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RULES OF ORIGIN IN JAPAN EPAS

A DATABASE ASSESSMENT

Rules of Origin in Japan EPAs:

A database assessment

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Abstract

The paper overviews rules of origin (RoO) in Japan EPAs in the context of preferential rules of origin globally. Potential paths to integrate RoO as a factor in preferential tariff estimation in GTAP models are provided.

The paper builds upon a new global database of RoO at the product-specific level constructed by the International Trade Centre (ITC) in collaboration with the World Customs Organization (WCO) and the World Trade Organization (WTO) in 2019. The new data available for Japan is a result of a statistical collaboration between Japan's National Graduate Institute for Policy Studies (GRIPS) and ITC.

The paper answers the following questions. How complex are RoO in Japan EPAs in comparison to RoO in trade agreements globally? Is there a pattern of harmonization of RoO in Japan EPAs? How restrictive are RoO at the product level? Do prohibitive RoO de-facto nivellate preferential margin benefits available through Japan EPAs? How does Japan EPAs system compare to US and EU free trade agreements? What are the possible adjustments that can be made in tariff protection rates used in GTAP trade modeling?

Keywords: Rules of origin, Preferential trade agremeents, Restrictiveness of rules of origin

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Abbreviations

Unless otherwise specified, all references to dollars ($) are to United States dollars, and all references to tons are to metric tons.

The following abbreviations are used:

AfCFTA	African Continental Free Trade Agreement
AFTA	Association of Southeast Asian Nations Free Trade Area
AGOA	African Growth and Opportunity Act
ALADI	Latin-American Integration Association
CARICOM	Caribbean Community
CC	Change in Chapter
CEPA	Closer / Comprehensive Economic Partnership Arrangement
CO	Certificate of Origin

COO	Certificate of Origin
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CTC	Change in Tariff Classification
CTH	Change in Tariff Heading
CTSH	Change in Tariff Sub-heading
CTI	Change in Tariff Item
DFQF	Duty-Free, Quota-Free
EAC	East African Community
ECOWAS	Economic Community of West African States
EEU	Eurasian Economic Union
EFTA	European Free Trade Association
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free trade agreement
GATT	General Agreement on Tariffs and Trade
GSP	Generalized System of Preferences
GVC	Global Value Chain
HS	Harmonized System
ITC	International Trade Centre
LDC	Least Developed Country
MERCOSUR	Southern Common Market
MFN	Most-Favoured Nation
MSME	Micro, Small and Medium Enterprise
NAFTA	North American Free Trade Agreement
NC	No Change
PSR	Product-Specific Rules
EPA	Preferential trade agreement
RI	Restrictiveness Index
RKC	Revised Kyoto Convention
RoO	Rules of origin
RVC	Regional Value Content
SACU	Southern African Customs Union
SADC	Southern African Development Community
SICE	Foreign Trade Information System
SP	Specified Processing
TFI	Trade Facilitation Index
TFTA	Tripartite Free Trade Area
UNCTAD	United Nations Conference on Trade and Development
US	United States of America

USD	United States Dollar
WCO	World Customs Organization
WO	Wholly Obtained
WTO	World Trade Organization

Introduction

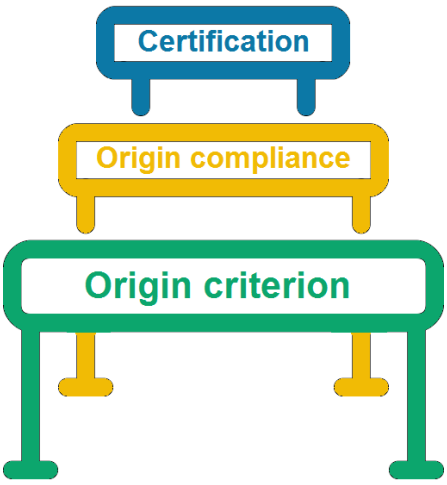
The current paper presents the new database of product-specific RoO in Japan EPAs.

The database has been constructed by ITC with financial support from GRIPS (Japan). It forms part of the larger global database of RoO underlying the "Rules of Origin Facilitator". This global database aims to cover RoO in all 450+ trade agreements currently in force.

RoO are the criteria to define the economic "nationality" of the good. They list conditions which need to be fulfilled for the good to be considered originating in a given country for the purpose of preferential treatment. RoO are the key factor of underutilization of preferences by exporting firms.

This series of the three "hurdles" stands in companies' way of using preferential tariffs and result in under-utilisation of preferences. The last three hurdles are related to preferential rules of origin (Figure 1).

Figure 1. Series of "hurdles" related to preferential rules of origin



In recent years, free trade agreements (FTAs) have become a key international trade policy in many countries. Indeed, it is not an overstatement to say that FTAs have become the most important and popular trade policy. Particularly since the latter half of the 1990s, the number of FTAs in force has been rapidly increasing in various regions of the world. Considering the virtually stalled trade liberalization negotiations at the World Trade Organization (WTO), many countries interested in trade liberalization have fostered the establishment of FTAs.

Japan expressed an interest in FTAs in the late 1990s. Its first FTA with Singapore came into force in November 2002. Japan's FTA negotiations subsequently centered on countries in the Association Southeast Asian Nations (ASEAN). As of April 2020, 18 FTAs have come into effect, including 13 bilateral Economic Partnership Agreements (EPAs) with Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei, the Philippines, Switzerland, Vietnam, India, Peru, and Mongolia (in order of enactment), plus one regional EPA with ASEAN (AJCEP). Notably, Japan has both regional and bilateral agreements with seven of the ten ASEAN countries, i.e., Singapore, Vietnam, Brunei, Malaysia, Thailand, the Philippines, and Indonesia, and only regional one with Laos, Myanmar, and Cambodia. The proliferation of EPAs brings great opportunities to boost trade between Japan and its partners. However, it also poses a threat from the complicated trade rules, among which rules of origin (RoO) are one important element.

ITC series of business surveys on non-tariff measures conducted in 39 developing countries[1] has found RoO to be among the top obstacles to trade perceived by manufacturing businesses, along with conformity assessments. Business responses show that the complexity of RoO is amplified by procedural obstacles that arise when administering them.

Despite this reality, currently RoO are not incorporated in most studies measuring economic impact of EPAs. This leads to an unrealistic assumption that all "effectively applied" preferential tariffs are 100% utilised by firms. Some studies resort to *ad hoc* adjustments in their models. For example, USITC's assessment of TPP impact moderated Vietnam's modeling results by correcting for stringent TPP RoO on apparel[2].

[1] For details, see https://ntmsurvey.org.

[2] Page 752, USITC (2016), Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors, https://www.usitc.gov/publications/332/pub4607.pdf

Consistent with its mission to increase transparency in trade, ITC has undertaken to build a comprehensive database on RoO of all active trade agreements in the world. The joint collaboration with the WCO and the WTO has resulted in a database accessible via online tool Rules of Origin Facilitator[3]. As of June 2020, the database covers product-specific RoO in more than 360 trade agreements[4] mapped with current preferential tariff rates. The coverage includes RoO in preferential schemes for imports originating in least developed countries based on the notifications received by the WTO Secretariat. Of the 360+ EPAs covered, 341 have already entered into force, while 20 are signed (e.g. USMCA, Australia-Indonesia) or recently suspended (e.g. Jordan-Turkey).

This paper aims to focus on the restrictiveness of RoO in these 18 EPAs of Japan listed above. It attempts to document the methodology of constructing this database as well as to shed light on the first findings based on the statistical insights.

The analysis will be conducted by employing the database accessible via the Rules of Origin Facilitator. As of June 2020, the database covers product-specific rules (PSRs) in over 360 FTA[5], mapped with current preferential tariff rates. It will help elucidate the origin provisions in Japan's EPAs, and at the same time allows a comprehensive comparison with existing RoO in other trade agreements. The result of this research is expected to help policymakers to accomplish their rules for the sake of trade and prosperity.

This paper documents the methodology of constructing this database as well as provides first statistical insights for RoO of Japan with a view of eventually designing a comprehensive measure of restrictiveness of RoO in Japan EPAs. The paper is structured as follows.

Section 1 reviews existing literature and databases of RoO in Japan EPAs.

Section 2 lays out methodology of the new ITC database of RoO of Japan EPAs.

Section 3 presents statistical insights as well as factors affecting restrictiveness of RoO for the case of Japan.

[3] Accessible at http://findrulesoforigin.org.

[4] List of EPAs for which rules of origin are already available in the tool can be viewed in Agreement list after toggling on "RoO available", http://findrulesoforigin.org/home/agreements

[5] List of EPAs for which rules of origin are already available in the tool can be viewed in Agreement list after toggling on "RoO available", http://findrulesoforigin.org/home/agreements

Section 1 Literature review

1. Strands of economic research on rules of origin

There have been a vast number of economic studies on RoO. The first strand are those dealing with the restrictiveness of RoO, which is closely associated with preference utilization in EPAs. The impact of RoO on trade flows, particularly trade creation and trade diversion effects driven by RoO, is another common topic that attracts scholarly attention. Besides, there are some comparative studies attempting to map RoO across EPAs and analyze their convergence and divergence. Noticeably, some reform-oriented studies call for the improvement of RoO to reduce their trade-distortion effects in line with the evolvement of global value chains (GVCs).

Among these studies, the book edited by Cadot et al. (2006a) is one of the most important resources for research on RoO. Beyond introducing the theoretical aspects of RoO, it also attempts to map all RoO in EPAs across the world. More importantly, it dedicates one chapter to the discussion on measuring the impact of RoO on international trade.

In another paper focusing on the EU, Augier et al. (2005) discuss the restrictiveness of RoO by exploiting a 'natural experiment' created by a technical change introduced in 1997, known as diagonal cumulation. This change relaxes the restrictiveness of RoO on trade among the EU's EPA partners without changing the degree of tariff preference. The authors conclude that such incorporation of a 'cumulation' rule is a good way to mitigate the welfare-reducing impact of overlapping RoO without gutting their fraud-fighting ability. They also suggest a procedure for establishing a framework for RoO which would be more transparent, flexible, administratively feasible and negotiable.

In the work by Anson et al. (2005), the authors argue that although ROO in EPAs are necessary to prevent trade deflection, they do raise production costs and create administrative costs. As an example, the authors investigate the wave of North-South EPAs and find that the presence of ROO remarkably limits preferential market access conferred to the Southern partners. It is estimated that in NAFTA, the average compliance costs account for around 6% in ad valorem equivalent. Whereas, administrative costs amount to 47% of the preference margin.

Cadot et al. (2006b) are among the first authors to point out that the Harmonized System (HS) is not designed for the purpose of origin determination, but only for defining tariff schedules and collecting trade statistics. Therefore, devising methods to determine sufficient processing or substantial transformation has turned out to be very complex in all existing EPAs, notably for the two big players, the EU and the US. Whereas, under many regional Asian EPAs, a single regional value content (RVC) criterion is used in combination with diagonal cumulation. This criterion is remarkably simple as compared to the criteria used by the EU and the US. The study argues that a move in the direction of devising complex PSR should be avoided. It presents the evidence on the costs of complex RoO adopted by the EU and the US on their trading partners. In other words, RoO should be 'business friendly' rather than 'business owned'.

Manchin and Pelkmans-Balaoing (2007) provide an overview of preferential RoO in East Asia, highlighting the elements that possibly generate some trade distorting effects. The empirical analysis focuses on the ASEAN Free Trade Area (AFTA), with the aim to test the influence of its preferences on intra-trade and to provide an estimate of the costs to claim preferences. The results reveal that preferential tariffs favourably affect intra-regional imports only at very high margins (around 25 percentage points). It suggests the likelihood of high administrative costs in utilizing this EPA's preferences, particularly with regard to the compliance with its RoO.

Despite the effort to eliminate barriers to trade, more recent studies still acknowledge RoO as an aspect which continues to distort trade and investment flows. For instance, Elliott (2014) discusses the prospect of the textile and apparel industry when the Trans-Pacific Partnership Agreement (TPP) is concluded. The author finds that although the parties to this mega trade deal will eventually remove tariff barriers, exporters may still find themselves bearing the cost of billions of dollars in import duties if they fail to comply with the agreement's RoO.

A large scale survey of preferential RoO in EPAs has been carried out by Abreu (2016), which takes into account the RoO applied by 192 EPAs covering trade in goods notified to the WTO by 1 November 2010. This study contains two basic parts: a description of some key elements of preferential RoO in EPAs, followed by an attempt to provide a reality-check of how these rules affect trade. The latter is carried out by an ex-post examination of data on the utilization of EPAs' preferences and of the margins of preference in their absence. In its descriptive part, the study identifies a tendency to design stricter RoO, while detecting the inclusion of certain flexibilities in modern preferential RoO and mechanisms that allow the integration of third-parties. The reality-check part of the study reveals that beyond the coverage of EPAs, it is their effective implementation that poses a challenge to traders. Based on existing data of preference utilization, the analysis of the effects of RoO on preferential trade flows shows a relatively high use of preferences in certain instances, while preferences failing to attain their potential in other cases. As regards RTAs for which utilization rate is not available, the paper adopts a margin of preferences perspective, assuming that a margin of at least 5 percentage points would offset compliance costs and thus provide a stimulus to comply with RoO in order to benefit from preferences. However, the analysis made for 68 out of 192 EPAs does not allow any conclusion regarding that generally presented hypothesis.

Regarding literature on the restrictiveness index (RI) of RoO, Estevadeordal (2000) is a pioneer author to propose an index based on the 'observation rule' to measure the stringency of PSR. The rule relies on two primary assumptions. Firstly, a change at the chapter level (CC) is deemed as more restrictive than one at the heading (CTH), and a change at the heading level (CTH) is more restrictive than one at the sub-heading level (CTSH). Next, it is assumed that the RVC and specific processing criteria (SP) attached to a given change of tariff classification (CTC) add restrictiveness to the RoO. The observation rule allows the author to construct an ordinal index which assigns a single value, ranking from 1 (least stringent) to 7 (most stringent), to the restrictiveness of RoO (i.e., $1 \leq Ri \leq 7$).

