



Export Market Guide

Japan

November 2019



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Japan overview

Japan is Australia's second largest export market for all goods and services. With a population of 126 million it is the world's fourth-largest economy after China the US and India. Consumers have high levels of disosable incomes and generally come with a global outlook. Japan's huge government debt, which now exceeds 235 per cent of GDP, reliance on exports to drive growth, and an ageing and shrinking population are major long-term challenges for the economy.

The Japanese market is fairly homogenous and this makes marketing efforts a little easier. Japan is an attractive market with a large population base and high disposable incomes. Control of distribution is largely in the hands of four beverage giants and a handful of large distributors.

Branding and label design are particularly important in the Japanese market in establishing an image of quality and a unique story. Japanese consumers are conscious of high-end brands and value wines with a story and strong regional characteristics. Prestigious international awards and reviews are highly regarded in the market while strong established markets add to a brand's appeal. Building and maintaining strong relationships with importers and agents is critical to success in the Japanese market who will expect considerable time. Sales of prestige products are relatively seasonal with this sector becoming popular at two major times; Ochugen (midsummer) and Oseibo (end of year) for the purpose of gift giving.

Japan has strict food sanitation and labelling regulations. Non-compliance with the law may result in the shipment being re-shipped or destroyed.

Australia has signed two Free Trade Agreements with Japan with provision for scheduled reductions in tariffs over 7 years. The Japan Australia Economic Partnership Agreement (JAEPA) entered into force on 15 January 2015 while the Comprehensive and Progressive Agreement for Trans-Pacific-Partnership (CPTPP) of which Australia and Japan are parties entered into force on 30 December 2018.

Demographics

(2018 est.)

Population	126,168,156 (July 2018 est.)
Capital city	Tokyo
Language	Japanese
Population growth rate	-0.24%
Ethnic groups	Japanese 98.1%, Chinese 0.5%, Korean 0.4%, other 1% (includes Filipino, Vietnamese, and Brazilian) (2016 est.)
Religions	Shintoism 70.4%, Buddhism 69.8%, Christianity 1.5%, other 6.9% (2015 est.) (note: total adherents exceeds 100% because many people practice both Shintoism and Buddhism)
Major cities	Tokyo (capital), Osaka, Nagoya, Kitakyushu-Fukuoka, Shizuoka-Hamamatsu, Sapporo (2018)

Source: CIA World Factbook

Economics

Currency	yen (JPY) ¥
Exchange rates	(October 2019 AUD \$1 = 72.304 JPY) <u>www.xe.com</u>
GDP per capita (PPP)	US \$42,900 (#42 in global comparison)
Inflation	0.5%
Unemployment rate	2.9%
Government type	Constitutional Monarchy with a parliamentary government
Ports and harbours	Chiba, Kawasaki, Kobe, Mizushima, Moji, Nagoya, Osaka, Tokyo, Tomakomai, Yokohama

Source: CIA World Factbook

Regulatory Environment

Alcoholic beverages are regulated by two principal agencies: The Ministry of Health, Labour and Welfare (MHLW) administers the Food Sanitation Act and Regulations, while the National Taxation Agency (NTA) is responsible for approving production processes and the list of approved additives for wine. Cider is classified as a 'wine' under the Liquor Tax Act. The Food Labelling Act is administered by the Consumer Affairs Agency (CAA) which sets food labelling standards.

The import of wine into Japan is governed by the following legislation:

- Customs Act
- Liquor Tax Act (Act No. 6 of 1953)
- Food Sanitation Act (Act No. 233 of December 24, 1947)
- Food Labelling Act (Act No. 70 of June 28, 2013)
- Act Concerning Liquor Business Associations and Measures for Securing Revenue from Liquor Tax

Duties and Taxes

The following taxes apply to wine imported into Japan:

- Customs Duty
- Liquor Tax
- Consumption Tax

Customs Duty

Customs duties apply to all products imported into Japan for sale. The Japanese Customs duties are complicated and are dependent upon a number of factors including volume, product category and place of origin of product.

Japan-Australia Economic Partnership Agreement (JAEPA)

Australian cider enters Japan tariff free under the Japan-Australia Economic Partnership Agreement (JAEPA) provided the goods are accompanied by a self-certified **origin certification document** (see Import Certificates). JAEPA entered into force on 15 January 2015. Further information on JAEPA can be found here: www.dfat.gov.au/fta/jaepa.

