



Summary

- The Japan-UK CEPA stipulates a **new framework for trade and investment with the United Kingdom as a replacement for the Japan-EU EPA** after the UK's withdrawal from the EU ("Brexit").
- The Agreement enables Japan to maintain access to the UK market as determined by the Japan-EU EPA, also improving Japan's access to the UK market for certain items such as railway rolling stock and some automobile parts. The Agreement essentially maintains the content of the Japan-EU EPA as it relates to the UK's access to the Japanese market.
- The Agreement stipulates regulations that are **more advanced and of a higher standard than the Japan-EU EPA in some areas such as electronic commerce and financial services.**

Significance

- The conclusion of this Agreement enabled the continuation of the benefits Japan saw under the Japan-EU EPA, and ensures continued business operations for Japanese companies in the UK. High standard regulations put in place by this Agreement enables further promotion of trade and investment between Japan and the UK.
- Amid a slowdown in trade and investment due to the **COVID-19** pandemic, the Agreement sends a strong message of promoting free trade to the international community.

Progress after Agreement implementation

- Since this Agreement entered into force in January 2021, trade in most goods exhibited an upward trend, despite the impact of the COVID-19.
- In February 2022, the 1st meeting of the Joint Committee under the Agreement was co-chaired by Japan's Minister for Foreign Affairs Hayashi Yoshimasa, and UK Secretary of State for International Trade Anne-Marie Trevelyan.
- Committees and Working Groups in 13 areas are regularly held at the working level.
(Note: The Committees and Working Groups are established under the Joint Committee, and each of them is basically held once a year.)
Committees: (1) Trade in Goods (2) Rules of Origin and Customs (3) Sanitary and Phytosanitary Measures (4) Technological Barriers to trade (5) Trade in Services, (6) Investment Liberalization and E-Commerce (7) Intellectual Property (8) Trade and Sustainable Development (9) Regulatory Cooperation (10) Working Group on Cooperation in the Agricultural Sector : (1) Grape Wine (2) Automobiles and Parts (3) Cooperation Related to the Agricultural Sector (4) Trade and the Economic Empowerment of Women

(Timeline)

2019	1 Feb: Entry into force of the Japan-EU EPA
2020	31 Jan: Brexit
	9 Jun: Launch of formal negotiations of Japan-UK EPA
	11 Sep: Agreement in principle
	23 Oct: Signing
	4 Dec: Approval by Japan's Diet
2021	1 Jan: Entry into force

■ EPA/FTA of Japan

21 EPAs with 24 countries/regions have entered into force/been signed (as of November 2022)

■ EPA/FTA of UK

36 EPAs and FTAs with 67 countries and regions have entered into force/been signed (as of May 2022)

Main Content: Build upon the achievements of Japan-EU EPA and establish advanced rules

Trade in goods

Access to the UK market (for Japanese products)



The tariff rate and tariff elimination schedule stipulated under the Japan-EU EPA will be applied to the Japan-UK.

● Industrial goods

- ✓ Total (100%) tariff elimination. (Example) Passenger cars: Tariff to be eliminated in 2026 as under the Japan-EU EPA.
- ✓ Immediate tariff elimination determined by the Japan-EU EPA will be maintained.
- ✓ In addition, immediate elimination of tariffs on railway rolling stock and some automobile parts, etc, will be implemented, among others.

● Agricultural, forestry and fishery products

- ✓ The content of the Japan-EU EPA, including tariff elimination on major items of interest for export, will be maintained.
- ✓ The Agreement will maintain the elimination of import restrictions (on Japanese wine) and protection of GIs (Geographical Indications) for agricultural products and alcoholic beverages, and maintain the immediate elimination of tariffs on all alcoholic beverages.

Access to the Japanese market (for UK products)



The tariff rate and tariff elimination schedule stipulated under the Japan-EU EPA will be applied to the Japan-UK CEPA.

● Agricultural, forestry and fishery products

- ✓ Within the same parameters of the Japan-EU EPA.
- ✓ No new tariff-rate quotas for the UK will be introduced.*
- ✓ The same safeguarding measures are maintained for the same products as under the Japan-EU EPA.

*In the event there are unused allocations for tariff rate quotes (TRQs) under the Japan-EU EPA, the Japan-UK CEPA will establish a mechanism that can utilize these.

● Industrial products

- ✓ Total (100%) tariff elimination (the same level of immediate elimination under the Japan-EU EPA will apply.).

Rules

● Rules of origin

- ✓ EU originating materials and production carried out in the EU will be regarded as originating materials and production carried out under this Agreement.
- ✓ Product specific rules of origin will be more relaxed than under the Japan-EU EPA for some products, such as machine tools, textiles and automobile parts.

● Electronic commerce and financial services

- ✓ The Agreement stipulates the prohibition of: imposing restrictions on cross-border transfer of information; requiring the location of computing facilities; and requiring the disclosure of cryptographic information, among others. Algorithms are additionally covered by the prohibition of requirements for the disclosure of source codes.
- ✓ The Agreement stipulates the prohibition of requiring the location of computing facilities in the area of financial services.

● Competition policy

- ✓ The Agreement includes additional provisions for consumer protection while maintaining the content of the Japan-EU EPA.

● Gender (Trade and women)

- ✓ The Agreement stipulates the recognition of the importance of expanding opportunities for women to participate equitably in the domestic and global economy, among others.