Gretton and Gali (2005) also employ this methodology to measure the restrictiveness of preferential RoO. This methodology involves specifying a system of provisions or criteria used to determine origin in an FTA, a weight for each criterion reflecting its relative importance in the index and a score reflecting the restrictiveness of the variant implemented in the ROO regime. The authors note that because economic theory and existing studies do not provide a readily available 'standard' against which any particular method or provision for determining origin can be judged, the weights and scores are assigned subjectively by reference to other studies and the nature of the provisions. Such methodology allows the analysis of RoO based on of their characteristics, and the index value of a regime reflects ex ante the restrictiveness of the origin rules faced by firms. However, the index alone is not sufficient to measure the ex post effects when a RoO regime is implemented (e.g., the adverse impacts on firms' choice of production technology or national welfare).

Later, Cadot et al. (2006b) modifies the index, taking into account exceptions and allowances. Many other authors also employ the index methodology in their research, e.g., Portugal-Perez (2011), who assessed the rules of origin in NAFTA.

In their analysis of the utilization of the Korea-ASEAN FTA, Hayakawa, et al. (2013) quantitatively identify margin effect (preferential margin), scale effect (average export volume), and RoO effect (RoO restrictiveness). Their results demonstrate that the scale effect provides a contribution more than ten times larger than the margin or RoO effects (in absolute terms), while the coefficient for restrictiveness index, which takes the value from 3 (less restrictive) to 7 (more restrictive), is significantly negative, indicating that more restrictive RoO lead to lower rates of FTA utilization.

Cadot and Ing (2015) empirically examine RoO's impacts of ASEAN's FTAs on non-commodity imports. Their regression equations include 14 types of ROO dummies, with 'change-in-chapter rule and exception' as a benchmark. Ten out of 14 types are found to be negative and statistically significant, and the degree of restrictiveness is high in particular for 'wholly obtained rule', 'change-in-tariff classification rule or the textile rule', and 'value-added rule or the textile rule'.

In its 2019 paper, the research group at International Trade Centre (ITC) documents the first global database on RoO mapped with bilateral tariff rates. The paper has provided a number of insights and stylized facts based on the database as well as possible applications in the domain of economic modelling of the impact of FTAs. It also highlights challenges and complications based on the insights from the database that are

taken into account in the construction of restrictiveness indicators of RoO. With regard to restrictiveness of RoO, the paper analyses both PSR and regime-wide (RW) origin provisions in approximately 270 FTAs.

2. Existing literature on rules of origin in Japan FTAs

Despite the need for rigorous study of FTA utilization, only few studies have been conducted regarding Japan. The major reason for the shortage of literature is the lack of data availability. Japan's Ministry of Finance began releasing information needed for studies in this area in 2015. To the best of our knowledge, no rigorous studies about the utilization of Japan's FTAs exist, particularly ones that focus on RoO.

Higashi (2008) analyzes Japanese bilateral EPA negotiations, focusing on the areas that each country decided as most important, and the actors playing most important roles in each set of negotiations. Kawasaki (2014) analyzes the relative significance of regional EPAs in Asia-Pacific region. Abe (2018) writes a paper to examine main trends and outline Japan's main EPAs. However, these works have not not touched upon the area of RoO or EPA utilization.

Hayakawa (2014) examine RoO of regional and bilateral EPAs between Japan and Thailand and empirically investigate the effect of the diagonal cumulation rule on FTA utilization by employing data on Thai exports to Japan under two EPAs, the AJCEP and the Japan–Thailand EPA. His study constructs ROO variables, based on the score of RoO restrictiveness index from one to eight (where smaller score indicates less restrictive), such as RoO difference between the two EPAs (the score difference or the score difference category dummies) and RoO RI (the RI or RI dummies). The estimated coefficient of the RoO RI was found to be significantly positive, indicating that products with more restrictive RoO are more likely to be exported under EPA scheme, unlike our expectation. As for the results of the estimation using the RoO restrictive index dummies, the study has found only one significantly negative RoO – 'CTSH rule' – indicating that the most restrictive RoO in AJCEP and JTEPA is 'CTSH rule', which is the second less restrictive type among eight categories.

The first empirical study on EPA imports in Japan is Hayakawa and Urata (2015). The authors provide a descriptive analysis of EPA utilization in Japan from 2012 to 2014 by using data released by Japan's Ministry of Finance.

Ando and Urata (2018) discusses EPA utilization for Japan's imports and to attempt to empirically examine preferential margins (differences between MFN tariffs and FTA tariffs) and restrictiveness of RoO as determinants of EPA utilization at the product level or the HS nine-digit level. To utilize EPA tariffs, administrative and time costs are incurred to obtain certificates of origin (CO), which are required to qualify for EPA preferential tariffs. Considering such costs, preferential margins would be important as an incentive for utilizing EPAs. On the other hand, if RoO are restrictive, it would be difficult to satisfy their conditions. In this case, even if tariffs were eliminated or reduced, RoO could impede import expansion.

The authors argue that RoO adopted by Japan's EPAs are much more complicated (partly because a comprehensive set of EPAs provides more varied types of RoO). Moreover, to compare the effects, if any, among different types of RoO, they employ dummy variables for different RoO to examine their impacts. It should be noted that some types of RoO are sector-specific; therefore, they incorporate the sector dummies.

Section 2 Overview of Japan EPAs

3. Evolution of Japan EPAs and EPA partners

As of June 2020, Japan is party to 19 EPAs "in force" (Table 1). One EPA – US-Japan trade agreement (2020) – has not been included into this study.

All Japan EPAs, except one, are classified as "free trade agreements", i.e., they provide reciprocal tariff liberalization on substantially all trade. GSP is a unilateral non-reciprocal preferential trading arrangement accessible to least developed and developing countries.[6]

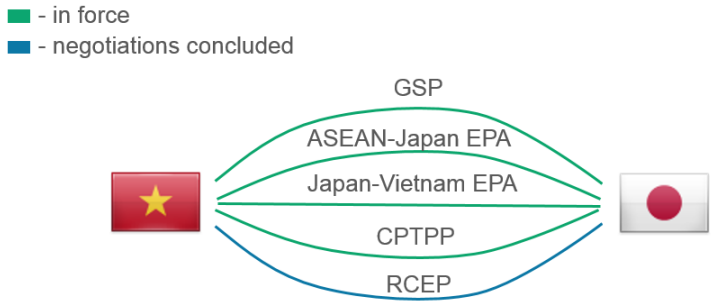
Table 1. List of Japan EPAs "in force"

Start date	EPA abbrev.	EPA short name	EPA official name
01.02.2019	EU EPA	FTA, EU-Japan	AGREEMENT BETWEEN THE EUROPEAN UNION AND JAPAN FOR AN ECONOMIC PARTNERSHIP
30.12.2018	CPTPP	CPTPP	COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP
07.06.2016	Mongolia EPA	EPA, Japan-Mongolia	AGREEMENT BETWEEN JAPAN AND MONGOLIA FOR AN ECONOMIC PARTNERSHIP
15.01.2015	Australia EPA	FTA, Australia-Japan	AGREEMENT BETWEEN AUSTRALIA AND JAPAN FOR AN ECONOMIC PARTNERSHIP
01.03.2012	Peru EPA	EPA, Japan-Peru	AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF PERU FOR AN ECONOMIC PARTNERSHIP
01.08.2011	India EPA	EPA, India-Japan	COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF INDIA
01.10.2009	Vietnam EPA	EPA, Japan-Viet Nam	AGREEMENT BETWEEN JAPAN AND THE SOCIALIST REPUBLIC OF VIET NAM FOR AN ECONOMIC PARTNERSHIP
01.09.2009	Switzerland EPA	EPA, Japan-Switzerland	AGREEMENT ON FREE TRADE AND ECONOMIC PARTNERSHIP BETWEEN JAPAN AND THE SWISS CONFEDERATION
11.12.2008	Philippines EPA	EPA, Japan-Philippines	AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF THE PHILIPPINES FOR AN ECONOMIC PARTNERSHIP
01.12.2008	ASEAN EPA	EPA, ASEAN-Japan	AGREEMENT ON COMPREHENSIVE ECONOMIC PARTNERSHIP AMONG JAPAN AND MEMBER STATES OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS
31.07.2008	Brunei EPA	EPA, Brunei-Japan	AGREEMENT BETWEEN JAPAN AND BRUNEI DARUSSALAM FOR AN ECONOMIC PARTNERSHIP
01.07.2008	Indonesia EPA	EPA, Indonesia-Japan	AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF INDONESIA FOR AN ECONOMIC PARTNERSHIP
01.11.2007	Thailand EPA	EPA, Japan-Thailand	AGREEMENT BETWEEN JAPAN AND THE KINGDOM OF THAILAND FOR AN ECONOMIC PARTNERSHIP
03.09.2007	Chile EPA	EPA, Chile-Japan	AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF CHILE FOR A STRATEGIC ECONOMIC PARTNERSHIP
13.07.2006	Malaysia EPA	EPA, Japan-Malaysia	AGREEMENT BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF MALAYSIA FOR AN ECONOMIC PARTNERSHIP
01.04.2005	Mexico EPA	EPA, Japan-Mexico	AGREEMENT BETWEEN JAPAN AND THE UNITED MEXICAN STATES FOR THE STRENGTHENING OF THE ECONOMIC PARTNERSHIP
30.11.2002	Singapore EPA	EPA, Japan-Singapore	AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF SINGAPORE FOR A NEW-AGE ECONOMIC PARTNERSHIP
01.08.1971	GSP	Japan for GSP countries	Temporary Tariff Measures Law (extract) (General Preferential Tariff and LDC Special Preferential Tariff)

Note: US-Japan EPA (2020), which is also in force, is not part of the study

Some trade partners of Japan find themselves in two or more overlapping EPAs they can choose to trade under. Option to choose between a better preferential margin and various rule of origin options is on one hand trade-facilitating. However, it may also have an element of complexity and potential confusion for trade operators. Figure 2 illustrates the case for Vietnam who has four active preferential agreements with Japan; and for fifth one, the negotiations have been recently concluded.

Figure 2. "Spaghetti cluster" of trade agreements between Vietnam and Japan



Source: Based on Rules of Origin Facilitator

[6] For the purpose of this research, "EPA" is meant to cover all preferential trade agreements to which Japan is a party, including its GSP scheme.

4. Collecting and extracting data

The first step to compile a structured database of full texts and relevant chapters and annexes of Japan EPAs.

Where feasible, the authors retrieved documents from official websites[7] to ensure they are the most reliable and up-to-date. Weblinks and PDFs of the documents were saved, and are publicly available in 'Documents' section of Rules of Origin Facilitator.

The priority language of collection is English. All Japan EPAs texts are available in English. For Japan GSP, some documents were only available in Japanese. In this case, we used information from Japan's detailed notification of the LDC preferential RoO to the WTO Secretariat.

RoO can be roughly divided into two components: product-specific origin criteria and RW provisions. Product-specific origin criteria are incorporated in EPA legal texts in a number of formats. In Japan EPAs, they are typically found in one of the annexes to the agreement. Their length may range from tens to hundreds of pages. In the case of non-reciprocal arrangements, such as Japan's GSP scheme, they are often found in the national legislation.

As a result of the collection process, the following documents were readied in a standardized format:

- Chapter on rules of origin,
- Chapter on certification procedures,
- Annex on product-specific rules of origin,
- Certificate of origin,
- Main text of the agreement,
- WTO notification (in the case of Japan GSP scheme).

Certain variables on certification and origin procedures, such as advance origin rulings and treatment of minor errors, were found in a separate chapter on customs administration. In this case, the chapter was additionally collected.

The next step was to convert legal documents into machine-readable Excel or Text formats. The texts-turned-into-data were then treated by machine-learning algorithms that followed information retrieval and coding methodologies discussed in the next subsection. The final results were verified by a combination of automatic and manual checks done by dedicated trade lawyers and statisticians.

5. Capturing variables

5.1. Capturing product-specific origin criteria

Product-specific origin criteria define at which point the substantial transformation of the product within the boundaries of a free trade area is sufficient enough for it to have obtained essential character and thus to be deemed originating for the purpose of preferential treatment. These rules are subject to negotiation by EPA parties, they can differ from one product to another and take various forms. In the case of non-reciprocal schemes, these PSR are defined by the granting country.

Product-specific criteria can be product-specific, i.e. defined for every HS code, or can be general, i.e. defined as a cross-cutting criterion. They can also be defined for a positive list of HS codes, and a general criterion would cover all remaining HS codes. In any case, a schedule of origin criteria covers all products from Chapter 1 to Chapter 97.

[7] Official websites are considered websites of ministries of trade of the countries-signatories to a EPA, and websites of national customs.