Trans-Pacific Partnership (CPTPP)

Australia and Japan are parties to the Comprehensive and Progressive Agreement for Trans-Pacific-Partnership (CPTPP) which was signed by all 11 countries on 8 March 2018. It entered into force on 30 December 2018 for Australia, Canada, Japan, Mexico, NZ and Singapore and on 14 January 2019 for Vietnam. It is still undergoing internal ratification in Brunei, Chile, Malaysia and Peru. Further details can be seen here – dfat.gov.au/trade/agreements/in-force/cptpp.

The tariff reduction schedule under JAEPA has already eliminated tariffs for cider so Australian exporters should continue to export under JAEPA.

Tariff Heading	Description	WTO rate	Australia (JAEPA) 1/4/2019
22.06	Other fermented beverages (for example, cider, perry, mead, saké); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.		
2206.00229	Cider, perry and mead	42.40 yen/l	Free

Source: Japan Customs

Japan Customs Fee

Japan Customs charges a number of Customs fees. These can be viewed on the Japan Customs website.

Liquor Tax

Liquor tax is governed by the *Liquor Tax* Act and applies to all alcoholic beverages (those with an alcohol content of 1% volume or higher). Liquor tax is imposed on all liquor shipped from manufacturing premises and on imported liquor withdrawn from bonded areas. Those who manufacture or withdraw liquor from bonded areas are required to pay the tax. The rates differ depending on the category of liquor and the alcohol content of each product.

Liquor tax rates for wine (including cider) are set to be increased in three stages over the next ten years.

Timetable of Japan Liquor Tax Schedule

Liquor taxes per kilolitre Category/Effective Date	1 April 2018	1 Oct 2020	1 Oct 2023	1 Oct 2026
Non-sparkling low alcohol spirits: Shochu, whiskey, brandy & liquor	80,000 ¥/kl Less than 9%	80,000 ¥/kl Less than 9%	80,000 ¥/kl Less than 9%	100,000 ¥/kl Less than 11%
Wine (fruit wine)	80,000 ¥/kl	90,000 ¥/kl	100,000 ¥/kl	100,000 ¥/kl
Refined Sake	120,000 ¥/kl	110,000 ¥/kl	100,000 ¥/kl	100,000 ¥/kl

Source: National Tax Agency

Those withdrawing liquor from a bonded area must submit a return to the Director of Customs-House and pay the tax before doing so. Liquor tax payment may be postponed for up to one month by those who manufacture or withdraw liquor on certain conditions.

Consumption Tax

Consumption tax is an indirect tax fairly and widely imposed on general consumption. Consumption tax is added on to the price of goods and services offered by enterprises and ultimately borne by consumers. Since this tax is assessed on transactions by enterprises at each manufacturing, wholesale and retail stage,

it contains a scheme for avoiding tax accumulation by way of deducting taxes on purchases, thus making it neutral to industry and the economy in general.¹

The combined national and local (2.2%) Consumption Tax rate increased from **8%** to **10%** on 1 October 2019. See the NTA website for more information – www.nta.go.jp

Consumption tax is payable on:

- Compensation received by business enterprises for the transfer or use of assets and the provision of services in Japan;
- Imports of goods (at cargo retrieval from bonded zone).

Consumption Tax is levied at the rate of 10%. It is calculated by the following means:

Recycling Fees

The Packaging Recycling Law requires the industry to recycle all paper and plastic packaging, glass bottles, steel and aluminium cans, PET bottles, and other plastic and paper containers. Manufacturers, distributors and retailers who manufacture and/or use the materials are responsible for recycling costs. For imported products, importers are likely to be held responsible for such costs.

According to industry sources, some importers have requested that exporters use colourless glass bottles where possible. Current recycling charges by type of container payable to the Japan Containers and Packaging Recycling Association are as follows: (at 2019)

		Glass B	ottles		Other Packag	ing
Packaging	Colourless	Amber	Other Colours	PET Bottle	Paper Packaging	Plastic Packaging
Unit Cost	4.3 ¥/kg	6 ¥/kg	11.6 ¥/kg	2 ¥/kg	12.0 ¥/kg	46.0 ¥/kg

Source: Japan Containers and Packaging Recycling Association

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¹ Ministry of Finance - Consumption Tax

Cider Standards

The Ministry of Health Labour and Welfare is responsible for approving additives for food under the Japanese Food Sanitation Law and specifying certain uses or limitations of use. Additives used in alcoholic beverages require additional approval by the National Tax Agency under the *Liquor Tax* Act. The NTA is responsible for the list of approved additives and processing aids for the manufacture of wine.

