

Client Alert

Tokyo

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Proposal on Customs Reform - Japan

The government of Japan made a proposal on customs reform to the Diet for the government fiscal year 2009 (starting on April 1, 2009 and ending on March 31, 2010) on January 27. The proposal is currently discussed in the lower house of the Diet. This client alert briefly describes the contents of the proposal.

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Zero Customs Rate on Wholesale Yarn

The proposal will reduce the customs rates on wholesale yarn (HS: 5005.00) to zero from 7.3% (temporary rate). The new zero rates will become effective from April 1, 2009 and are permanent.

Expansion of the Authorized Economic Operator ("AEO") System

The current Japanese AEO system allows certified importers, exporters, customs clearing agents, etc. to use the simplified customs clearance procedures. The proposal will expand the AEO system by including certain qualified exporters ("tokutei seizou kamotu yushutsu sha") exporting goods manufactured by certain authorized manufacturers ("ninteiseizou sha"), subject to certain compliance requirements and approval from the authorities.

Extension of Temporary Rates

The currently effective temporary customs rates on 415 products will be extended till March 31, 2010, other than wholesale yarn (above).