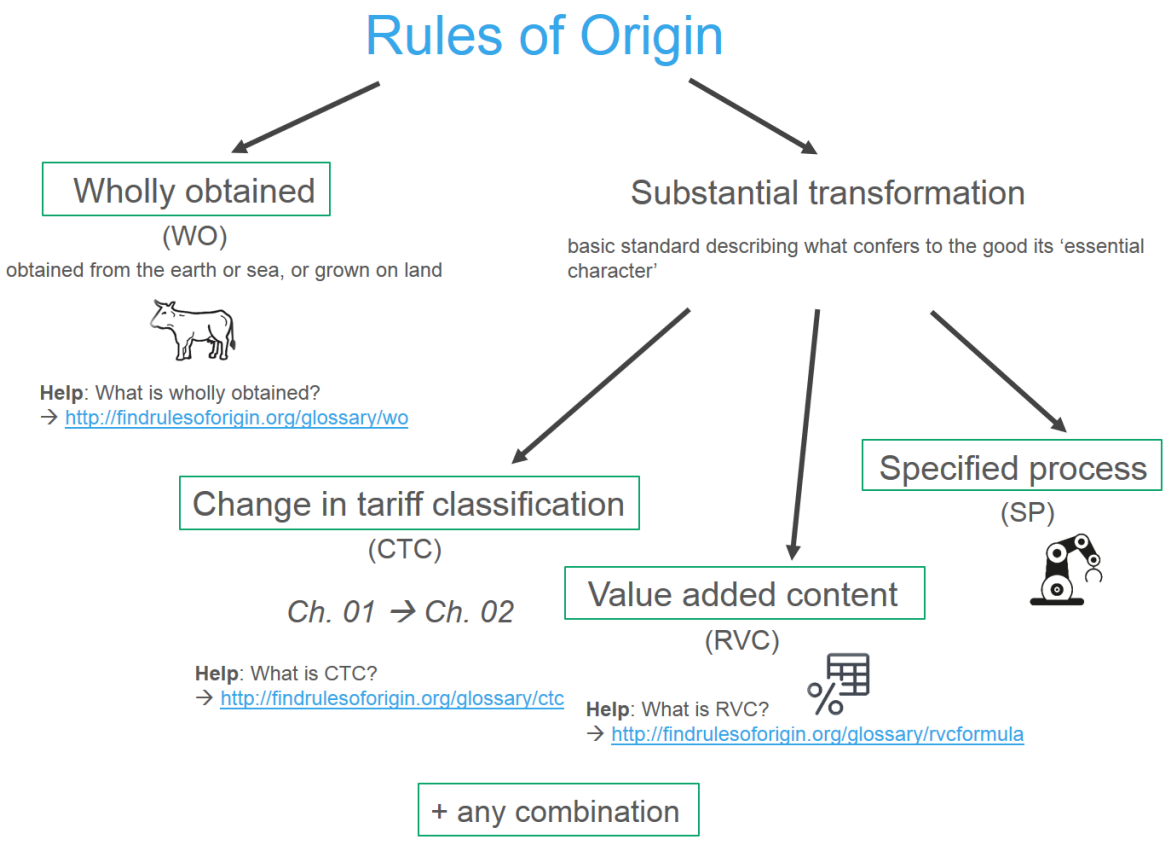
For a product on which both parties apply 0% MFN tariff, having an origin criterion might seem unnecessary since none of the parties would have economic incentives to utilise the EPA. However, the origin criterion is still defined for all products for a number of reasons. First, the product might be used as an originating input for the purpose of cumulation. Second, the exporter might be obliged to present a CO as part of the contractual obligation with the buyer. Third, some EPAs offer additional duty benefits beyond reduction of customs tariffs. For example, NAFTA-originating products are additionally exempted from the merchandise processing fee. Finally, MFN bound tariff might be non-zero, which means a party can raise the MFN applied rate at any moment. In this case, the preferential margin can become lucrative to traders and a preferential origin criterion is needed.

The Revised Kyoto Convention (RKC) of the WCO defines two main criteria of origin determination: the 'wholly obtained or produced' criterion and the 'substantial transformation' criterion. With occasional deviations, origin criteria in most trade agreements are in line with Standard 2 in Annex K of the RKC. According to this Standard, goods 'wholly produced in a given country' will be covered in exhaustive lists. Whereas, in the 'substantial transformation' criterion, 'origin is determined by regarding as the country of origin the country where the last substantial manufacturing or processing, deemed sufficient to give a commodity its essential character, has been carried out.'[8] In other words, once a product is made up of inputs from several countries, it obtains originating status in the country that hosts the substantial processing giving it an essential character.

There are several methods of application to identify the fulfillment of the 'substantial transformation' criterion, which include rules that are based (i) on the change in tariff classification, (ii) the ad valorem percentage, or (iii) the list of specific manufacturing or processing operations. All of these interchangeable methods have certain positive and negative features from the business point of view, and they can be applied separately or in combination.

[8] Paragraph E3./F1, Chapter 1, Annex K of the RKC.

Figure 3. Visual representation of the four main methods of determining 'substantial transformation'



The frequency statistics in Table 2 shows that both CTH and RVC are the most prevalent criteria in Japan EPAs, which is in line with global trend. However, Japan has relatively higher frequency of CTC-type rules rather than RVC-type rules. Japan also has a relatively higher share of SP rules.

Table 2. 14 basic types of origin criteria present in 360 EPAs VS 18 Japan EPAs

Presence in 360 EPAs (World)	Presence in 18 EPAs (Japan)	Rule	Definition
5%	2%	**WO**	Good is entirely (i.e. **wholly**) obtained or manufactured in one country without using any non-originating materials.
2%	0%	**NC**	The non-originating inputs are **not required** to be classified in a different HS code than the final good to confer originating status.
9%	27%	**CC**	The originating status is conferred to a good that is classified in a different HS **chapter** than the non-originating inputs.
45%	**39**%	**CTH**	The originating status is conferred to a good that is classified in a different HS **heading** than the non-originating inputs.
8%	25%	**CTSH**	The originating status is conferred to a good that is classified in a different HS **subheading** than the non-originating inputs.
0.02%	0%	**CTI**	The originating status is conferred to a good that is classified in a different HS **tariff item** than the non-originating inputs.

5%	2%	**ALW**	The originating status is **allowed** to be conferred from non-originating inputs of specific HS codes.
7%	14%	**ECT**	The originating status cannot be conferred to a good if the non-originating inputs are from HS codes listed under **exception**.
8%	17%	**SP**	A good originates in the country where a defined technical requirement, i.e. a **specified working or processing**, has taken place.
62%	**48%**	**RVC**	A good obtains originating status if a defined **regional value content** percentage has been reached.
0.3%	0.07%	**RQC**	A good obtains originating status if a defined **regional quantity content** percentage has been reached.
1%	0.6%	**RVP**	A good obtains originating status if a defined **regional value content** percentage on **a part or parts** has been reached.
0.3%	0.6%	**RQP**	A good obtains originating status if a defined **regional quantity content** percentage on **a part or parts** has been reached.
3%	5%	**Other**	Origin criteria **other** than related to wholly obtained, CTC, value (quantity) content, or specified process.

Note: "Presence" means % of presence of the type in origin criteria across all 3 million EPA x HS6 combinations (*April 2020*)

An example of each of the 14 basic types can be found in Table A1 (Appendix).

A good illustration of a combination would be the origin criterion for domestic vacuum cleaners classified in HS 8508.19 under CPTPP presented in Table 3. It combines three types of origin requirements: CTH, ECT and RVC.

Table 3. Combination-type origin criterion

Origin criterion for domestic vacuum cleaners classified in HS 8508.19	Criterion (ITC)
A change to domestic vacuum cleaners of subheading 8508.19 from any other subheading, except from heading 85.01; or A change to domestic vacuum cleaners of subheading 8508.19 from any other subheading, except from housings of subheading 8508.70; or No change in tariff classification required for domestic vacuum cleaners of subheading 8508.19, provided there is a regional value content of not less than: (a) 30 per cent under the build-up method; or (b) 40 per cent under the build-down method;	(CTSH + ECT) or (CTSH + ECT) or RVC 30/40%

The origin criterion in Table 3 should be read as follows. The good of HS 8508.19 can become CPTPP-originating by satisfying either of the three alternative rules. The first alternative rule states "*A change to domestic vacuum cleaners of subheading 8508.19 from any other subheading, except from heading 85.01*". It means that no non-originating inputs classified in subheading 8508.19 (vacuum cleaners) or 85.01 (electric motors and generators) can enter into manufacturing of the product. The second alternative rule states "*A change to domestic vacuum cleaners of subheading 8508.19 from any other subheading, except*

from housings of subheading 8508.70". The second alternative rule is similar to the first rule but instead of using electric motors it prohibits the use of non-originating parts classified in 8508.70 (parts of vacuum cleaners). Finally, a value-added requirement of 30 or 40%, depending on the calculation method, is provided as a third alternative. This extra-requirement is coded as RVC 30/40%. As long as the company passes at least one of the three alternative rules, the vacuum cleaner is considered CPTPP-originating and can circulate in CPTPP area under preferential duties.

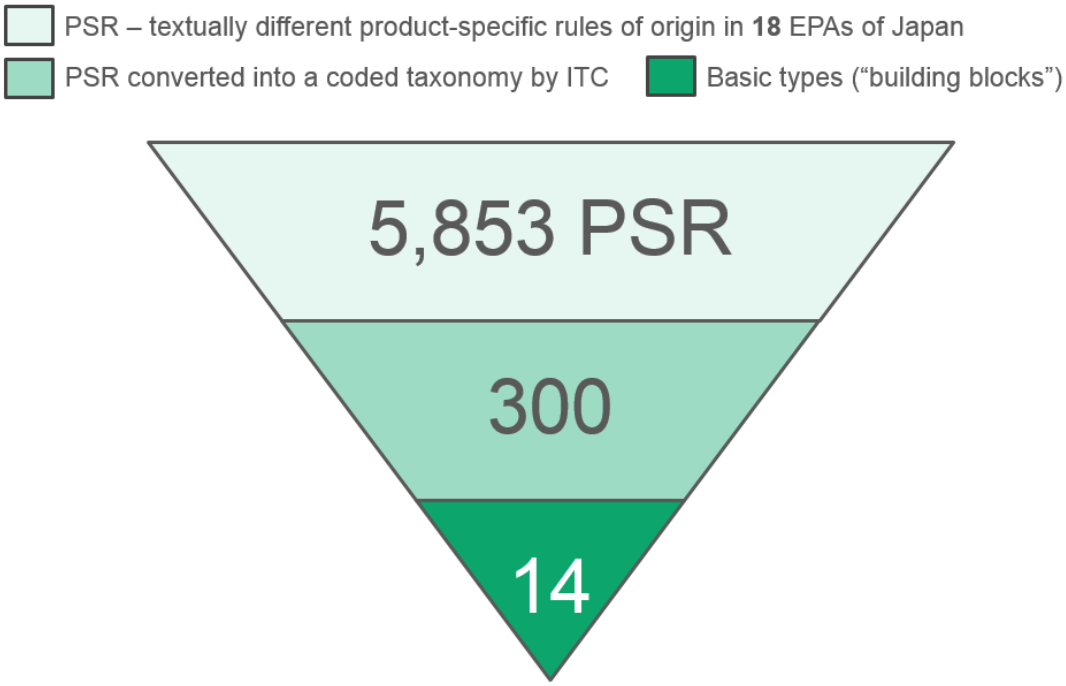
The origin criterion is further complicated by footnotes, chapter notes, and introductory notes.

A positive side of a complex origin criterion like in Table 3 is that it offers valuable information on input-output that can have applications in supply chain analyses. From the text of the rule, it can be deduced that there is a potential way to transform electronic motors and generators (HS 85.01) into vacuum cleaners. Also it is revealed that goods classified in HS 8508.70 are used as inputs for vacuum cleaners. HS code 8508.70 indeed stands for parts of vacuum cleaners.

The additional notes and input lists are captured in the Rules of Origin Facilitator database and are offered to the user as part of the core functionality. They are also proposed as a factor in measuring RoO restrictiveness.

Figure 4 shows how codification of Japan's PSR allowed to collapse more than 5,000 textually distinct into 300 coded criteria, which consist of 14 "building block" categories.

Figure 4. Collapsing Japan PSR into simplified categories



5.2. Capturing regime-wide provisions

PSR cannot be applied in isolation from RW origin provisions, which are typically found in the chapter on rules of origin of the main text of agreement. However, after passing the "hurdle" of origin provisions, the exporter has to further pass certification provisions related to the issuance and administration of proofs of origin. These provisions are typically found in the chapter on origin procedures of the main text.

We have identified and captured 30 principal RW origin and certification provisions. The list of provisions is planned to be further expanded. The list of provisions and the corresponding values can be found in Table 5. Non-technical definitions of each provision are provided in Table A2 in Appendix, as well as in a more detailed format at http://findrulesoforigin.org/home/help.

While identifying and capturing RW provisions, we cross-check the results with the Comparative Study on Preferential Rules of Origin of the WCO[9], which captures and classified most of these provisions based on 47 EPAs.

Table 5. Coding of origin and certification provisions

	Origin Provision	Values
1	Cumulation	Bilateral/Diagonal/Cross-cumulation/Full (*and combinations*)/Not included/Not provided
2	De Minimis	Included (x%)/Not included
3	Roll-up	Included/Not included
4	Duty drawback	Included (Allowed/Prohibition)/Not included
5	Outward processing	Included/Not included
6	Accessories, Spare Parts and Tools	Included/Not included
7	Wholly obtained products	Provided/Not provided
8	Non-qualifying operations	Provided/Not provided
9	Value-added calculation	Included [Value-added content (build-up/build-down)/Import content/Net cost/Focused value (*and combinations*)]/Not included
10	Indirect materials	Included/Not included
11	Direct transport	Included/Not included
12	Principle of Territoriality	Included/Not included
13	Packaging	Included/Not included
14	Fungible materials	Included (materials only/materials & final products)/Not included
15	Sets	Included (RVC x%)/Not included
16	Exhibitions	Included/Not included

	Certification Provision	Values
17	Certification	Provided [Authorized body/Self-certification (*or combinations*)]/Not provided
18	Exemption of certification	Included (less than x USD or other currency)/Not included
19	Approved exporter	Included/Not included
20	Competent authority	Provided/Not provided
21	Period of validity	Provided [x years/months/days (for single/multiple shipments)]/Not provided
22	Retention period	Provided (x years/months)/Not provided
23	Refund of excess duties	Provided (up to x years/months/days)/Not provided
24	Supporting documents	Provided/Not provided
25	Third party invoicing	Provided/Prohibition/Not provided
26	Verifications	Direct/Indirect/Provided/Not provided
27	Penalties	Provided/Not provided
28	Advance rulings	Within XX days/Provided/Not provided
29	Minor errors	Provided/Not provided

[9] The version of 2017 can be found at http://www.wcoomd.org/en/topics/origin/instrument-and-tools.aspx.