The Liquor Tax Act (Act No.6 of Feb. 28, 1953) defines alcoholic beverages as beverages with an alcohol content of 1 percent or higher; those that contain less than 1 percent are handled as soft drinks. Wine is defined in Chapter I, Article 3:

- (xiii) "Wine" means the following liquors which contain less than 20% vol. of alcohol (except the matters listed in (b) to (d), which contain alcohol at 15% or more, or are prescribed by Cabinet Order.)
- (a) Fermented products made from fruits, or fruits and water.
- (b) Fermented products which are made from fruits, or fruits, water and sugars (limited to those specified by Cabinet Order. The same shall apply in (c) and (d).)
- (c) Fermented products which are made from (a) plus sugars or (b) plus sugars.
- (d) Products as cited in (a) to (c) with the following additions:

Brandy, alcohol, spirits defined as by Cabinet Order, sugars, flavoring, or water.

Liquor Tax Law and Rules and Regulations for Liquor Administration - Processing Aids

Materials listed below must not be handled as raw materials for liquor. (In other words, they must be able to be used as <u>processing aids</u> during liquor making processes). Additionally, the use of following materials are approved under the Food Sanitation Law.

Substance		Application	
Starter Culture		Added to yeast starter or minimum necessary amount of culture solution which is attached to yeast as a means to facilitate healthy growth of yeast starter	
Water			
Acids	Lactic acid [including lactic acid bacteria]		
	Phosphoric acid		
	Malic acid	Minimum necessary amount of these materials which are	
	Anhydrous sulphurous acid	 added during manufacturing processes for the purpose o promoting fermentation and preventing unexpected risks 	
	Tartaric acid	ha	
Salts	Salt	_	
	Acidic potassium phosphate		
	Acidic calcium phosphate		

	Ammonium dihydrogen	
	phosphate Magnesium sulfate	-
	Calcium sulfate	-
	Potassium pyrosulfite	-
	Calcium chloride	-
		-
	Magnesium chloride	-
	Potassium nitrate	-
	Ammonium sulfate	
Acid removing agents	Calcium carbonate	-
	Ammonia	-
Vitamins	Thiamine hydrochloride	-
Yeast fermentation	Inactive yeast	_
facilitation agents	Yeast extract	_
	Yeast cell membrane/Yeast cell wall	
	Acidic ammonium phosphate	
	Magnesium sulfate	-
	Thiamine hydrochloride	-
	Folic acid	-
	Calcium pantothenate	-
	Niacin	-
	Substance fully or partially composed of biotin	-
Oxygen		
Carbon dioxide		
Following enzymes which making;	are added during fermentation pro	ocesses for the purpose of rationalising/streamlining liquor
Enzyme ²		Which is equivalent to less than one-thousandth in weight of materials (limited to rice for sake, materials listed in Ordinance Article 3-1 for gosei-seishu or simulated sake ² and rice and corn for 'mirin') used jointly with rice 'koji' during sake, simulated sake and 'mirin' making processes
		Minimum necessary amount of enzyme jointly used with malt during beer brewing
		Minimum necessary amount of enzyme jointly used with malt during whiskey making and stipulated in Article 3-15-a and 3-15-b of the Law
Pectin decomposing enz	yme	Added to promote decomposition of pectin contained in fruit

Alpha-Amylase and Cellulase ²	Minimum necessary amount which are added to promote decomposition of starch and fibre contained in apple juice
Materials listed in Article 13-8 of the Rules²	Used to save affected/changed 'moromi' (unrefined sake)
Rice husks²	Used to make distillation operations easier
Glycerol esters of fatty acids ²	Used during processing of rice for the purpose of preventing caking property of steamed rice and facilitating sake making operations
Silicone resin²	Added only when it is specially necessary during fermentation or immediately before distillation for the purpose of removing bubbles of 'moromi' (unrefined sake) etc. which is used for distillation

Source: National Taxation Agency

- 1. The National Taxation Agency Notification stipulates 'materials which shall not be handled as raw materials for liquor' rather than 'processing aids which shall be able to be used during liquor making processes'. Processing aids have to be stipulated in the Liquor Tax Law, but 'materials which shall not be handled as raw materials for liquor' are able to be stipulated in the NTA Notification. If processing aids are stipulated in the Liquor Tax Law, the law has to be revised every time there are additions to the list of approved processing aids. However, if 'materials which shall not be handled as raw materials for liquor making processes' are stipulated in the Notification, there is no need to revise the law but only administrative procedures are required.
- 2. It is forbidden to use inorganic acids for acidification. A single wine cannot be subject to both acidification and deacidification by chemical means.

