Procedure Documents

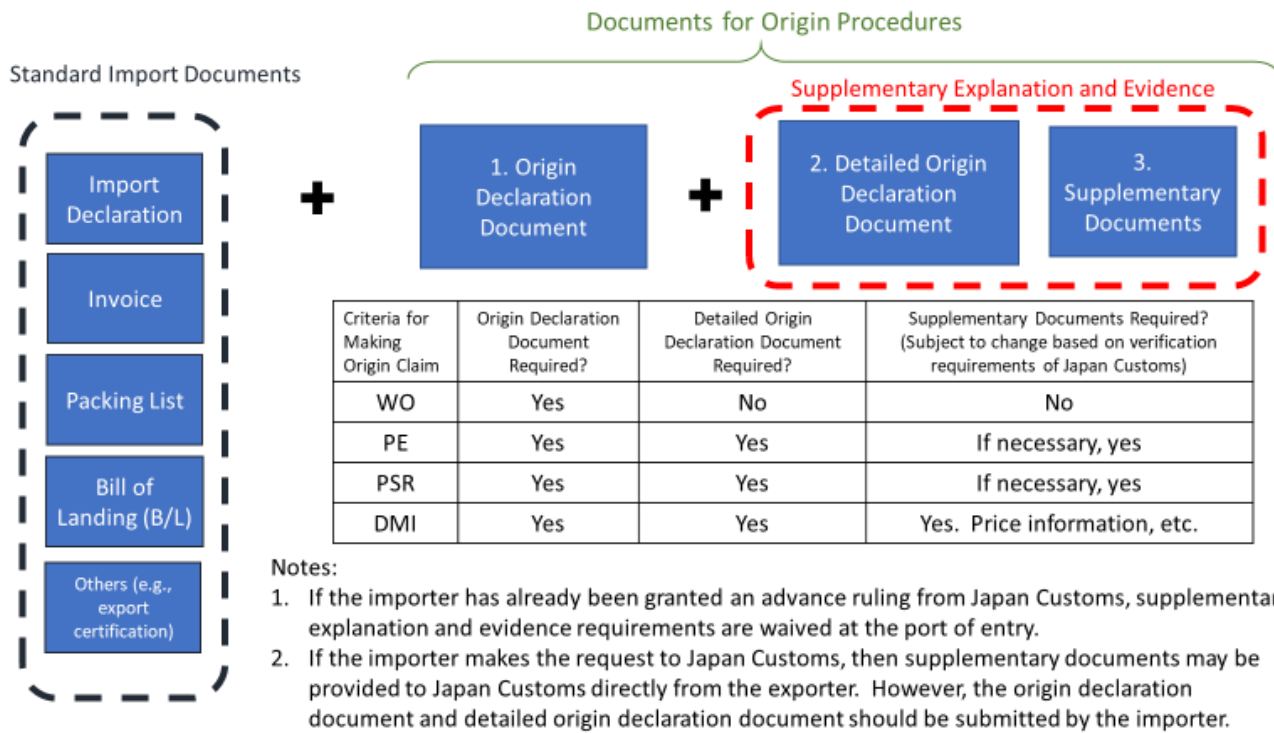
USJTA established a self-declaration system for origin claims, requiring importers to declare a good as originating in order to receive preferential tariff treatment. The requirements for a declaration are specified in the laws, regulations, or procedures of Japan. Japan Customs may require an importer to submit an origin declaration document affirming product origin at the time of import. As shown in Figure 1, additional documents may include a detailed origin declaration document and supplementary documentation as requested by Japan Customs. Exporters are not permitted to initiate the submission of documents for origin procedures to Japan Customs. However, exporters may submit supplementary documents directly to Japan Customs in coordination with the importer. Supplementary documents may include invoices for ingredients, manufacturing flow charts, whole ingredients tables, statements of cost production, records of material input, and price charts. Importers may submit these on the [Nippon Automated Cargo and Port Consolidated System \(NACCS\) website](#).