30	Appeals	Provided/Not provided

Regarding the coding of values, a few remarks are necessary. First, the difference between synonymous "provided"/"not provided" and "included"/"not included" values. "Not provided" means that even though this provision might be missing in the text of the EPA, it still has to apply and is probably found in the national legislation. If the provision is "not provided", it tells us that this information should have been provided in the EPA for the sake of transparency, but is not. The provision being "not provided" does not impact the RI or trade facilitation dimension of the agreement in a direct negative sense, as if it was not included or prohibited. If the provision is coded as "not included", it means that this EPA lacks this provision and it directly negatively impacts its RI in one way or another.

Second, the list of provisions is not exhaustive and will be expanded in the future. For example, the list does not yet contain 'Confidentiality' provision. Confidentiality provision guarantees that customs authorities will not disclose to the public any confidential business information collected in the process of origin verfication, such as details of raw materials supply contracts. Business surveys find that some producers are concerned with providing such confidential information[10].

Third, even though these provisions are called "regime wide" in the literature, in some EPAs they can take various values depending on the product or EPA partner. For example, the value of *de minimis* provision[11] ranges from 5% to 20% in all EPAs globally. Around one third of EPAs do not have *de minimis* provision at all. However, in some EPAs the provision can take various values depending on HS chapter and various bases for *de minimis* thresholds (weight for textiles, value for other goods) or separate non-percentage *de minimis* rules for certain types of goods, typically textiles. In several EPAs, certain goods are excluded from *de minimis* provision. This kind of extra layer of detail poses challenges for restrictiveness analyses of rules of origin based on "regime-wide" provisions and will require adding product and EPA partner dimensions in the future. In the case of Japan, mostly the provision of 10% de minimis used as well as in some EPAs it is chapter-specific.

6. Restrictiveness of rules of origin in Japan EPAs

Constructing the RI, or Trade Facilitation Index (TFI), of rules of origin offer numerous benefits (Kniahin et al., 2019). The RI relies on two pillars:

- Product-specific origin criteria,
- Origin and certification provisions.

We compute restrictiveness of each pillar separately. We compute the RI for a specific HS6 code and then aggregate across all HS6 codes for a bird-eye's view and interpretation.

6.1. RI of product-specific origin criteria

Factors affecting restrictiveness of product-specific origin criteria are the following:

- Origin criterion (coded);
- Intermediate inputs on exception and allowance HS lists;
- Number of footnotes and product notes.

[10] For example, 5% of surveyed EU producers have concerns regarding confidential information provided to customs authorities. Source: https://madb.europa.eu/madb/roo_results.htm

[11] De minimis is a provision commonly found in rules of origin, which aims to add certain flexibility to the main origin criteria by allowing a tolerance on non-originating materials not fulfilling the origin criteria. For more details see http://findrulesoforigin.org/glossary/demin.

We compute RI separately for each HS6 code thanks to the width of the database (370+ EPAs, June 2020). The necessity to compute RI for each HS6 code separately stems from the nature of the HS system. Same origin criterion can imply different restrictiveness depending on the HS structure. For example, CTH criterion applied on roasted coffee (0901.21) means maximum restrictiveness, equivalent to WO (wholly obtained) criterion, because green coffee is classified in 0901.11, i.e., a change in tariff heading will fail to occur if non-originating green coffee is used as an input. In comparison, CTH criterion applied on leather shoes (6403.99) implies that the mere gluing of non-originating outer soles (6406.20) and non-originating uppers (6406.10) is substantial enough to confer preferential origin. Thus, CTH criterion can imply different restrictiveness depending on the product.

In comparison to the methodology outlined in Kniahin et al. (2019), we introduce the following improvement. The second improvement is a larger reference sample of EPAs consisting of 374 EPAs (while it was 271 EPAs in Kniahin et al., 2019).

Amendment. ***Alternative rules***. In the case of alternative rules, we assume that a trader will opt for the rule with the minimum restrictiveness among the alternative rules. Hence we took the minimum restrictiveness score among subrules and assigned it to the entire rule.

However, a firm may prefer the availability of a multiple choice among origin criteria and can select the most convenient one for various purposes. To account for this flexibility, the restrictiveness is further corrected downwards by multiplying with the following coefficient: $n^{-\frac{1}{3}}$, where n is the number of available alternative rules.

The economic rationale of this adjustment coefficient is the following. There is a decreasing marginal utility of each additional alternative rule, as being able to qualify under $(n-1)$ alternative rules significantly increases chances to be able to qualify under the nth alternative rule. Hence the coefficient should be decreasing in n ("the more alternative rules the better") but should display convexity (i.e. 2nd derivative is positive). A k-root is a simple function that fits these requirements. Additionally, when choosing between a more "generous" square root and a cubic root, we took into account the fact that a larger number of alternative rules does not directly decrease restrictiveness, but simply provides convenience of choice to the exporter. Therefore, a higher order (cubic) of the root was deemed appropriate.

6.2. RI of origin and certification provisions

The restrictiveness of RW provisions consists of the following factors:

- Relative importance of each provision for traders,
- Restrictiveness of the value of the provision.

In Table 5 above, the provisions are ordered on priority basis following several consultations with MSMEs. Cumulation is considered by many traders and experts as the single most important origin provision. On the other hand, certification type is considered as the single most important certification provision. However, the exact ordering of provisions by importance is company- and situation-specific. For example, a company that exports sets of goods and does not cumulate originating inputs from other EPA parties might view Sets provision as more important than Cumulation provision. Therefore, the current ordering of provisions can be considered as an initial convention.

Furthermore, in absence of existing literature, we assume that the most important origin provision (cumulation) is as important as the most important certification provision (certification type). Another observation is that the origin provisions at the lower end of the importance ranking only affect very specific types of goods or cover very specific situations (sets, exhibitions). Certification provisions at the lower end of the importance ranking only provide insights on information transparency of the EPA and do not directly impact the 'restrictiveness' of the EPA, but do have an impact on its 'trade facilitation' factor. Taking these insights into account, the weighing of a provision, for the purpose of this exercise, can be assumed inversely proportional to its importance rank, i.e. 1/N where N is the rank. By this token, cumulation provision has a

weight of 1, *De minimis* provision has a weight of 1/2=0.5, and so on. The last origin provision on exhibitions has a weight of 1/16=0.06. Likewise, certification provision has a weight of 1, exemption of certification has a weight of 0.5, and so on. The last certification provision on appeals has a weight 1/14=0.07.

The restrictiveness of each provision is min-max'ed to range from 0 (least restrictive, or most trade facilitating) to 1 (most restrictive, or least trade facilitating) for illustration purposes.

The restrictiveness of the EPA based on its regime-wide provisions can be aggregated by adding restrictiveness of each of the 30 individual provisions and applying the corresponding importance weight. This could provide first statistical insight on the overall restrictiveness of the provision regime of the EPA.

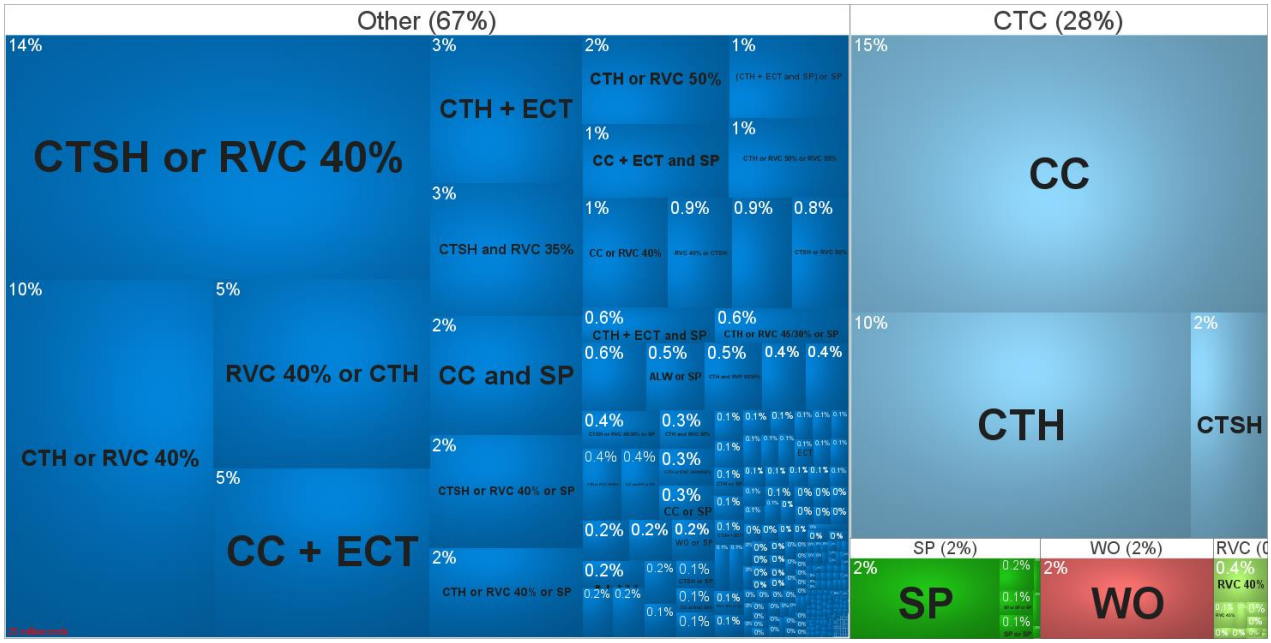
Section 3 Results and discussion

7. Diversity of rules of origin

7.1. Diversity of origin criteria

The most frequently used PSR in 18 Japan EPAs are CTC rules: CC, CTH and CTSH (28% of total). Coming next in the list are 2-alternative rules, such as CTSH or RVC 40%, CTH or RVC 40%, which altogether represent 30% of total rules. Pure RVC rules are very rare (1%). Pure SP and pure WO rules are also rare (2%).

Figure 5. Distribution of origin criteria in 18 Japan EPAs, pooled, all HS6 products, unweighted



Source: Authors' calculation based on Rules of Origin Facilitator

To view breakdowns of PSR by each EPA of Japan proceed to the Annex for Table C.1 to Table C.36. Both unweighted (HS6 count) breakdowns and trade-weighted breakdowns are provided.

7.2. Diversity of regime-wide provisions

7.2.1. Origin provisions[12]

#1 Cumulation. The restrictiveness score is assigned in line with the principle that the wider the range of cumulation is, the less restrictive it is. Among 18 Japan EPAs, 11 EPAs apply bilateral cumulation, i.e., the most restrictive option (rank 1), 4 EPAs apply bilateral and full cumulation (rank 0.4), and 2 EPAs apply diagonal and full cumulation, i.e., the most linient option (rank 0). Notably, Japan GSP scheme allows for bilateral cumulation in general, but diagonal cumulation exclusively applies to 5 ASEAN countries (rank 0.8). The detailed distribution and ranking are provided in Table A3.1 of the Appendix.

[12] A detailed explanation of the rationale behind the ranking of restrictiveness may be found in our 2019 GTAP paper: https://www.gtap.agecon.purdue.edu/resources/download/9488.pdf

#2 De minimis. A restrictiveness rank of 0 applies to EPAs allowing for the largest de minimis tolerance (10%). According to Table A3.2., 4 agreements apply a de minimis rate of either 7% or 10%, 8 agreements apply a chapter-specific de minimis rate. The rest apply a 10% de minimis rate.

#3 Roll up. If an EPA disregards the share of non-originating materials integrated in an intermediate originating material the restrictiveness is 0, otherwise the restrictiveness is 1. As shown in Table A3.3, out of 18 Japan EPAs, 13 EPAs are found to include this provision, while 5 EPAs do not.

#4 Duty drawback. A restrictiveness of 0 is assigned to EPAs under which drawback is allowed, a rank of 0.5 is assigned to those including these provisions, a rank of 0.65 is assigned to those not including these provisions, and an indicative restrictiveness of 1 to those deliberately prohibiting drawback. As shown in Table A3.4, all 18 Japan EPAs do not include provisions allowing for duty drawback.

#5 Outward processing. Where this provision is included, the restrictiveness of 0 is assigned to indicate lower restrictiveness, and where it is missing, an indicative rank of 1 is assigned to indicate higher restrictiveness. According to Table A3.5, this provision is not found in any Japan EPA.

#6 Accessories, spare parts and tools. The presence of this provision will yield a restrictiveness rank of 0, while its absence will yield a score of 1. According to Table A3.6, this provision is included in 16 out of 18 Japan EPAs.

#7 Wholly obtained products. Since the presence of this provision will add transparency and clarity to the ROO, the restrictiveness rank will be 0, otherwise the score will be 1. According to Table A3.7, all 18 Japan EPAs include this provision in their ROO.

#8 Non-qualifying operations. Similar to the provision on wholly obtained products, the presence of this provision means the restrictiveness rank is 0, whereas the absence thereof is punished with a score of 1. As can be seen from Table A3.8, apart from CPTPP, all other Japan EPAs include this provision.

#9 Value-added calculation. A score of 0 is assigned to EPAs allowing for the wildest range of calculation options, whereas a core of 1 is assigned to EPAs allowing for only one toughest option. Acording to Table A3.9, CTPP is the EPA providing the most flexible provision. The EPA with Switzerland and Japan's GSP scheme apply the import content method, while a large majority of 11 EPAs apply the build down method, both ranked 1 in terms of restrictiveness. Two EPAs with Chile and India offer a choice between build up and build down methods, which put them the rank of 0.75.