List of allowable substances for winemaking in Japan - Additives

Substance	Application	Specification and standards	Declaration on label
Activated acid clay	Clarifier	Residual content: not more than 0.5% of the product	Exemption
Active carbon	Clarifier Quality corrective		Exemption
Agar	Clarifier		Exemption
Ammonia	Acidity adjuster		Exemption
Bentonite	Clarifier	Residual content: Not more than 0.5% of the product	Exemption
Beta-Glucanase²	Clarifier		Exemption
Calcium carbonate	Acidity adjuster	Not more than 1% of the product as calcium	Exemption
Carrageenan	Clarifier		Exemption
Casein	Clarifier		Exemption
Casein sodium	Clarifier		Exemption
Chitosan	Clarifier		Exemption
Citric acid	Acidifier		ACIDIFIER (CITRIC ACID) クエン酸
Collagen ¹	Clarifier		Exemption

Diatomaceous earth (Kieselgur)	Clarifier	Residual content: Not more than 0.5% of the product	Exemption
Egg white	Clarifier		Exemption
Erythorbic acid	Antioxidant	Use other than as antioxidant prohibited	(ERYTHORBIC ACID) エリソルビン酸
Gelatin	Clarifier		Exemption
Gluten	Clarifier		Exemption
Gum arabic (Arabic gum, Acacia gum)	Clarifier		STABILISER (GUM ARABIC) アラビアガム
Hemicellulase ²	Clarifier		Exemption
lon exchange resin	Quality corrective	To be removed from product prior to completion	Exemption
L-ascorbic acid (Vitamin C)	Antioxidant		ANTIOXIDANT (VITAMIN C) L-アスコルビン酸
Lysozyme	-	-	-
Micro fibrillated cellulose	Clarifier		Exemption
Nitrogen	Antioxidant		Exemption
Papain ²	Clarifier		Exemption
Pea protein	Clarifier		Exemption
Pectinase ²	Clarifier		Exemption
Perlite	-	-	-
Phytic acid	Clarifier		Exemption
Polyvinylpolyprrolidone	Clarifier	To be removed from product prior to completion	Exemption
Potassium carbonate, Anhydrous	Acidity adjuster		Exemption
Potassium DL-bitartrate (Monopotassium DL-Tartrate, Potassium Hydrogen DL-Tartrate)	Quality preservative		Exemption
Potassium L-bitartrate (Monopotassium L-Tartrate, Potassium Hydrogen L-Tartrate)	Quality preservative		Exemption
Potassium sorbate	Refermentation preventative	Not more than 0.2g/kg	(POTASSIUM SORBATE) ソルビン酸カリウム
Potato Protein	-	-	-
Protease ^{2 3}	Clarifier		Exemption
Silicon dioxide (Silica gel)	Clarifier	To be removed from product prior to completion	Exemption
Sodium alginate	Clarifier		Exemption

Sodium bicarbonate (Sodium hydrogen carbonate)	Acidity adjuster		Exemption
Sodium carbonate, Anhydrous	Acidity adjuster		Exemption
Sodium carboxymethyl cellulose (Sodium CMC)	Stabiliser	Not more than 2% of the product	STABILISER (CMC, CMC-Na or 繊 維素グリコール酸 Na)
Sodium erythorbate	Antioxidant	Use other than as antioxidant prohibited	(SODIUM ERYTHORBATE) エリソルビン酸ナトリ ウム
Sodium L-ascorbate	Antioxidant		ANTIOXIDANT (VITAMIN C) L-アスコルビン酸ナト リウム
Sorbic acid	Refermentation preventative	Not more than 0.2g/kg	(SORBIC ACID) ソルビン酸
Sulfur dioxide	Antioxidant	Not more than 0.35g/kg, may remain in product	ANTIOXIDANT (SULFITE) 二酸化硫黄
Tannin (Tannic acid)	Clarifier		Exemption
Tannin of persimmon	Clarifier		Exemption
Urease ²	Quality preservative		Exemption
Yeast protein extract	-	-	-
Wheat flour	Clarifier		Exemption

Source: National Taxation Agency

Notes

- 1. In regard to Collagen, DL-Malic acid or a mixture of DL-Malic acid and Sodium pyrosulfite shall be able to be used as an auxiliary agent by not more than 30% of the amount of Collagen. The NTA consider isinglass a collagen.
- 2. In regard to Papain, Protease, Urease, Pectinase, Hemicellulase or Beta-Glucanase, lactose or dextrin shall be able to be used as an auxiliary agent.
- 3. In regard to Protease, Guar gum shall be able to be used as an auxiliary agent by not more than 1% of the amount of Protease.