Origin Declaration Document (Submitted by Importer)

Japan Customs requires importers seeking preferential tariff treatment to submit an origin declaration document affirming product origin, unless the good has a custom value less than 200,000 Japanese Yen (about 1,860 U.S. Dollars). The document must include the following information: 1) name and address of the exporter, 2) name and address of the producer, 3) name, address and phone number of the importer, 4) descriptions of the products (product name, the identification number of commercial invoice between exporter and importer), 5) harmonized system (HS) codes to 6 digits, 6) criteria for receiving preferential treatment, and 7) name, seal (or signature), date and other information of the person who is making the declaration (i.e., Japanese importer or customs broker). The exporter may not submit this document to Japan Customs, but may be asked by the importer to provide information for the accurate completion of the document. The document may be completed in English or

Japanese. There is no mandated form or format for the declaration document, but Japan Customs developed a sample format, commonly referred to as the Origin Declaration Document, available here: (<https://www.customs.go.jp/roo/procedure/index.htm>).

Figure 1: Summary of Origin Procedure Documents



Supplementary Explanation and Evidence

Supplementary explanation and evidence requests for goods are waived by Japan Customs if the custom value of the good is less than 200,000 Japanese Yen; an advance ruling on the good has been issued; or the good is wholly obtained or produced and can be confirmed as originating from standard import documents.

Detailed Origin Declaration Document (Submitted by the Importer)

Japan Customs may request supplementary explanation and evidence about a good to verify the origin claim. If the origin claim criteria is PE or PSR, then the importer must submit a detailed declaration of origin document to explain why the good should receive preferential tariff treatment. This document must include the following information in Japanese: 1) the identification numbers and dates of commercial invoice between exporter and importer, 2) identification numbers of commercial invoice of each product on the origin declaration document, 3) criteria for receiving preferential treatment, 4) explanations why the product satisfies the conditions of the criteria, 5) name, seal (or signature), date and other information of the person who declares (i.e., Japanese importer). Similar to the origin

document declaration, there is no mandated form or format for submitting the supplementary explanation or evidence, but Japan Customs developed a recommended format, the Detailed Specification Declaration of Origin Document, available on their website (<https://www.customs.go.jp/roo/procedure/index.htm>).

Supplementary Documents (Submitted by the Importer or Exporter)

In addition to a detailed declaration of origin document, supplementary documents may also be requested in order to verify an origin claim. Examples of the types of supplementary documents that may be requested, include invoices of all ingredients, manufacturing flow chart, whole ingredients table, statement of cost production, records of material input, and price charts. Japan Customs weighs each document request on a case-by-case basis, based on verification requirements. If the importer makes the request to Japan Customs, then supplementary documents may be provided to Japan Customs directly from the exporter or producer.

Advance Ruling

Importers may apply for an advance ruling for a good through Japan Custom's Advance Classification Ruling System. Japan Customs requires importers provide the necessary origin procedure documents to make an advance ruling, but once granted supplementary explanation and evidence requirements are waived for that good at the port of entry. An origin declaration document will still be required each time the good is imported. Obtaining an advance ruling may help avoid unexpected trade disruptions at the port of entry. For more information on the Advance Classification Ruling System, visit [Japan Custom's Website](#).

Post hoc Verification by Japan Customs

Japan Customs may conduct *post hoc* verification for suspicious cases and ask importers to provide information to verify origin claims after importation. Japan Customs instructs importers to keep documents that can verify origin of imported goods for five years unless the documents were previously submitted to Japan Customs.

Denial of Claim

Japan Customs may deny a claim for preferential tariff treatment if it determines that the good does not qualify, if they have not received sufficient information from the importer to determine if the good qualifies, or if the importer fails to comply with the requirements. In principal, a submitted certificate of origin document must be complete and accurate. However, if Japan Customs confirms the originating status of the good is from the United States, Japan Customs may still accept the document when there are minor errors or omissions.