#10 Indirect materials. The inclusion of this provision is trade facilitating, thus a rank of 0 will be assigned, otherwise the score is 1. As shown Table A3.10, except for the EPA with Singapore and the GSP scheme, this provision is provided in all remaning 16 EPAs.

#11 Direct transport. An inclusion of these provisions result in a restrictiveness of 1 being assessed. In contrast, where these provisions are not provided, a restrictiveness of 0 is assigned to denote leniency. As shown in Table A3.11, all Japan EPAs are found to include a provision on direct transport.

#12 Principle of territoriality. Similar pattern of assigning indicative restrictiveness rankings applies to the provision on principle of territoriality. As shown in Table A3.12, all Japan EPAs include the provision on the principle of territoriality, which implies a restrictiveness of 1.

#13 Packaging. Due to the trade-facilitating nature of the provision, an inclusion thereof is found positive, resulting in a restrictiveness rank of 0 (16 EPAs). Whereas, an absence of this provision in an EPA leads to the rank of 1 (2 EPAs). The detailed list of distribution is found in Table A3.13.

#14 Fungible goods. Where accounting segregation is allowed for both materials and finished goods, the lowest score (0) implying the lowest level of restriction is assigned (14 EPAs). Where an EPA includes the provision but it applies to materials only, a score of 0.5 is applied (3 EPAs). This provision is not found in Japan's GSP, which yields a restrictiveness score of 1. See Table A3.14 for the detailed list of distribution.

#15 Sets. The restrictiveness ranges from 0 (EU-Japan) where a more relaxed requirement of 85% of the originating value is required, to 1 where this provision is not covered (13 EPAs). A threshold of 90% (i.e., 10% non-originating value is accepted) is provided in 3 EPAs, which gives them a rank of 0.33. For Japan-

Chile RPA, where this provision is found but no threshold is specified, the rank is 0.25. The detailed list of distribution is provided in Table A3.15.

#16 Exhibitions. If the provision is included in an agreement, the restrictiveness of 0 is assigned, and the restrictiveness of 1 is assigned in the opposite case. As shown in the detailed list of distribution in Table A3.16, 15 EPAs are found to include provisions on exhibitions, while 3 EPAs (Brunei-Japan, Chile-Japan, and GSP) do not mention these provisions at all.

7.2.2. Certification provisions

#1 Certification. A restrictiveness of 0 will be assigned to those EPAs allowing for self-certification or a choice between self-certification and authorized certification (3), while a restrictiveness of 1 is assigned to those EPAs imposing certification by authorized bodies (15). The detailed list of distribution is provided in Table B.1.

#2 Exemption of certification. To assign indicative restrictiveness rankings, we rank all value thresholds found across 18 EPAs, the ones allowing for the highest threshold will receive the indicative restrictiveness ranking of 0 for being the most trade facilitating, and those allowing for the lowest threshold will receive the restrictiveness of 1 for being the least trade facilitating. A detailed list of distribution is provided in Table B.2

#3 Approved exporter. Due to its trade-facilitating nature, an inclusion of this provision will give a EPA the restrictiveness of 0, while the absence thereof will result in a restrictiveness of 1. As it can be seen from Table B.3, the number of Japan EPAs currently including this provision is only 3 out of 18 agreements.

#4 Competent authority. A restrictiveness of 0 will be assigned to agreements containing this provision, and a restrictiveness of 1 will be assigned to those not containing it. As the figure so indicates in table B.4, the number of EPAs which include this provision is 15, and the number of EPAs which do not include this provision is 3.

#5 Period of validity. In general, the longer the period is, the more convenient it is for traders, thus we assign indicative restrictiveness scores by first ranking all periods of validity found in 18 EPAs. Additionally we take into account whether or not an agreement allows for multiple shipment. As the figures in Table B.5 shows, we found that the best option is 1 year for multipule shipment (2 EPAs, resulting in a restrictiveness of 0), and the worst option is 6 months for single shipement (1 EPA, resulting in a restrictiveness of 1). The remaining 15 EPAs allow for a validity of 1 year for single shipment, which will receive a rank of 0.67.

#6 Retention period. The shorter the period is, the more lenient the EPA is from business perspective. As shown in Table B.6, the lowest restrictiveness of 0 is assigned to 5 EPAs requiring a retention period of 3 years, and the highest restrictiveness of 1 is assigned to 11 EPAs requiring a retention period of 5 years. In Japan-Singapore and GSP, these provision is not included.

#7 Refund of excess duties/retrospective issuance. The restrictiveness is inversely proportional to the duration of the period allowed – the longest period (1 year, found in 12 EPAs) receives a restrictiveness of 0, while the shortest period (9 months days, found in the EPA with India) receives a restrictiveness of 1. The detailed list of distribution is provided in Table B.7.

#8 Supporting documents. We assign a restrictiveness of 0 to 15 EPAs containing these provisions, and a restrictiveness of 1 to 3 EPAs that do not. The detailed list of distribution is provided in Table B.8.

#9 Third party invoicing. Due to this flexibility, a restrictiveness of 0 is proposed for those agreements deliberately accepting third party invoicing (15 EPAs) and a rank of 0.65 is assigned in the case where this provision is missing (3 EPAs). We propose the restrictiveness of 0.65 based on an assumption that they may or may not accept third party invoicing in practice, plus a penalization for lack of transparency. Please refer to Table B.9 for the detailed list of distribution.

#10 Verification. A restrictiveness of 0 will be assigned to agreements including this provision, whereas a restrictiveness of 1 will be assigned to those not including it. According to Table B.10., all 18 EPAs include these provisions, so a rank of 0 is therefore assigned to all of them.

#11 Penalties. A rank of 0 will be assigned to those EPAs containing these provisions (17 EPAs), while a rank of 1 will be assigned in the opposite scenario (EPA with Singapore). A detailed list of distribution is provided in Table B.11.

#12 Advance rulings. An inclusion of this provision will give an EPA the restrictiveness of 0, whereas its absence will result in a restrictivenee of 1. As it can be seen from Table B.12, among 9 out of 18 EPAs allow for advance rulings, while 9 other EPAs are silent on this matter.

#13 Minor errors. Restrictiveness ranks of 0 and 1 are assigned to EPAs containing and not containing these provisions respectively. As shown in Table B.13, 15 Japan EPAs currently contain these provisions, while 3 of them are silent on this matter.

#14 Appeals. It is more transparent when EPAs provide provisions guaranteeing review and appeal, so the inclusion of this provision gives a EPA a restrictiveness rank of 0; otherwise, a rank of 1 is assigned. As it is shown in Table B.14, the number of Japan EPAs receiving a positive assessment of 0 is 13 is r while those receiving a negative assessment of 1 for not including this provison is 5.

8. Restrictiveness of rules of origin: Japan EPAs

For illustration purposes, the product-specific results at HS6 level have been aggregated to EPA-wide level.

Before proceeding to pooled results aggregated across all goods, we start with an example. We select petrol cars with engines of size 1,500 cm3 to 3,000 cm3 (HS6 8703.23). According to Trade Map, this is the most popular car category for car exports from Japan.

In Table 6, we show the list of PSR applicable on HS 8703.23 across 18 Japan EPAs, as well as the indicative PSR restrictiveness score. Notably Japan applies 0% MFN rate on cars, hence the PSR reflects Japan's offensive interests in EPA.

Table 6. PSR restrictiveness on cars across 18 Japan EPAs

PSR restrictiveness	Criterion	Trade agreement
52	CTH and RVC 65%	Mexico EPA
31	RVC 60%	Malaysia EPA
28	RVC 55% or RVC 60%	EU EPA
27	CTH and RVP 60/95%	GSP
23	RVC 45/55%	CPTPP
18	RVC 45%	Peru EPA
14	CTSH and RVC 35%	India EPA
14	RVC 40%	Thailand EPA
13	RVC 40%	Vietnam EPA
13	RVC 40%	ASEAN EPA
13	RVC 40%	Philippines EPA
11	RVC 45/30%	Chile EPA
11	RVC 40% or CTH	Switzerland EPA
11	CTH or RVC 40%	Mongolia EPA
11	CTH or RVC 40%	Australia EPA
5	CTSH or RVC 40%	Brunei EPA
5	CTSH or RVC 40%	Indonesia EPA
5	CTSH or RVC 40%	Singapore EPA

Note: The PSR restrictiveness for each HS6 was computed separately and scaled to [0,100] across 374 EPAs.

From Table 6 we observe Mexico EPA PSR ranks as the most restrictive among all Japan EPAs. It closely resembles the auto PSR in NAFTA, which is "CTH and RVC 62.5%". We also note that although both Malaysia and Vietnam have high MFN tariffs on cars, the PSR in Malaysia EPA is much higher (RVC 60%) than in Vietnam EPA (RVC 40%). Japan does not export cars under GSP because it is a non-reciprocal arrangement; however, Japan applies a quite restrictive rule relative to most of its reciprocal EPAs.

Table 7 provides PSR summary for all 18 Japan EPAs. CPTPP scores 4th in the table and can server as a benchmark. CPTPP is dubbed by some as "gold standard" agreement and it is one of the most recent EPAs of Japan.

CPTPP is slightly more restrictive than most of Japan EPAs. Based on data assessments, CPTPP has slightly more restrictive origin criteria but more ambitious and trade-facilitating general provisions. EPA with the most stringent origin criteria on average appears to be Japan-Mexico EPA.

We note that GSP also scores negatively high in terms of PSR restrictiveness. This result is against our expectations, as least developed and developing countries tend to have less industrial capacity to comply with strict origin criteria. Hence applying PSR stricter than the ones in CPTPP or EU-Japan EPA could dent preferential opportunities extended under GSP.

Table 7. PSR restrictiveness in Japan EPAs

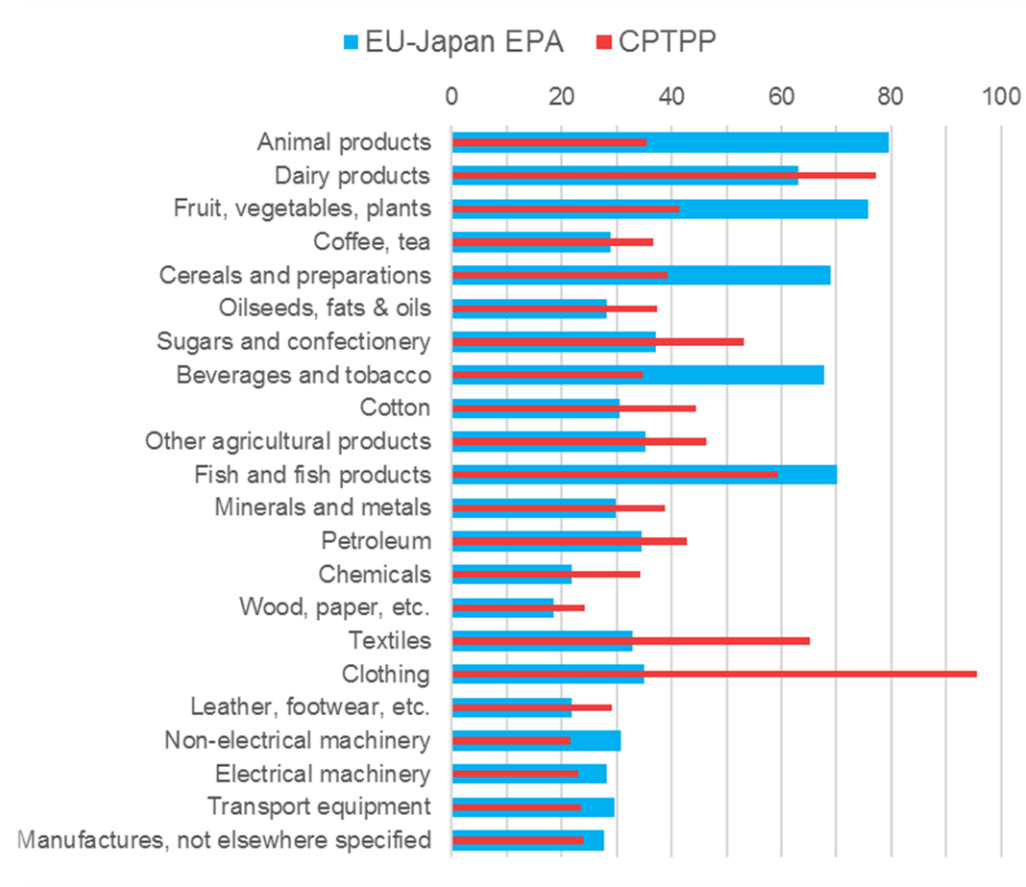
Rank (out of 374)	PSR restrictiveness	Trade agreement	Year
# 11	51	Mexico EPA	2005
# 74	45	India EPA	2011
# 96	44	GSP	1971
# 126	40	CPTPP	2018
# 143	38	Peru EPA	2012
# 159	36	Chile EPA	2007
# 176	34	EU EPA	2019
# 186	32	Philippines EPA	2008
# 217	31	Thailand EPA	2007
# 220	30	Australia EPA	2015
# 222	30	ASEAN EPA	2008
# 231	29	Switzerland EPA	2009
# 235	29	Mongolia EPA	2016
# 237	28	Indonesia EPA	2008
# 238	28	Singapore EPA	2002
# 239	28	Vietnam EPA	2009
# 243	27	Malaysia EPA	2006
# 244	27	Brunei EPA	2008

Note: PSR restrictiveness is first computed for each HS6, then aggregated to EPA level via a simple average. The PSR restrictiveness for each HS6 was computed separately and scaled to [0,100] across 374 EPAs. The average PSR restrictiveness ranges from the high of 93 (for #1 ranked EPA) to the low of 1 (for #374 ranked EPA).