Maximum Residue Limits

Japan operates under a positive list system which means that if a product contains any pesticide not on the approved list its sale is prohibited in Japan. Further details can be seen here – db.ffcr.or.jp/front

MRL	Specification Maximum	
	Maximum Residue Limit PPM	Type of Food
Acetamiprid	2	apples, pears
Aminoethoxyvinylglycine	0.09	apples
Benzyladenine	0.05	apples
Bifenthrin	1	apples
2	0.5	pears
Bupirimate	0.8	apples
Buprofezin	3 6	apples pears
Carbendazim	3	apples
	3	pears
Cyantraniliprole	0.5 2	apples pears
Cyclaniliprole	0.3	apples
Diphenylamine	10	apples
	5	pears
Ethephon	5	apples
Fenitrothion	0.5	apples
Fenpyroximate	0.3	apples
	0.5	pears
Flupyradifurone	0.7	apples
Fluvalinate	0.5	apples
Fosetyl-aluminium	75	apples
Hexaconazole	0.5	apples
	0.3	pears
Imidacloprid	0.5	apples
Lindane	2	apples
Methidathion	0.5	apples
No.	1	pears
Methomyl	3	apples, pears
Metrafenone	2	apples
1- Naphthalene acetic acid	0.5 0.3	apples pears
Neverland		
Novaluron	3	apples, pears

Prohexadione-calcium	3	apples
Propargite	5	apples
Thiabendazole	3	apples, pears
Triadimefon	0.5	apples
2,4-D	0.01	pears
Kresoxim-methyl	5	pears
Prothiofos	0.1	pears

Source: Japan Food Chemical Research Foundation

Labelling

Reference	Mandatory Items	Height	Position
A1	Name of Product	> 2.8mm	Collectively*
A2	Alcohol Content	> 2.8mm	Collectively*
АЗ	Country of Origin	> 2.8mm	Collectively*
Δ4	Volume Statement	> 2.8mm	Not defined
A5	Importer Name & Address	> 2.8mm	Not defined
A6	Food Additives	> 2.8mm	Collectively*
Α7	Carbonated Products Statement	> 2.8mm	Collectively*
A8	Consumption by Minors	> 2.8mm	Collectively*
Δ9	Recycling Logo ²	Not defined	Not defined
Reference	Optional Items	Height	Position
A10	Health Warning	> 2.8mm	Not defined
Reference	Prohibited Items	Height	Position
A11	Misleading Information	-	-

^{*} These items must be labelled collectively.

The most important piece of legislation is the Food Sanitation Law which is administered by the Ministry of Health, Labour and Welfare and the Food Labelling Law administered by the Consumer Affairs Agency. The following information is taken from this law as well as the Act Against Unjustifiable Premiums and Misleading Representations and the Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax.

It is recommended that the following information be treated cautiously. Your importer or agent should be consulted for further details. Importers will often assist with the required wording ahead of shipping to Japan. Certain importers are authorised to print and label bottles in bond before clearing customs.

Language

The labelling of mandatory items must be in Japanese. Article 21 Paragraph (2) of the Enforcement Regulations stipulates that the labelling shall be declared accurately in Japanese using wording easily readable and understandable.

Non-mandatory items such as the brand name of imported products, name and address of the Australian producer and any Geographical Indications may also be in English.

² This requirement only applies to certain package types. Refer to A9 for conditions.

Labelling Item Position

The Regulations do not prescribe where the mandatory information must appear on labels in the Japanese market, however, the items listed from 1 to 3 and 6 to 8 must be labelled collectively. All mandatory information must be clear, legible, easily distinguishable and labelled at a conspicuous place on the container or package (and must not be false or misleading about the characteristics of the product). The colour of the letters must be in contrast to the background.

References to labelling requirements

A1 Name of Product

The name must be declared with a common name expressing the identity of the product. The appropriate designation for cider in Japan is 'Fruit Wine' or 'Sweetened Fruit Wine'. The terms 'cider', 'apple cider' or 'perry' may also appear on the label.

A2 Alcohol Content

The following information should be treated with caution.

The label must list the ethyl alcohol content at <u>15°C</u> as a percentage of total volume rounded to the nearest percentage point. Information suggests that the following formats are acceptable for wine labelling:

- a) 'xx degrees alcoholic content' or 'yy % alcoholic content'
- b) 'xx degrees or more to yy degrees or less alcoholic content'. The difference between xx degrees and yy degrees should be one degree.

For example, either '5 degrees alcoholic content' or '5 % alcoholic content' would comply. Please note that decimal points are not permitted in either format. Additional information from Japanese authorities suggests that there is an alcohol labelling tolerance of ± 1 degree.

It is recommended that exporters liaise with their agent in Japan regarding the format for the alcohol statement.

A3 Country of Origin

A Country of origin statement is mandatory on imported food products. In the case that there is more than one place of origin, the names of each country must be indicated in descending order.

Furthermore, importers may be required to submit a Certificate of Origin to the central authority prior to making a customs declaration. Certificates of Origin can be obtained from Australian State Chambers of Commerce or via the self-declaration form outlined in Import Certificates.

