



3rd Meeting of the Committee on Rules of Origin and Customs-Related Matters (CROCRM) under the Agreement between the European Union and Japan for an Economic Partnership

**25 November 2022
(by videoconference)**

Time:17:00-19:00(JST),9:00-11:00(CET)

Minutes

The third meeting of the Committee on Rules of Origin and Customs-Related Matters ('CROCRM') under the Agreement between the European Union ('EU') and Japan for an Economic Partnership ('EPA') took place on 25 November 2022 by videoconference.

The meeting was co-chaired by Mr. Jean-Michel GRAVE, the Head of Unit Trade Facilitation, Rules of Origin and International coordination: Americas, Africa, Far East and South Asia, Oceania (DG TAXUD), and Mr. KOYAMA Takeshi, the Director for European Union Economic Affairs Division, Economic Affairs Bureau, Ministry of Foreign Affairs of Japan (MOFA).

EU participants were from the Directorate General for Taxation and Customs Union (DG TAXUD), the Directorate General for Agriculture and Rural Development (DG AGRI), the Directorate General for Trade (DG TRADE), the Directorate General for Internal Market, Industry Entrepreneurship and SMEs (DG GROW), the EU Delegation to Japan, and German and Dutch Customs.

The Japanese participants were from the Ministry for Foreign Affairs (MOFA), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Ministry of Agriculture, Forestry and Fisheries (MAFF).

1. Opening session

Both sides provided opening remarks welcoming each other to the meeting.

2. Adoption of the agenda

The agenda was adopted.

3. Follow-up of the discussions regarding the guidance document on origin criteria

Both sides expressed their views regarding the usefulness of continuing to work on a guidance document on the origin criteria, on which both sides confirmed to cooperate at the 2nd meeting of CROCRM.

Japan was of the view that the work on the guidance document should be continued, given that the guidance will help exporters deepen their understanding for the correct code on the origin

criteria and thereby reduce their burdens that the EU argued, and that considerable time and effort have already been invested in the preparation process. Japan also expressed its concern on the EU proposal to simplify the codes, as it may lead to an incorrect use of the EPA by those who have insufficient understanding of the rules of origin.

The EU explained that while improvements could be made to the guidance it would not allow matching an origin code to originating products in all cases, especially where alternative, combined or not easy to categorise product specific rules of origin make the determination of the code impossible or extremely difficult. The EU added that EU business confirmed the negative impact on the use of the EPA, though a wrong code does not automatically lead to denial of preference and that EU registered exporters are monitored by customs to address possible lack of awareness and ensure a correct application of the rules.

The EU suggested that, as an alternative approach, the codes could be simplified and accompanied by a simpler guidance document. Underlining the importance of ensuring sound understanding of traders on rules of origin, Japan reiterated the value of continued work on the guidance document and responded that they would send a questionnaire to the EU to better understand the issues raised by the EU. Both sides will continue exchanges on this matter.

4. Revision of the product specific rule of origin for HS heading 19.02 (pasta)

The EU presented replies to a questionnaire sent by Japan concerning clarifications on certain aspects of the EU's position vis-à-vis Japan's request for relaxation of the conditions on the product specific rule of origin for pasta products (HS heading 19.02). The EU confirmed that it would also send written replies to Japan.

Japan expressed concerns, that due to confidentiality reasons, flour suppliers would not provide *Udon* noodle manufacturers with detailed information on the flour milled in Japan. Japan will consult internally and provide a reply to the EU on this matter to clarify further their concerns. Both sides will continue exchanges on this matter.

5. Exchange of information on the evolution of the FTAs / EPAs

The EU referred to current negotiations with Indonesia, India, Australia and New Zealand and explained that details of its negotiations and agreements are available at the following link:

https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en

6. Exchange of information on recent developments on Customs legislation and procedures

The EU provided an update on developments to their customs legislation and procedures. This included the latest steps in the implementation of its import control system ICS2 and work in relation to Single Window.

Japan informed the EU on the background and objective of the amended customs legislation relating to IPR border enforcement. Further details on this will be shared with the EU.

Japan explained the challenges faced by the operators with some EU Member States customs on the refunds of duty in the EU for goods claiming preferential duties after importation and on the date on the statement on origin when the commercial document already indicates the date

and asked EU's cooperation in solving these issues. The EU will look further at these matters after receiving further information from Japan.

7. Closing session

Both sides concluded the meeting by agreeing to continue to exchange information on the relevant points mentioned above.