Japan's Criteria of Rules of Origin in the USJTA

Information requested by Japan Customs to affirm origin is largely based on the criteria used to determine the origin of the good. There are three criteria used to determine the origin of goods under

USJTA and another complementary exception. Reference Section C of [Annex I of USJTA](#) for product specific guidance for rules of origin.

WO: Wholly obtained or produced good

Japan Customs requires a declaration document from the importer if the good is wholly obtained or produced in the United States or Japan. The requirement for supplementary evidence and explanation may be waived if origin can be confirmed from standard import documents.

PE: Good produced exclusively from originating materials

Japan Customs requires an origin declaration document and supplementary explanation and evidence if the good is produced exclusively from originating materials. Generally, for goods qualifying as PE, Japan Customs will request a list of all primary materials, their HS codes, and if the product is originating as well as a flow chart of the production or manufacturing process. Japan Customs may also request additional information to verify the PE claim, such as invoices for all ingredients, statements of cost production, records of material input, and price charts. If the importer makes the request to Japan Customs, then supplementary documents may be provided to Japan Customs directly from the exporter or producer.

PSR: Good satisfying the product specific rules, substantial change in tariff classification

Japan Customs requires an origin declaration document and supplementary explanation and evidence if the good meets USJTA's product specific rules for a substantial change in tariff classification. Generally, for goods qualifying as PSR, Japan Customs will request a list of all primary materials, their HS codes, and if the product is originating as well as a flow chart of the production or manufacturing process. Japan Customs may also request additional information to verify the PSR claim, such as invoices of all ingredients, statements of cost production, records of material input, and price charts. If the importer makes the request to Japan Customs, then supplementary documents may be provided to Japan Customs directly from the exporter or producer.

DMI: De Minimis qualifying value contents

Even though a good contains non-originating materials that do not satisfy the above specific rules, if the value of such non-originating materials does not exceed ten percent of the value of the good, then it is considered as an originating good. A good cannot qualify as originating via de minimis alone but complements the above categories.

When applying the DMI criteria, Japan Customs may request supplementary documents such as statement of cost production, invoice of ingredients, records of material input, price charts, and records of payment, in order to verify DMI status. If the importer makes the request to Japan Customs, then supplementary documents may be provided to Japan Customs directly from the exporter or producer.

Contact Information

For specific questions regarding rules of origin, importers may contact the followings Japan Customs offices.

Customs	Phone	e-mail address
Hakodate	0138-40-4255	hkd-gyomu-gensan@customs.go.jp
Tokyo	03-3599-6527	tyo-gyomu-origin@customs.go.jp
Yokohama	045-212-6174	yok-gensanchi@customs.go.jp
Nagoya	052-654-4205	nagoya-gyomu-gensanchi@customs.go.jp
Shimizu	054-352-6114	nagoya-shimizu-gensanchi@customs.go.jp
Osaka	06-6576-3196	osaka-gensanchi@customs.go.jp
Kobe	078-333-3097	kobe-gensan@customs.go.jp
Moji	050-3530-8369	moji-gyomu@customs.go.jp
Nagasaki	095-828-8801	nagasaki-gensanchi@customs.go.jp
Okinawa	098-943-7830	oki-9a-gensanchi@customs.go.jp

Japan Customs Case Studies

Japan Customs has developed several hypothetical examples to demonstrate how Japan Customs verifies the origin of products and what kinds of documents are necessary. The following examples are provisional translation of examples published by Japan Customs.

Example 1: Chilled Beef (WO)

Chilled beef processed in the United States from a cow raised in the United States. The good is wholly obtained (WO) and an origin document declaration was required. The Food Safety Inspection Service (FSIS) export certification required for import into Japan is enough to verify the origin of this product.

Example 2: Pork Shoulder Ham (WO)

A pork shoulder ham produced in the United States from hogs raised in the United States with salt produced in the United States. The good is WO and an origin declaration document was required. The Food Safety Inspection Service (FSIS) export certification required for import into Japan is enough to verify the origin of this product.