A4 Importer Name and Address

The name and address of the importer must be shown on the label. The label should clearly indicate the word 'Imported'. The address must be sufficient to enable the consumer to identify and contact the importer. The name and address of the distributor or rebottling plant receiving the cider from the bonded area is also required unless it is the same as the importer address.

A5 Volume Statement

The volume statement must appear on the label. The volume can be stated in millilitres or litres – mL or L.

A6 Food Additives

Names of food additives must be indicated, in descending order of weight percent in the total ingredients. There are two categories of food additives:

- (1) Those which must be preceded by the name of the category to which they belong. Of the categories (listed below) only preservatives and antioxidants apply to wine:
 - Sweetener
 - Food Colour
 - Preservative
 - Thickening agent, stabilizer, gelling agent or KORYO (thickener)
 - Antioxidant
 - Colour fixative
 - Bleaching agent
 - Antimold agent
- (2) Those which can be listed after the term 'food additive'. Refer to Table 2 in Wine Standards for the list of approved food additives which require a labelling declaration.

Allergens Labelling

In December 2010 the Japanese government mandated by Ministerial Ordinance the labelling of allergenic substances in food including egg, milk, wheat, shrimp/prawns, crab, buckwheat and peanuts.

Wine and fruit wine including cider has been exempted from the requirement to label for allergens. It is recommended that you don't refer to the presence of allergens, other than sulphites, in Japan.

A7 Carbonated Products Statement

Products with added carbon dioxide must state on the label, 'Contains carbonation', or 'carbon dioxide gas mixture'.

A8 Consumption by Minors

The Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax requires labelling to prevent the consumption of alcohol by minors. <u>All liquor containers must clearly state</u> one of the following warnings (in Japanese):

- Consumption of alcohol by minors is prohibited.
- Alcohol may only be consumed by those aged 20 or over.

A9 Recycling Logo

According to the Law for Promotion of Utilization of Resources, products packed in steel cans, aluminium cans and PET bottles must have a mark on the container identifying the packaging material type. The design of the Identification Marks must be as per the marks shown below, however, provided the Marks remain easily recognisable and conspicuous, minor modification or decoration is allowed to the prescribed design. The logos must be at least 6 mm or more for printing or labels or at least 8 mm or more for embossing.

The Identification Marks include the following:



Further information should be obtained from your agent or can be viewed here - www.meti.go.jp/policy/recycle/main/data/pamphlet/pdf/e_all.pdf

A10 Health Warning - Optional

A health warning on the label is a <u>voluntary industry standard</u> and relates to the risks of alcohol to pregnant and breast-feeding women. The advisory statement should warn pregnant and nursing women that the consumption of alcohol may adversely affect their infant's health.

For example, 'Drinking alcohol while pregnant or breast-feeding may harm the foetus or infant'.

A11 Misleading Information

It is prohibited for a label to include any of the following information: Name of a place which may mislead consumers as to the place of origin; letters, pictures, photographs or other labelling which may give a wrong impression about the contents.

Organic Cider

The Japanese Agriculture Standard (JAS) is administered by the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF). JAS includes organic food and farming standards, however, alcoholic beverages are excluded from the JAS scope and do not require JAS certification.

MAFF has recognised the Australian National Standard as equivalent to JAS and has additionally approved ACO and NCO as organic certifying bodies for Australian producers. The equivalency means that exporters of organic cider need to obtain an Export Declaration from ACO or NCO to verify that the cider has been produced in accordance with the National Standard. This declaration must accompany the goods. Cider may be sold in Japan and labelled with the word 'organic' in English or Japanese but cannot use the JAS Organic seal.

Importing

The Ministry of Finance and Japan Customs are responsible for the clearance procedures and the collection of duties. The Ministry of Health, Labour and Welfare administers quarantine and customs inspections.

Import Certificates

Japanese Certificate of Analysis

Food products are subject to inspection by MHLW in Japan. This inspection can be waived if the exporter provides a certificate of analysis for each imported product from an MHLW-registered laboratory in Australia prior to export. A full list of MHLW-registered laboratories is available on MHLW's website. The criteria for inclusion of Australian laboratories on the list is NATA accreditation.