We further perform a detailed comparison at the sector level between two most recent Japan's EPAs: EU and CPTPP (Figure 6). We see that EU EPA rules of origin in agriculture endemic to EU region are stricter than in CPTPP. On the other hand, PSR for coffee and tea, oilseeds, cotton are relatively less restrictive in both EU EPA and CPTPP. This is likely because these products do not grow on the territory of parties, and hence it would be difficult to comply with a stringent PSR such as WO.

Finally, we notice that CPTPP applies extremely stringent PSR on textiles and apparel. This PSR is known as "yarn-forward rule" which requires a piece of clothing to be made from yarn that is spun within the free trade area. This is the most possible restrictive PSR on clothing, aside from another theoretical one that raw material, such as cotton or wool of animals, has to be collected from the territory of a party.

Figure 6. PSR restrictiveness by sector: EU-Japan EPA vs. CPTPP

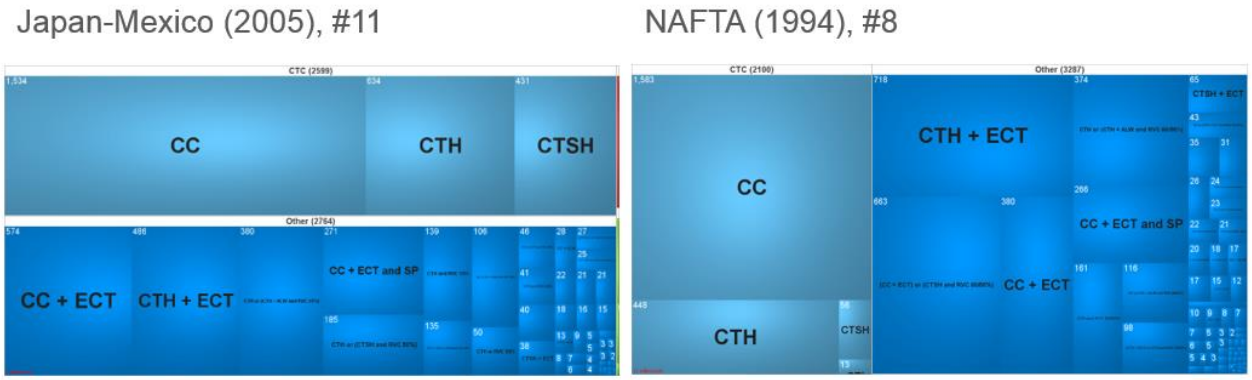


Note 1: PSR restrictiveness is first computed for each HS6, then aggregated to sector level via a simple average. The PSR restrictiveness for each HS6 was computed separately and scaled to [0,100] across 374 EPAs.

Note 2: Product sectors are defined in World Tariff Profiles 2019.

In terms of the interpretation of the results, we note that a high PSR restrictiveness of Japan-Mexico EPA (#11 globally) corresponds well with NAFTA's PSR restrictiveness (#8 globally). Looking at Figure 7, we observe very similar patterns of most used PSR across the two EPAs.

Figure 7. Comparison of distribution of PSR across all HS6 in Japan-Mexico EPA vs. NAFTA

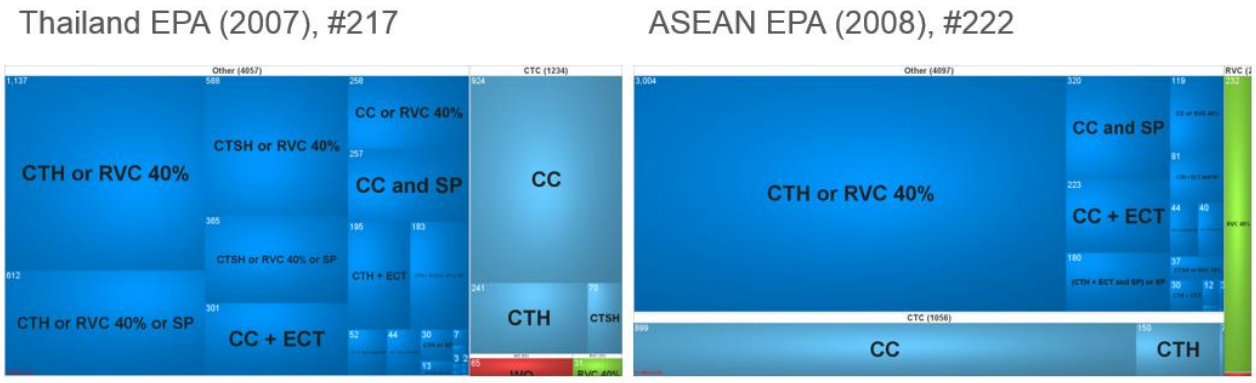


Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Source: Authors' calculations based on Rules of Origin Facilitator

We further observe similarity between PSR in ASEAN EPA and individual ASEAN member EPAs with Japan. Figure 8 illustrates the point for Thailand EPA.

Figure 8. Comparison of distribution of PSR across all HS6 in Thailand EPA vs. ASEAN EPA

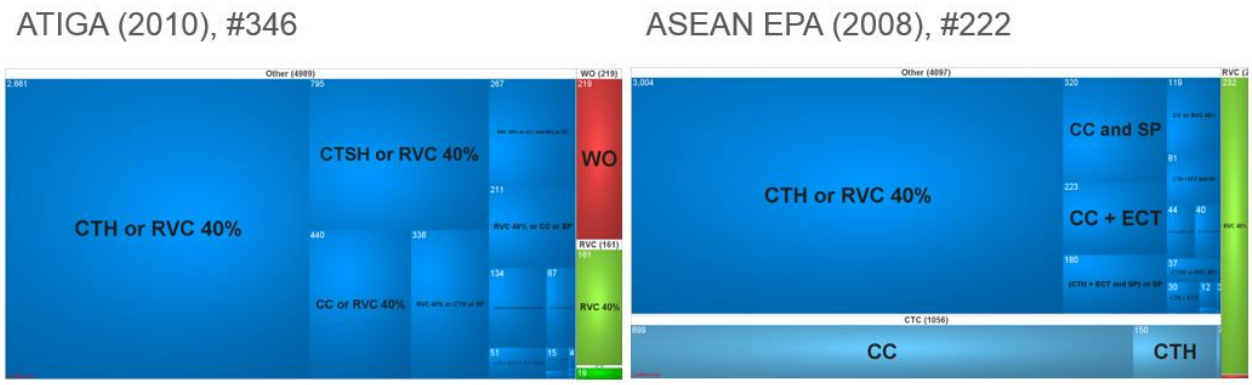


Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Source: Authors' calculations based on Rules of Origin Facilitator

In its turn, ASEAN EPA PSR seem to have been partially harmonized with ATIGA PSR, which is extremely convenient for businesses operating in ASEAN area (Figure 9).

Figure 9. Comparison of distribution of PSR across all HS6 in ATIGA vs. ASEAN EPA



Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Source: Authors' calculations based on Rules of Origin Facilitator

In terms of RW restrictiveness, CPTPP and EU-Japan EPA score as the most liberal and most trade-facilitating EPAs. They have generous cumulation terms and good RW provisions on origin and certification.

Table 8. RW restrictiveness in Japan EPAs

Rank (out of 374)	RW restrictiveness	Trade agreement	Year
# 80	64	GSP	1971
# 101	57	Singapore EPA	2002
# 140	51	Chile EPA	2007
# 147	50	ASEAN EPA	2008
# 148	50	Indonesia EPA	2008
# 158	48	Philippines EPA	2008
# 163	48	Thailand EPA	2007
# 173	46	India EPA	2011
# 178	46	Malaysia EPA	2006
# 180	46	Mexico EPA	2005
# 189	43	Brunei EPA	2008
# 194	42	Vietnam EPA	2009
# 199	41	Mongolia EPA	2016
# 242	33	Switzerland EPA	2009
# 269	30	Peru EPA	2012
# 296	26	Australia EPA	2015
# 367	8	CPTPP	2018
# 372	6	EU EPA	2019

Note: RW restrictiveness is first computed for each of 30 provisions, then aggregated to EPA level via a weighted average, where weights are the relative "importance" of the provision for MSMEs. The RW restrictiveness was then scaled to [0,100] across 374 EPAs. The average RW restrictiveness ranges from the high of 100 (for #1 ranked EPA) to the low of 0 (for #374 ranked EPA).

In Table 9, we provide a detailed breakdown of RW provisions and their indicative restrictiveness across all 18 EPAs.

Table 9. RW restrictiveness in Japan EPAs by provision

- more liberal - less liberal

restrictiveness →

#	Provision	CPTPP	EU	Australia	Peru	Switzerland	Mongolia	Brunei	Mexico	Malaysia	Vietnam	Thailand	Philippines	Indonesia	Chile	ASEAN	India	Singapore	GSP
1	Cumulation	diagonal + fu	diagonal + fu	bilateral	bilateral + full	bilateral	bilateral + full	bilateral	bilateral + full	bilateral	bilateral	bilateral	bilateral	bilateral	bilateral	bilateral	bilateral	bilateral + full	bilateral (but diagonal
2	De Minimis	10%	10%	10%	10%	7 or 10%	chapter-speci	chapter-speci	10%	chapter-speci	7 or 10%	chapter-speci	chapter-speci	chapter-speci	chapter-speci	7 or 10%	7 or 10%	chapter-speci	10% for textile
3	Roll-up	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No
4	Duty drawback	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
5	Outward processing	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
6	Accessories, Spare Parts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	Wholly obtained products	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Non-qualifying operations	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Value-added calculation	BU / BD / focused valu	No	BD	BD	MC	BU / BD	BD	BD	BD	BD	BD	BD	BD	BU / BD	BD	BU / BD	BD	MC
10	Indirect materials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
11	Direct transport	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	Principle of Territoriality	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
13	Packaging	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
14	Fungible materials	materials & final goods	materials onl	materials & final goods	materials & final goods	materials & final goods	materials & final goods	materials & final goods	materials & final goods	materials & final goods	materials onl	materials & final goods	materials & final goods	materials & final goods	materials & final goods	materials onl	materials & final goods	materials & final goods	No
15	Sets	RVC 90%	RVC 85%	No	RVC 90%	No	No	No	RVC 90%	No	No	No	No	No	Yes	No	No	No	No
16	Exhibitions	No	No	No	No	No	No	Yes	No	No	No	No	No	No	Yes	No	No	No	Yes
1	Certification	self-certification/author	self-certificatior	authorized body/self-ce	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc	authorized bc
2	Exemption of certification	< US$100	< EUR 500/ JPY	< 1,000 AUD or 100,0	< USD 15	value not specif	< USD 15	< USD 20	< US$100	< USD 10	< JPY 200,000 for Japa	< US$200	< USD 20	< US$200	< USD 10	< JPY 200000 or USD	No	< JPY 2000	< 200,000 y
3	Approved exporter	Yes	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
4	Competent authority	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
5	Period of validity	1 year (multip	12 months (mult	1 year (single	12 months (sinç	12 months (sinç	12 months (sinç	12 months (sinç	1 year (single	12 months (sinç	1 year (single	12 months (sin	6 months (sin	12 months (sinç	1 year (single	1 year (single	12 months (sinç	12 months	1 year
6	Retention period	5 years	3 years	5 years	5 years	3 years	5 years	3 years	5 years	5 years	3 years	5 years	5 years	5 years	5 years	3 years	5 years	No	No
7	Refund of excess duties	within 1 yea	No	within 12 mor	within 1 yea	Yes	within 12 mor	within 12 mor	Yes	within 1 yea	within 12 mor	within 12 mor	within 12 mor	within 12 mor	within 1 yea	within 12 mor	within 9 mon	No	No
8	Supporting documents	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
9	Third party invoicing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
10	Verifications	Direct	Yes	Direct	Indirect	Indirect	Indirect	Yes	Combined	Yes	Indirect	Yes	Yes	Yes	Indirect	Indirect	Indirect	Indirect	Yes
11	Penalties	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
12	Advance rulings	within 150 da	Yes	within 30 day	Yes	No	within 30 day	Yes	No	Yes	No	Yes	No	No	No	No	No	within 30 day	No
13	Minor errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
14	Appeals	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No	Yes	No	Yes

Source: Authors' calculations based on Rules of Origin Facilitator

9. Limitations of restrictiveness assessments and future work

The exercise of estimating restrictiveness of RoO through detailed observation rules can shed light on usability of EPA and help modelers better assess potential economic impacts of new agreements before they take effect.

However, a number of obstacles have been identified that significantly hamper the precision of the exercise. We hope to address these obstacles in the future work.

General problems

The collection and update work of EPAs has decelerated in 2020 as the remaining 25% of uncovered EPAs are often difficult to collect and analyse either due to language inaccessibility (Russian, Chinese, etc.) or incomplete texts on rules of origin (IOC, CEMAC, etc.). Inter-organizational efforts (collaboration with WTO, WCO and other international organizations) have a potential to address this gap.

Another challenge is recurring updates in rules of origin, which have to be tracked over time. Some updates are related to HS revisions; some are related to amendments by the parties or renegotiations.

Product-specific rules of origin

We have advanced in CTC rules calibration using input-output relationships at the detailed HS code level and processing stages datasets. However, not all products are covered and often the relationships are imprecise (too broad) hence further improvements in this direction are needed.

Another challenge is how to compare RVC-type rules and CTC-type rules on the same scale? An innovative approach is required that could take into account national and industry specifics.

A similar challenge is for comparing SP-type rules between themselves. One solution could be to convert SP into CTC-equivalents, i.e. transcribe SP rules in the form of CTC rules, which can then be compared. However, this would require a meticulous work in consultations with industry experts for each product sector.

Finally, various EPAs have various cumulation, or sourcing, areas. A wider area makes qualifying for PSR easier. However, there might be heterogeneity at the product level, as some products might require the right climate or the right technology level in order to be produced, and the entire cumulation area might be lacking them, despite good macroeconomic factors (big combined GDP, etc.).