Example 3: Dried Cranberry (PE)

Cranberries that were harvested in the United States are combined with other ingredients made in the United States to make the dried cranberry product. This good qualifies as originating using the PE criteria. An origin declaration document, a detailed origin declaration document, and a list of ingredients was required by Japan Customs in this example to verify the origin of the product. The dried cranberry product also satisfies the PSR criteria for the substantial tariff code change at the 2-

digit level for all ingredients and it is unlikely Japan Customs would request further supplementary documents.

Example 4: Processed Potato Products (PSR)

This is an example of frozen french fries manufactured in the United States. Based on USJTA Annex I sub-section 3, the PSR criteria for prepared potato products (2004.10) is “CC except from heading 07.01, subheading 0710.10, 0711.90, or 0712.90.” If potatoes are used (HS 07.01) they must be harvested in the United States (or in Japan) and Japan Customs requires information to verify the potatoes are harvested in the United States (e.g., invoice of potatoes). In addition, Japan Customs required the importer to submit an origin declaration document, a detailed declaration of origin document, the list of ingredients with HS codes, and a manufacturing process chart. The other ingredients are non-originating products, but they substantially changed HS codes at the chapter level (2-digits). Japan Customs did not request any additional documents regarding these non-originating products.

Example 5: Tomato Juice (PSR and DMI)

The tomatoes, salt, acidulants, and flavors are harvested/made in a third country, so they are all non-originating materials, but the product undergoes a substantial change in the HS code at the chapter, 2-digit, level, satisfying the PSR criteria. However, the tomato puree (non-originating material) and tomato juice share the same chapter code (HS: 20). In order to meet the rules of origin criteria for PSR, the importer must use the de minimis criteria and provide price information for the tomato puree to Japan Customs. In this example the importer was required to submit an origin declaration document, a detailed origin declaration document, the list of ingredients with HS codes, a manufacturing process chart, and price information for the tomato puree.

Additional Information


For more information on Japan’s food and agricultural import regulations and standards for U.S. agricultural exports to Japan please reference USDA GAIN Report [JA2019-0216](#).

For more information on other provisions of USJTA, including tariffs, quotas, and safeguards, visit USDA Japan’s website: <http://www.usdajapan.org/usjta/>

Example 1: Chilled Beef (WO)

Origin Declaration Document (USJTA)


(Write in Japanese or in English)

1. Exporter Name and Address			
USA Beef Company			
12345, 1st Street NE Denver, CO 80010			
2. Producer Name and Address			
Same as above			
3. Importer Name and Address			
Niku Trade Company			
1-1-1 Akasaka, Minato-ku, Tokyo 090-000-0000			
No.	4. Products Detail (Name and Invoice #)	5. HS Code	6. Criteria
1	Chilled Beef Invoice: ABC012345, 2020.02.14	0201.30	WO
7. Other Remarks			
8. Name & Address			
Niku Trade Company			Signature
1-1-1 Akasaka, Minato-ku, Tokyo			
		2020/2/14	

Example 2: Pork Shoulder Ham (WO)

Origin Declaration Document (USJTA)


(Write in Japanese or in English)

1. Exporter Name and Address American Meat Company 1000 Tryon Rd Raleigh, NC 27600			
2. Producer Name and Address Same as above			
3. Importer Name and Address Niku Trade Company 1-1-1 Akasaka, Minato-ku, Tokyo 090-000-0000			
No.	4. Products Detail (Name and Invoice #)	5. HS Code	6. Criteria
1	Shoulders Ham; #9876543 Invoice:ABC-D-1234 (2020.1.15)	1602.42	WO
7. Other Remarks			
8. Name & Address Niku Trade Company 1-1-1 Akasaka, Minato-ku, Tokyo			Signature 2020/1/28

Example 3: Dried Cranberry (PE)


Origin Declaration Document (USJTA)

(Write in Japanese or in English)