There is no specific format for the chemical analysis. Certificates are valid for one year from the date of issue. The minimum information required on certificates of analysis includes:

- 1. Laboratory name and address
- 2. Exporter name and address (name and location of the head office)
- 3. Test product information including:
 - a. Country of production
 - b. Name and location of the manufacturing/processing site, or place of production
 - c. Product name (including information that identifies test samples, such as part numbers)
- 4. Analysis:
 - a. Test items
 - b. Test methods (including source and rationale)
 - c. Test results (including the indication of detection limits or minimum determination limits)
 - d. Date and number of the preparation/issuance of the test certificate

The analytical parameters generally conducted for wine includes:

- Specific gravity at 20/20C
- Volatile acidity g/L
- Glucose + Fructose g/L
- Sulphur dioxide free mg/L
- Sulphur dioxide total mg/L
- Alcohol %v/v
- Titratable acid g/L
- Total dry extract g/L
- Sorbic acid mg/L

JAEPA Origin Certification Document

In order to benefit from the elimination of tariffs under JAEPA, exporters must produce one of either a certificate of origin (COO) or a self-certified Origin Certification Document (OCD).

A COO can be obtained by one of two means; either through the <u>Australian Chamber of Commerce and Industry</u> (ACCI) or the <u>Australian Industry Group</u> (AIG).

Alternatively, exporters may complete an Origin Certification Document (OCD). The OCD may be in any format but must, as a minimum, include information under five different headings ('data elements') to enable customs authorities to assess the goods. OCDs remain valid for a year and apply to a single consignment. Exporters or producers must maintain all records necessary to demonstrate goods' origin for five years from the date the OCD is completed.

The data elements include the following:

- 1. Exporter or producer name and address.
- 2. Description of goods including number and kind of packages; marks and numbers on packages; weight (gross or net weight); quantity or measurement in litres, invoice number; date; or sufficient details to identify the consignment.
- 3. HS tariff classification number (six digits).
- 4. Preference criteria (WO, PE, or PSR): For wine with 100% Australian fruit this will likely be 'PE' (ie, the goods are produced entirely in Australia exclusively from originating materials of Australia).
- 5. Other (specifications of any other applicable origin criteria or requirements or the usage of non-party invoice).
- 6. Certification and its date of completion by the exporter, producer or importer stating that the goods are originating goods for the purposes of the Japan-Australia Economic Partnership Agreement.

A 'sample' OCD has been agreed by Australia and Japan. The sample is included below or can be downloaded from the DFAT website. OCDs are not required where the total customs value is less than AUD \$1000. Further information should be obtained from DFAT.

Origin Certification Document

(Australia-Japan Economic Partnership Agreement)

	Exporter's or Producer's Name and Address						
	No.	2. Description of goods Description of good(s) including number and kind of packages; marks and numbers on packages; weight (gross or net weight), quantity (quantity unit) or other measurements (litres, m³, etc.); invoice number(s) and date(s), or sufficient details to identify the consignment.	3. Harmonised System tariff classification number (HS 6 digit) of goods	4. Preference criteria (WO, PE, PSR); and Other (<i>de minimis</i> , <i>accumulation</i>), if applicable			
	5. C	Other (any other applicable origin criteria or other indication)		L			
		on-party invoice					
6. C	ertificati	on					
I, the undersigned, declare that the good(s) described in Box 2 meet(s) all the relevant requirements of Chapter 3 of the Agreement between Australia and Japan for an Economic Partnership and is/are (an) originating good(s) under the Agreement.							
bcc	ween 7 to		good(s) onder the rigide				
Dat	e						
Nar	ame (signature or stamp)						
Add	dress						
Plea	Please tick a box to indicate who has completed this origin certification document:						
	□ Importer □ Exporter □ Producer						

Import Procedures

Import Licensing

Under the Liquor Tax Act, alcohol can only be sold in Japan if the seller has obtained a license for the sale of liquor from the Chief Examiner (Liquor Tax and Industry) at a tax office. Exemptions apply in the case of selfowned establishments (bars, restaurants etc).

There are a number of liquor license classifications which determine the type of liquor which can be sold and the means (wholesale or retail etc.) in which it can be sold. It is advisable that you ensure that your distributor holds the correct type of license to deal with your product.

Import Declaration

Completion and Submission of Import Declarations

The import declaration must be submitted by an importer or by qualified registered customs specialist (such as customs broker). The importer must submit the import declaration describing the quantity and value of goods as well as any other required particulars to the competent Customs office for the bonded area where the cargo is stored. Goods for which customs inspection is required will undergo inspection first. Once payment of customs duty, national and local consumption taxes has been received, an import permit may be given in principle. To transfer alcoholic beverages out of the bonded area, the importer must also file a notification with the competent tax office.

When goods for import require a permit and approval under laws and regulations other than Customs Law, a certificate of application for a permit and approval must be submitted prior to clearance from the customs office. Upon receiving import (customs duty payment) declaration, the customs office carries out document reviews and necessary inspections, and in general, approves the importation after confirming the payment of taxes such as customs duties.

