



Joint Minutes of the Fifth Meeting of the Committee on Regulatory Cooperation under the Agreement between the European Union and Japan for an Economic Partnership

27 February 2024 (videoconference)

The Fifth meeting of the Committee on Regulatory Cooperation under the Agreement between the European Union (“EU”) and Japan for an Economic Partnership (“EPA”) took place on 27 February 2024 via video conference.

The EU hosted the meeting and was represented by their Directorates-General for Trade, Climate, Taxation and Customs, Internal Market, Entrepreneurship and SMEs, Energy, and their Delegation to Japan. Japan was represented by the Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, the Agency for Natural Resources and Energy, the Cabinet Office and the Mission of Japan to the EU participated in the meeting. The agenda was adopted.

Both sides discussed matters concerning the deployment of offshore wind power (OWP) in Japan: tendering, standards and certification, access to vessels (cabotage) and feedback from Japan to the EU offer to cooperate on these matters. The EU presented their recent Wind Power Package, expressed their satisfaction on the outcome of the second round of tenders and called for transparency on selection criteria for future auctions. The EU raised the need to expand the recent Japanese simplification of the conformity assessment procedure to future floating OWP projects. The EU suggested to explore how collaboration could be intensified and announced four studies on OWP for the second half of June. The EU recalled that cabotage rules and time-consuming licensing procedures with unclear criteria bring difficulties for accessing foreign vessels, including those of the EU, and could hamper the timely completion of OWP projects in Japan. Japan confirmed their interest to achieve even stronger industry collaboration between both sides. Japan sought to explore research cooperation with the EU on mass-production and reducing costs. Japan appreciated the EU’s offer to support on maritime spatial planning and encouraged the Delegation to continue organising OWP workshops. On cabotage, Japan took note and expressed their preference to continue discussing this bilaterally.

On Ecodesign Regulation and Digital Product Passport, Japan requested (a) sufficient transition period to businesses (b) cooperation on interoperability of EU and Japan platforms with secured confidentiality for trade secrets and (c) flexibility adapted to the irregular availability of recyclable plastic. The EU pointed to long transition periods to facilitate adaptation, the need-to-know principle enshrined in the Horizontal Regulation, impact assessments supporting the preparation of rules on product groups, and a new stakeholder forum (Ecodesign Forum), where Japanese industry would be welcome.

With regard to the EU Carbon Border Adjustment Mechanism (CBAM), Japan shared the challenges Japanese companies are facing, conveyed concerns about discrimination due to the accumulation of emission allowances and asked the EU to allow Japanese accreditation and verification bodies. Japan presented their future emission trading system and called for full recognition under CBAM. The EU explained that work is ongoing to fully ensure the protection of confidential information, as well as simplify reporting for the transitional period. The EU indicated that there will be no discrimination in the steel sector and recalled that CBAM would undergo a review in 2025, IT issues had been solved, and verifiers can be based in Japan if they are accredited in the EU. The EU stressed that further discussions should be held under the Green Alliance framework and via dedicated bilateral meetings with the Directorate-General for Taxation and Customs.

Japan repeated their concern with the EU's F-gas Regulation that it had already raised bilaterally and at the WTO TBT Committee, considering it to be more restrictive than necessary, not based on a proper risk assessment, and favouring certain types of air conditioning system (self-contained systems over split ones). The EU explained that the main objective of the F-gas Regulation instrument was to reduce greenhouse gas emissions. However, it would also have to respect the precautionary principle, as required by the EU Treaty. Safeguards preventing unintended effects had been introduced, e.g. in relation to PFAS or by allowing flexible exemptions in case it was needed to comply with safety requirements. The final compromise between EU co-legislators took into account the analysis in the Commission's Impact Assessment and extensive stakeholder input throughout the process. Also, the EU mentioned that there is no favourable treatment because both self-contained and split systems are subject to similar restrictions that apply without distinction to both imported and domestically manufactured equipment. Moreover, the EU clarified that the restrictions relating to all F-gases typically have long transition periods that leave time for developing and scaling up alternative technical solutions, and underlined that the full F-gas prohibition for refrigerants would only become applicable well after the next review of the F-gas Regulation.

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