1. Exporter Name and Address US Fruit Company 10000 South Grand Av. Suite 100, Los Angeles, CA 90000			
2. Producer Name and Address Same as above			
3. Importer Name and Address Kudamono Company 1-1-1 Ginza, Chuo-ku, Tokyo 03-3000-1000			
No.	4. Products Detail (Name and Invoice #)	5. HS Code	6. Criteria
1	Dried Fruit (Cranberry) XYZ-987654 Invoice: DEF012345, 2020.1.15	2008.93	PE
7. Other Remarks			
8. Name & Address Kudamono Company 1-1-1 Ginza, Chuo-ku, Tokyo		Signature	

Example 3 (continued)

Detailed Specification Declaration of Origin (USJTA)
(Write in Japanese Only)

1. Invoice Number and Date DEF012345, 2020.1.15	
2. Product Number on D00 Same as above	3. HS Code 2008.93
4. Criteria of ROO <input type="checkbox"/> WO <input checked="" type="checkbox"/> PE <input type="checkbox"/> PSR <input type="checkbox"/> DMI	
5. Explanations why the product satisfies the above criteria [Note: Conveniently written here in English, but this section should be in Japanese] <Ingredients> 1. Cranberry (HS: 08) Harvested in the United States (originating product) 2. Sugar (HS:17) Produced in the United States (originating product) 3. Glycerin (HS:29) Made in the United States (originating product) <Manufacturing process> In order to manufacture the product, above ingredients are sliced, mixed, and dried at the factory in the United States. <Criteria> Ingredients 1 is wholly obtained product, and 2 and 3 are also originating materials under USJTA. Since the product is produced exclusively from these materials in the United States, it is the U.S. originating material under USJTA. These facts can be seen in the attached documents.	
6. Other Remarks	
7. Name & Address Kudamono Company 1-1-1 Ginza, Chuo-ku,	Signature 2020/1/29 

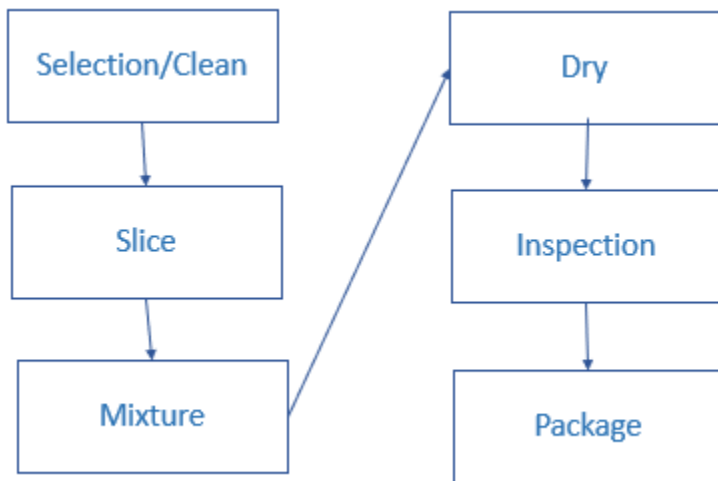
Example 3 (continued)

Attached Supplementary Documents

List of Ingredients

	Ingredients	HS	Notes
1	Cranberry	08.10	Harvested in USA
2	Sugar	17.01	Made in USA
3	Glycerin	29.35	Made in USA


Manufacturing Process



Example 4: Processed Potato Products (PSR)


Origin Declaration Document (USJTA)

Write in Japanese or in English

1. Exporter Name and Address US Potato 100 State Street Boise, ID 83700			
2. Produce Name and Address Same as above			
3. Importer Name and Address Sapporo Bareisho Co. Kita 1-jo Nishi 28-chome, Chuo-ku, Sapporo 011-111-1111			
No.	4. Products Detail (Name and Invoice #)	5. HS Code	6. Criteria
1	Prepared Potatoes: XYZ 98765 Invoice: ABC-P-012345, 2020. 2. 10	2004. 10	PSR
7. Other Remarks			
8. Name & Address Sapporo Bareisho Co. Kita 1-jo Nishi 28-chome, Chuo-ku, Sapporo 2020. 2. 15		Signature 	