Documents to be Submitted

An import declaration must be made by lodging an import (customs duty payment) declaration form to Customs along with the following documents:

- 1. Invoice;
- 2. Bill of lading or Sea Way Bill/Air Way Bill;
- 3. Certificate of Origin;
- 4. Packing lists, freight accounts, insurance certificates, etc. (where deemed necessary);
- 5. Statement on reduction of or exemption from customs duty and excise tax (when such reduction or exemption is applicable);
- 6. Customs duty payment slips (when goods are dutiable).

Notification Form for Importation of Foods

All food imported into Japan must be accompanied by a 'Notification Form for Importation of Foods, etc.' which is submitted to MHLW for submission to the quarantine station. If an inspection is not required, the importer is issued with a Certificate of Notification, which allows for the shipment to be cleared.

If an inspection is deemed necessary, an inspection order will be issued and the import will be suspended until compliance of the cargo is proved. Factors such as previous non-compliance with the law, place of manufacture or particular products are reasons for an inspection to be deemed necessary. The importer is responsible for the cost of any inspection. Inspections may also be carried out on first-time imports.

Cargo found to be compliant is issued with a Certificate of Notification and the cargo can be released from the bonded area. Cargo found not to be compliant is rejected and cannot be imported into Japan. The cargo may be destroyed or re-shipped.

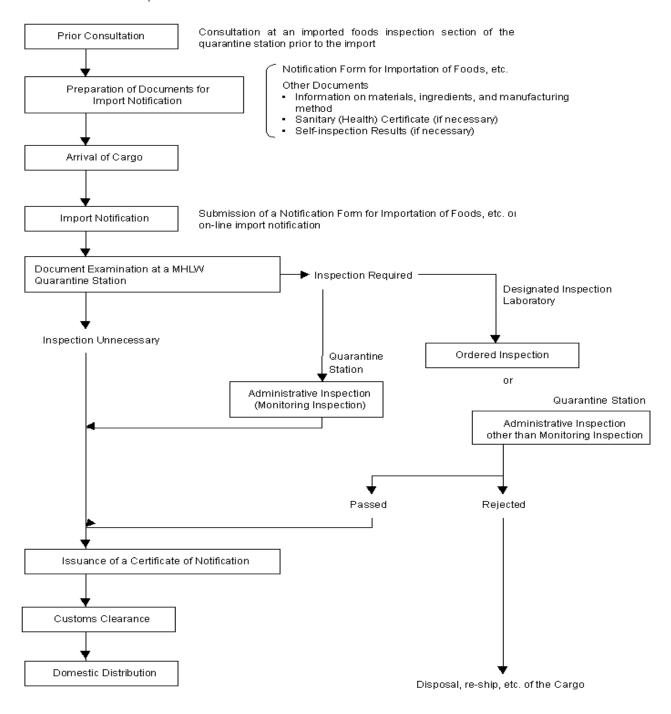
The Notification Form is not required for commercial samples or for products intended to be exhibited at a trade fair that will not be sold or contracted for. However, if the product is to be distributed to an unspecified number of individuals in the general public, even free of charge, then all standard import procedures must be followed, including import notification. Customs may require a memorandum or other document attesting that the product is only to be used for 'internal company consideration' or 'for exhibition at a trade fair'.

Please follow the link below to access a copy of the 'Notification Form for Importation of Foods, etc.' www.mhlw.go.jp/english/topics/importedfoods/1-3.html

Samples

Imported alcoholic beverages are considered to be for personal use if the total quantity is 10kg or less. In such cases no particular procedure is required. The tax-free allowance is three bottles (x 750mL) in which case customs duty, consumption taxes and liquor tax are exempt. If the total value of imported alcoholic beverages does not exceed $10,000 \, \text{¥}$, customs duty and consumption taxes are exempted, however, liquor tax still applies.

Procedures of Import Notification of Foods and Related Products



Source: Japanese Ministry of Health, Labour and Welfare

Contacts

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Australian Embassy - Marketing Office 2-1-14 Minato-ku, Mita Tokyo 108-8361 T: +81 3 5232 3930

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Japanese External Trade Relations Organisation (Jetro)

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Website Resources

Cider Australia - <u>www.cideraustralia.org.au</u>

Austrade Online - <u>www.austrade.gov.au</u>

Department of Foreign Affairs & Trade - www.dfat.gov.au

Japanese Ministry of Finance & Customs – www.customs.go.jp/index e.htm

Japanese Ministry of Health, Labour and Welfare – www.mhlw.go.jp

Japanese External Trade Regulations Organisation – www.jetro.go.jp

Tokyo Customs – <u>www.tokyo-customs.go.jp</u>