Example 4 (continued)**Detailed Specification Declaration of Origin (USJTA)**

(Write in Japanese Only)

1. Invoice Number and Date ABC-P-012345, 2020.2.10	
2. Product Number on D00 Same as above	3. HS Code 2004.10
4. Criteria of R00 <input type="checkbox"/> WO <input type="checkbox"/> PE <input checked="" type="checkbox"/> PSR <input type="checkbox"/> DMI	
5. Explanations why the product satisfies the above criteria [Note: Conveniently written here in English, but this section should be in Japanese] <Ingredients> 1. Potatoes (HS 07.01) Harvested in USA (originating product) 2. Vegetable Oil (HS 15) (non-originating product) 3. Disodium Dihydrogen Pyrophosphate (HS 28) (non-originating product) 4. Glucose (HS17) (non-originating product) <Manufacturing process> It is produced in the factory (owned by the exporter) in the United States. They use the above ingredients. They cut, blanch, and deep-fry potatoes and manufacture the final products. <Criteria> Based on USJTA Annex I sub-section 3, the product specific rule of prepared potato products (2004.10) is “CC except from heading 07.01, subheading 0710.10, 0711.90, or 0712.90.” This means potatoes (HS 07.01) must be harvested in the United States, and these potatoes are harvested in the United States. All other ingredients had substantial changes in tariff classification at the chapter (“CC”). Since the manufacturing process is in the United States, this product satisfies R00 under USJTA. <Related Documents> Attached.	
7. Name & Address Sapporo Bareisho Co. Kita 1-jo Nishi 28-chome, Chuo-ku, Sapporo	Signature  2020.2.15

Example 4 (continued)**Supplementary Documents**

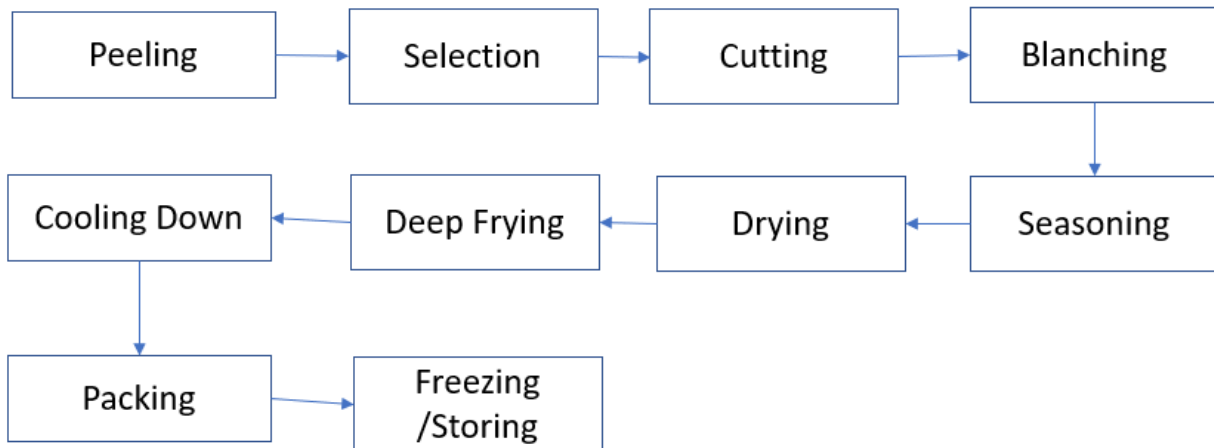
Processed Potato Product

Invoice#: ABC-P-012345, 2020.2.10

List of Ingredients

	Ingredients	HS	Notes
1	Potatoes	07.01	Harvested in USA
2	Vegetable Oil	15	
3	Disodium Dihydrogen Pyrophosphate	28	
4	Glucose	17	

Manufacturing Process




Documents to verify that the potatoes were harvested in the United States (e.g., invoice of potatoes)

Example 5: Tomato Juice (PSR + DMI)

Origin Declaration Document (USJTA)


(Write in Japanese or in English)

1. Exporter Name and Address PNW Juice Inc. 12345 5 th Ave Seattle, WA 98100			
2. Produce Name and Address Same as above			
3. Importer Name and Address Nomimono Trade 2-11-5 Nishi-Temma Kita-ku, Osaka 06-6315-0000			
No.	4. Products Detail (Name and Invoice #)	5. HS Code	6. Criteria
1	Tomato Juice: 11223344 Invoice: ABC-T-012345, 2020.1.15	2009.50	PSR, DMI
7. Other Remarks			
8. Name & Address Nomimono Trade 2-11-5 Nishi-Temma Kita-ku, Osaka		Signature 2020.2.1	

Example 5 (continued)

Detailed Specification Declaration of Origin (USJTA)

(Write in Japanese Only)

2. Invoice Number and Date ABC-T-012345, 2020.1.15	
2. Product Number on D00 Same as above	3. HS Code 2009.50
4. Criteria of R00 <input type="checkbox"/> WO <input type="checkbox"/> PE <input checked="" type="checkbox"/> PSR <input checked="" type="checkbox"/> DMI	
5. Explanations why the product satisfies the above criteria [Note: Conveniently written here in English, but this section should be in Japanese] <Ingredients> Tomato (HS: 07, non-originating), Salt (HS:25, non-originating), Acidulants (HS:29, non-originating), Flavors (HS:33, non-originating), Tomato puree (HS: 20, non-originating CIF US\$8) All of above are non-originating product <Manufacturing process> In order to manufacture the product, above ingredients are squeezed and mixed at the factory in the United States. <Criteria> Tomatoes, salt, acidulants, and flavors satisfy substantial change criteria in tariff classification at the chapter ("CC") or the first 2-digit level. Tomato puree does not satisfy a substantial change, but the value of this ingredient is less than 10% of the product ($\$8/\$100 = 8\% <10\%$). Thus, the tomato juice is U.S. originating material under USJTA. <Related Documents> Attached.	
7. Name & Address Nomimono Trade 2-11-5 Nishi-Temma Kita-ku, Osaka	Signature 2020.2.1 

Example 5 (continued)

Supplementary Documents

PNW Juice Inc.

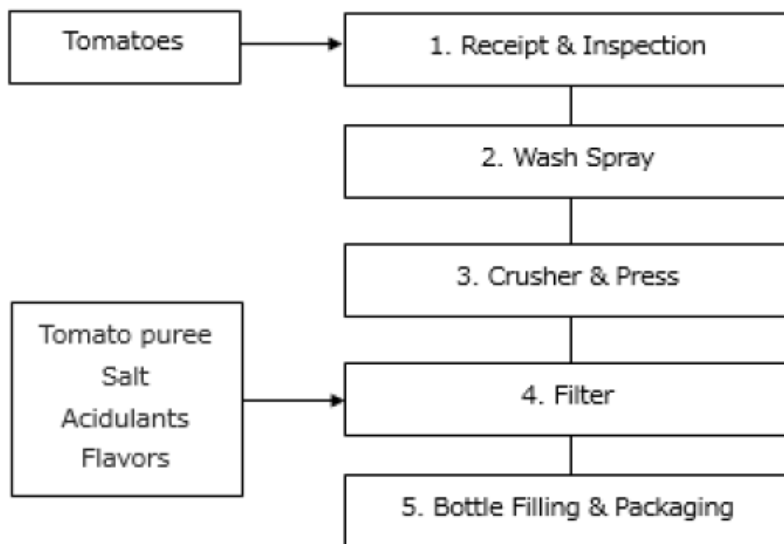
Factory Address: 12345 10th Ave Seattle, WA 98100

Product : TOMATO JUICE

NO. : 11223344

	Material	HS code	remarks
1	Tomatoes	07	
2	Tomato puree	20	CIF US\$8
3	Salt	25	
4	Acidulants	29	
5	Flavors	33	

Product Processing Chart



Attachments:

No Attachments.