Regime-wide rules of origin

In certain instances, classifying RW ROO require analyst's expertise and even additional desk research. Often information is missing necessary to completely classify the type of rule in the provision.

Sometimes provisions are omitted in legal texts of agreements, but they are stipulated in national laws of the parties. This requires additional resources to verify national sources and conduct additional realignment exercise between the original text and the domesticated text and procedures.

Beyond legal texts

Finally, RoO consist of the legal component enshrined in the text of the agreement and of the implementation aspect on the ground. Often the real obstacles are not on the paper, but in the daily exporting life, as reported in NTM business surveys conducted by ITC in developing nations.

The common procedural obstacles reported by companies that lead them to miss out on EPAs are delays with issuance of CO, unusually high fees and charges for issuance, large number of documents required, informal payments, arbitrary behavior of officials and multiple administrative bodies.

Below we provide some examples of complaints submitted in 2013 by Thai exporters to Japan.

Exporters from Thailand to Japan (2013)

"The company faces difficulties about HS code as Thailand and Japan have different codes. Apart from this, the companies in Japan requires to tell the difference of HS code which causes difficulties during the documentation process. The company did not produce the product and this causes difficulties in informing the actual production cost and there are no factories that are willing to tell us. Getting the required document is very difficult."

"Requesting for the JTEPA Form takes a long time (2-3 days) and the cost is high (2,000 Baht) per shipment."

"The validity of the production cost that the export company have to submit to get JTEPA is also 2 years. The company will have to make sure to extend on time so it will not affect the exporting process."

"The conditions in getting the JTEPA Form is too strict as well as declaring the HS code. This makes us have to revise the documents all over again."

"Getting the JTEPA form takes a lot of time and cost a lot of money. The officers consider HS code differently which causes delay."

Conclusion

The paper has examined the rules of origin in 18 Japan EPAs, using the database underlying the Rules of Origin Facilitator – an initiative among ITC, the WTO and the WCO. The paper has proved that there is a high level of diversity in terms of their RoO. Not only that RoO among these EPAs are diversified in terms of PSRs and RW provisions across agreements, within the same EPA there is also a diversity of PSR used across sectors. However, there is a trend of convergence when looking at PSR in EPAs between Japan and ASEAN, and between Japan and some ASEAN members.

The paper has also attempted to assess the restrictiveness of RoO in EPAs. The restrictiveness has been analysed from many perspectives: within 18 EPAs and against all existing trade agreements; all goods and a specific sector; PSR and RW provisions. It shows that restrictiveness ranking may change when we look from a different angle. For instance, an EPA may be more restrictive in terms of PSR, but more lenient if it is assessed based on RW provisions. In addition, a comparision in terms of sectors between CPTPP and EU-Japan EPA has shown that the restrictivenee of an EPA is sector-specific.

While more work needs to be carried out in order to yield more refined results, the findings of the research is meaningful for businesses and policymakers. It provides insights and new methodology to assess RoO, identify the components thay may need improvement. It also shows that the database on RoO may well be used in further economic studies on this area of rulemaking.

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Appendix

Table A1. Example of each of the 14 basic types of origin criteria

Type	Example of origin criterion	Example source
WO	All the animals of Chapter 1 are wholly obtained	EU LDC scheme, HS 0102.90
NC	Manufacture from materials of any heading	EU LDC scheme, HS 0901.21
CC	Change to Heading 11.01 from any other Chapter	ASEAN-Korea FTA, HS 11.01
CTH	Manufacture from materials of any heading except that of the product	Norway's LDC scheme, HS 1501.90
CTSH	A change to heading 09.01, 09.04 and 09.06 from any other subheading	Malaysia-Pakistan FTA, HS 0901.21
CTI	A change to tariff item 9031.49.40 from any other tariff item.	US-Mexico-Canada Agreement, HS 9031.49.40
ALW	Manufacture from materials of heading 7206, 7207, 7208, 7209, 7210, 7211, 7212, 7218, 7219, 7220 or 7224	Swiss GSP scheme, HS 7304.41
ECT	Produced from materials not included in 22.07 or 22.08	CARICOM, HS 2207.10
SP	Extrusion of man-made fibres	EU LDC scheme, HS 55.07
RVC	The duty-free treatment provided under this subchapter shall apply to any eligible article which is the growth, product, or manufacture of a beneficiary developing country if : (i) that article is imported directly from a beneficiary developing country into the customs territory of the United States; and (ii) the sum of: (I) the cost or value of the materials produced in the beneficiary developing country or any two or more such countries that are members of the same association of countries and are treated as one country under section 2467(2) of this title, plus (II) the direct costs of processing operations performed in such beneficiary developing country or such member countries, is not less than 35 percent of the appraised value of such article at the time it is entered.	US GSP scheme, HS 7007.21
RQC	No change in tariff classification required for a good of subheading 2208.30, provided that the total alcoholic volume of the non-originating materials does not exceed 10 per cent of the volume of the total alcoholic strength of the good.	CPTPP, HS 2208.30
RVP	Usinage dont la valeur de toutes les matières classées à la Position 7315 utilisées, n'excède pas les 50% du prix du produit livré à la porte d'usine.	Algeria-Tunisia FTA, HS 7315.81
RQP	Manufacture in which at least 70 % by weight of the unmanufactured tobacco or tobacco refuse of heading 2401 used is originating	Palestine-Turkey FTA, HS 2402.20
Other	Note: The origin of each unit presented within a system shall be determined as though each unit were presented separately and were classified under the appropriate tariff provision for that unit.	Japan-Mexico EPA, HS 8471.49

Table A2. Non-technical definitions of origin and certification provisions

	Origin Provision	Glossary
1	Cumulation	A provision which allows goods obtained in as well as processing taking place in one party to a trade agreement to be considered as originating in another.
2	De Minimis	A provision that allows a small amount of non-originating materials to be used in the production of the good without affecting its originating status. The provision acts as the relaxation of the rules of origin.
3	Roll-up	A provision stipulating that once a part or intermediate material obtains originating status under a EPA, it is considered to be 100% originating when used for further processing

		even if inputs used for the production of this part or intermediate material were not originating.
4	Duty drawback	A provision that relates to reclaims or refunds of customs duties previously paid on inputs. In the context of EPAs, duty drawback provision, usually relates to the ability to claim back duties paid on non-originating materials used to produce the final good which is exported under preferential tariffs.
5	Outward processing	A provision that allows a good to be temporarily removed from the EPA territory and processed in a third-party country without affecting origin determination of the final product. No account is taken of the fact that the good has left the territory of a EPA during the production process.
6	Accessories, Spare Parts and Tools	A provision that clarifies the origin determination process of accessories, spare parts or tools delivered with the good.
7	Wholly obtained products	A provision listing products considered obtained entirely in the territory of one (or more, depending on the agreement) EPA party without the addition of any non-originating materials.
8	Non-qualifying operations	A provision that lists simple operations, or a combination thereof, which are considered insufficient to confer originating status to the good.
9	Value-added calculation	A provision that provides how to calculate regional value content in the shipped good.
10	Indirect materials	A provision specifying that the origin of certain materials (referred to as indirect or neutral) used in the production process should not be taken into account when determining the origin of the final good.
11	Direct transport	A provision requiring goods that are claiming preferential treatment under an EPA to be shipped directly from the EPA country of origin to the EPA country of destination.
12	Principle of Territoriality	A provision stating that for the purpose of determining the origin of goods, all working and processing needs to be carried out within the territory of parties to the agreement without interruption.
13	Packaging	A provision that clarifies whether packaging should be taken into account when determining the origin of the product.
14	Fungible materials	A provision determining how non-originating and originating fungible materials should be tracked (accounted for) when both types are stored together and/or used to produce originating and non-originating goods. It allows both types of goods to be tracked not through physical identification and separation but based on an accounting or inventory management system.
15	Sets	A provision that clarifies circumstances under which sets of goods can be considered originating. In particular, it refers to situations where not all of the items in the set are originating.
16	Exhibitions	A provision which allows an originating good to be sent and purchased in a third party (non-EPA) country during an exhibition and imported into a EPA country under preferential treatment.

	Certification Provision	**Glossary**
17	Certification	A provision that details the type of origin documentation that needs to be provided to claim preferential tariffs under a EPA.
18	Exemption of certification	A provision which lists exemptions from the requirement to provide a proof of origin. Under certain circumstances originating goods can be imported into a EPA country without a proof of origin and still be treated as originating.
19	Approved exporter	Approved exporter provision refers to exporters who fulfil certain conditions, export frequently under a EPA and are registered with the local customs authorities and/or have obtained an approved exporter authorisation.
20	Competent authority	A provision that lists national authorities responsible for overseeing origin-related procedures and for issuing the certificate of origin. This is often the government or a government department which can then delegate the procedure of issuing certificates to other domestic organisations.
21	Period of validity	A provision that specifies the period of time an origin certificate or an origin declaration (see proof of origin) is valid for from the moment it has been issued.
22	Retention period	A provision that specifies who (exporter, producer who issued a supplier declaration, importer, issuing or accepting customs authority) and for what period of time needs to retain the proof of origin.
23	Refund of excess duties	A provision that allows to recover customs duties paid for originating goods at the time of import.

24	Supporting documents	A provision that lists documentation relating to imports of preferential goods that needs to be submitted at the point of import or during verification in addition to the proof of origin.
25	Third party invoicing	A provision that refers to a situation where the commercial invoice is issued by a party other than the party which manufactured the goods or a party from which premises the good has been shipped. This third party can be an entity related to the exporter or an unrelated party. The third party can be located in EPA territory or outside.
26	Verifications	A provision which sets out a process for origin verification that a EPA party should follow if the customs authorities of that country have a reasonable doubt regarding the (preferential) origin of imported goods.
27	Penalties	A provision that specifies the legal consequences of submitting an origin documentation based on incorrect or falsified information. These can relate to criminal, civil and administrative penalties.
28	Advance rulings	A provision that allows an exporter or an importer to obtain an official and legally binding opinion on the classification, origin or customs value of their products from the local customs authorities prior to the exporting/importing of the goods.
29	Minor errors	A provision clarifying that when the origin of the goods is not in question, preferential origin claims should not be rejected as a result of small administrative and/or documentary errors and discrepancies.
30	Appeals	A provision which sets up an appeal process in respect of origin determination and advance rulings.

Table A3.1. Cumulation

Value	Nb EPAs	EPAs
diagonal and full	2	CPTPP; FTA, EU-Japan
bilateral and full	4	EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Singapore
bilateral (but diagonal for 5 South East Asian countries)	1	Japan for GSP countries
bilateral	11	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan

Table A3.2. De minimis

Value	Nb EPAs	EPAs
included (7 or 10%)	4	EPA, ASEAN-Japan; EPA, India-Japan; EPA, Japan-Switzerland; EPA, Japan-Viet Nam
chapter-specific	8	EPA, Brunei-Japan; EPA, Chile-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Thailand
included (10% for textiles)	1	Japan for GSP countries
included (10%)	5	CPTPP; EPA, Japan-Mexico; EPA, Japan-Peru; FTA, Australia-Japan; FTA, EU-Japan

Table A3.3. Roll-up

Value	Nb EPAs	EPAs
included	13	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not included	5	EPA, Chile-Japan; EPA, India-Japan; EPA, Japan-Mongolia; EPA, Japan-Singapore; Japan for GSP countries

Table A3.4. Duty drawback

Value	Nb EPAs	EPAs
not included	18	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table A3.5. Outward processing

Value	Nb EPAs	EPAs
not included	18	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table A3.6. Accessories, spare parts, and tools

Value	Nb EPAs	EPAs

included	16	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not included	2	EPA, Japan-Singapore; Japan for GSP countries

Table A3.7. Wholly obtained products

Value	Nb EPAs	EPAs
provided	18	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table A3.8. Non-qualifying operations

Value	Nb EPAs	EPAs
provided	17	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries
not provided	1	CPTPP

Table A3.9. Value-added calculation

Value	Nb EPAs	EPAs
build up / build down / focused value / import content / net cost	1	CPTPP

build up / build down	3	EPA, Chile-Japan; EPA, India-Japan; EPA, Japan-Mongolia
build down	11	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan
import content	2	EPA, Japan-Switzerland; Japan for GSP countries
not included	1	FTA, EU-Japan

Table A3.10. Indirect materials

Value	Nb EPAs	EPAs
included	16	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not included	2	EPA, Japan-Singapore; Japan for GSP countries

Table A3.11. Direct transport

Value	Nb EPAs	EPAs
included	18	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table A3.12. Principle of territoriality

Value	Nb EPAs	EPAs
included	18	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-

	Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table A3.13. Packaging

Value	Nb EPAs	EPAs
included	16	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not included	2	EPA, Japan-Singapore; Japan for GSP countries

Table A3.14. Fungible materials

Value	Nb EPAs	EPAs
materials & final goods	14	CPTPP; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; FTA, Australia-Japan
materials only	3	EPA, ASEAN-Japan; EPA, Japan-Viet Nam; FTA, EU-Japan
not included	1	Japan for GSP countries

Table A3.15. Sets

Value	Nb EPAs	EPAs
included (RVC 85%)	1	FTA, EU-Japan
included	1	EPA, Chile-Japan

included (RVC 90%)	3	CPTPP; EPA, Japan-Mexico; EPA, Japan-Peru
not included	13	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; Japan for GSP countries

Table A3.16. Exhibitions

Value	Nb EPAs	EPAs
included	3	EPA, Brunei-Japan; EPA, Chile-Japan; Japan for GSP countries
not included	15	CPTPP; EPA, ASEAN-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan

Table B.1. Certification

Value	Nb EPAs	EPAs
authorized body/self-certification	1	FTA, Australia-Japan
self-certification	1	FTA, EU-Japan
self-certification/authorized body	1	CPTPP
authorized body	15	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-

	Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; Japan for GSP countries

Table B.2. Exemption of certification

Value	Nb EPAs	EPAs
less than EUR 500/ JPY 100,000	1	FTA, EU-Japan
included (less than JPY 200000)	1	EPA, Japan-Singapore
included (value not specified)	1	EPA, Japan-Switzerland
not included	1	EPA, India-Japan
included (less than 200,000 yen)	1	Japan for GSP countries
included (less than USD 1500)	2	EPA, Japan-Mongolia; EPA, Japan-Peru
included (less than 1,000 AUD or 100,000 Yen)	1	FTA, Australia-Japan
included (less than US$1000)	2	CPTPP; EPA, Japan-Mexico
included (less than USD 1000)	2	EPA, Chile-Japan; EPA, Japan-Malaysia
included (less than JPY 200,000 for Japan or USD 200 for Vietnam)	1	EPA, Japan-Viet Nam
included (less than JPY 200000 or USD 200)	1	EPA, ASEAN-Japan
included (less than US$200)	2	EPA, Indonesia-Japan; EPA, Japan-Thailand
included (less than USD 200)	2	EPA, Brunei-Japan; EPA, Japan-Philippines

Table B.3. Approved exporter

Value	Nb EPAs	EPAs
included	3	CPTPP; EPA, Japan-Peru; EPA, Japan-Switzerland
not included	15	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table B.4. Competent authority

Value	Nb EPAs	EPAs

provided	15	EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; Japan for GSP countries
not provided	3	CPTPP; EPA, ASEAN-Japan; FTA, EU-Japan

Table B.5. Period of validity

Value	Nb EPAs	EPAs
1 year (for multiple shipments)	1	CPTPP
12 months (for multiple shipments)	1	FTA, EU-Japan
1 year	1	Japan for GSP countries
1 year (for single shipment)	5	EPA, ASEAN-Japan; EPA, Chile-Japan; EPA, Japan-Mexico; EPA, Japan-Viet Nam; FTA, Australia-Japan
12 months	1	EPA, Japan-Singapore
12 months (for single shipment)	8	EPA, Brunei-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Switzerland; EPA, Japan-Thailand
6 months (for single shipment)	1	EPA, Japan-Philippines

Table B.6. Retention period

Value	Nb EPAs	EPAs
3 years	5	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Japan-Switzerland; EPA, Japan-Viet Nam; FTA, EU-Japan
5 years	11	CPTPP; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Thailand; FTA, Australia-Japan
not provided	2	EPA, Japan-Singapore; Japan for GSP countries

Table B.7. Refund of excess duties/Retroactive issuance

Value	Nb EPAs	EPAs

within 1 year	4	CPTPP; EPA, Chile-Japan; EPA, Japan-Malaysia; EPA, Japan-Peru
within 12 months	8	EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Indonesia-Japan; EPA, Japan-Mongolia; EPA, Japan-Philippines; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan
included	2	EPA, Japan-Mexico; EPA, Japan-Switzerland
within 9 months	1	EPA, India-Japan
not included	3	EPA, Japan-Singapore; FTA, EU-Japan; Japan for GSP countries

Table B.8. Supporting documents

Value	Nb EPAs	EPAs
provided	15	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam
not provided	3	FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries

Table B.9. Third party invoicing

Value	Nb EPAs	EPAs
provided	15	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not provided	3	EPA, Japan-Mexico; EPA, Japan-Singapore; Japan for GSP countries

Table B.10. Verifications

Value	Nb EPAs	EPAs
Combined	1	EPA, Japan-Mexico

Direct	2	CPTPP; FTA, Australia-Japan
Indirect	8	EPA, ASEAN-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Singapore; EPA, Japan-Switzerland; EPA, Japan-Viet Nam
provided	7	EPA, Brunei-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Philippines; EPA, Japan-Thailand; FTA, EU-Japan; Japan for GSP countries

Table B.11. Penalties

Value	Nb EPAs	EPAs
provided	17	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries
not provided	1	EPA, Japan-Singapore

Table B.12. Advance rulings

Value	Nb EPAs	EPAs
provided	5	EPA, Brunei-Japan; EPA, Japan-Malaysia; EPA, Japan-Peru; EPA, Japan-Thailand; FTA, EU-Japan
within 150 days	1	CPTPP
within 30 days	3	EPA, Japan-Mongolia; EPA, Japan-Singapore; FTA, Australia-Japan
not provided	9	EPA, ASEAN-Japan; EPA, Chile-Japan; EPA, India-Japan; EPA, Indonesia-Japan; EPA, Japan-Mexico; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Viet Nam; Japan for GSP countries

Table B.13. Minor errors

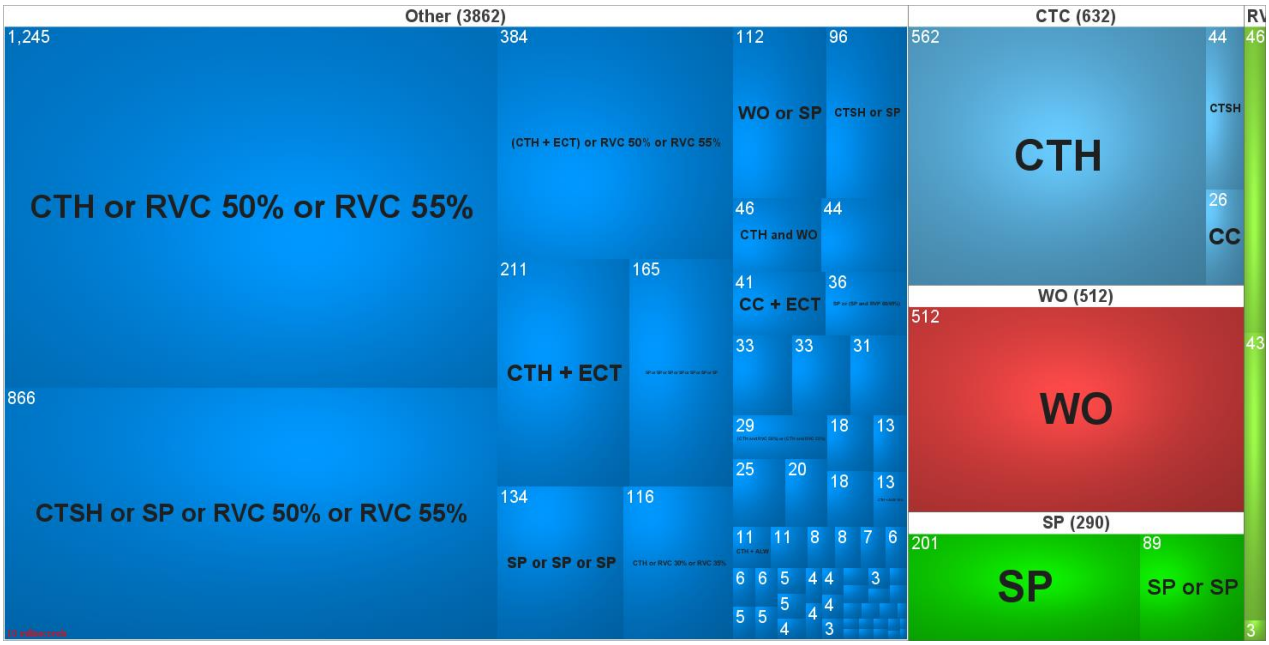
Value	Nb EPAs	EPAs
provided	15	CPTPP; EPA, ASEAN-Japan; EPA, Brunei-Japan; EPA, Chile-Japan; EPA,

		India-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Thailand; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan
not provided	3	EPA, Japan-Mexico; EPA, Japan-Singapore; Japan for GSP countries

Table B.14. Appeals

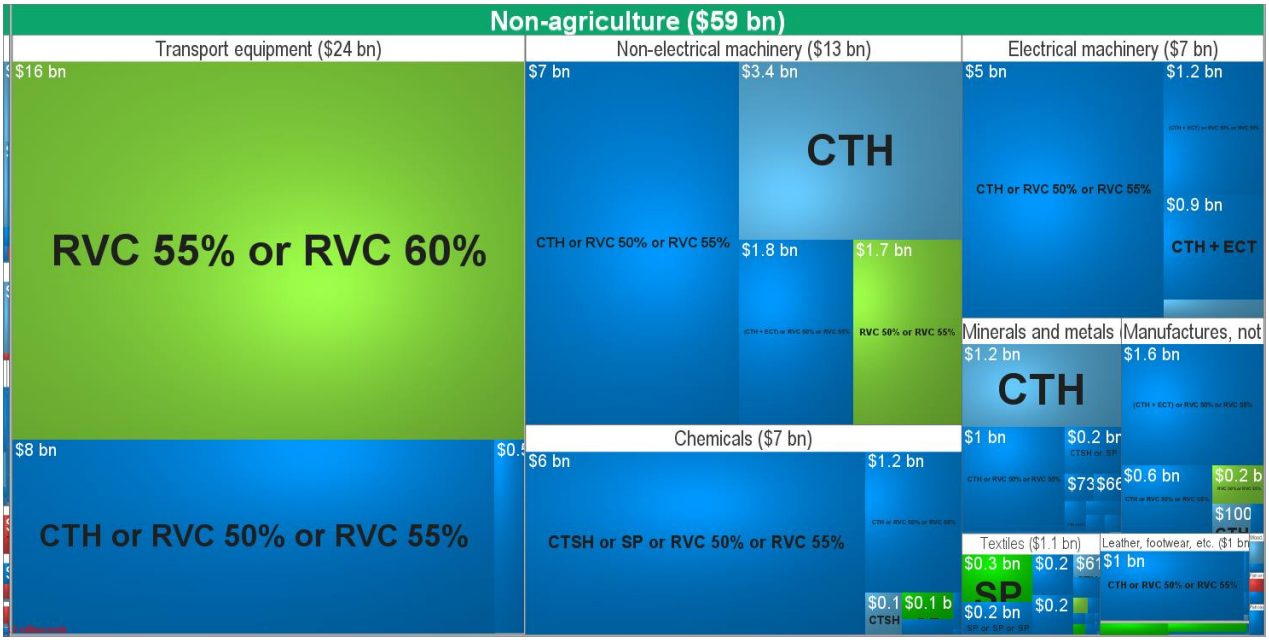
Value	Nb EPAs	EPAs
provided	13	CPTPP; EPA, Brunei-Japan; EPA, India-Japan; EPA, Japan-Malaysia; EPA, Japan-Mexico; EPA, Japan-Mongolia; EPA, Japan-Peru; EPA, Japan-Philippines; EPA, Japan-Switzerland; EPA, Japan-Viet Nam; FTA, Australia-Japan; FTA, EU-Japan; Japan for GSP countries
not provided	5	EPA, ASEAN-Japan; EPA, Chile-Japan; EPA, Indonesia-Japan; EPA, Japan-Singapore; EPA, Japan-Thailand

Table C.1. PSR in EU-Japan EPA (2019), across all HS6



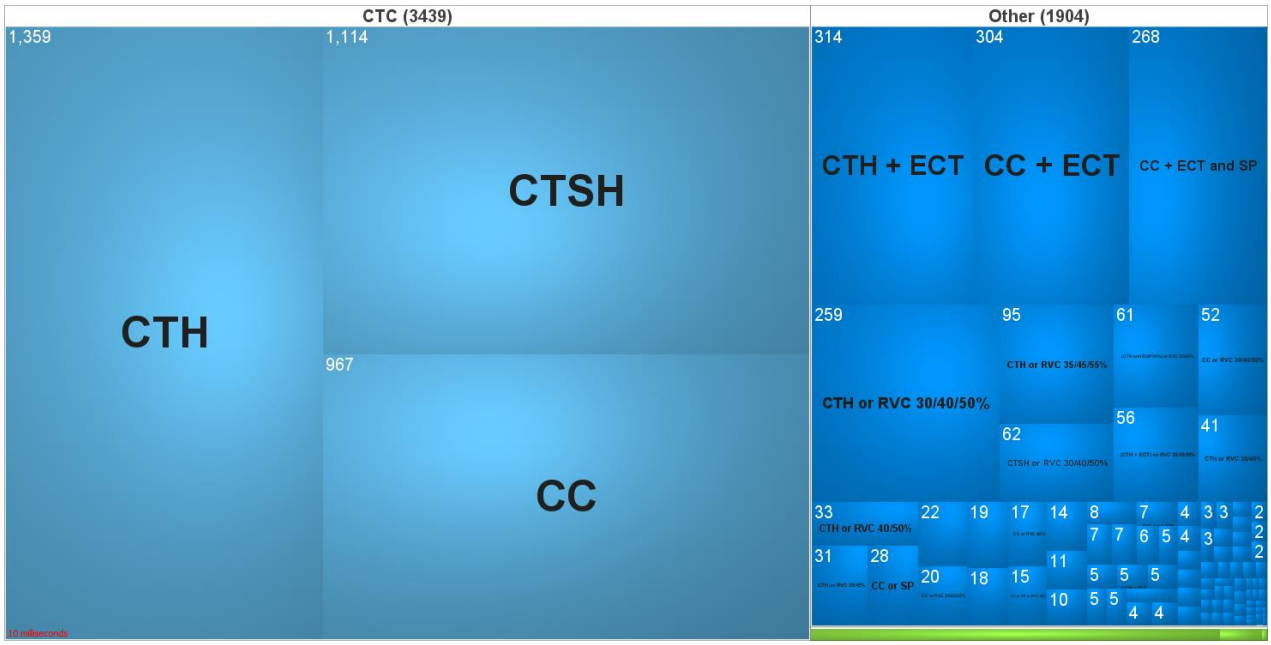
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.2. PSR in EU-Japan EPA (2019), by eligible imports



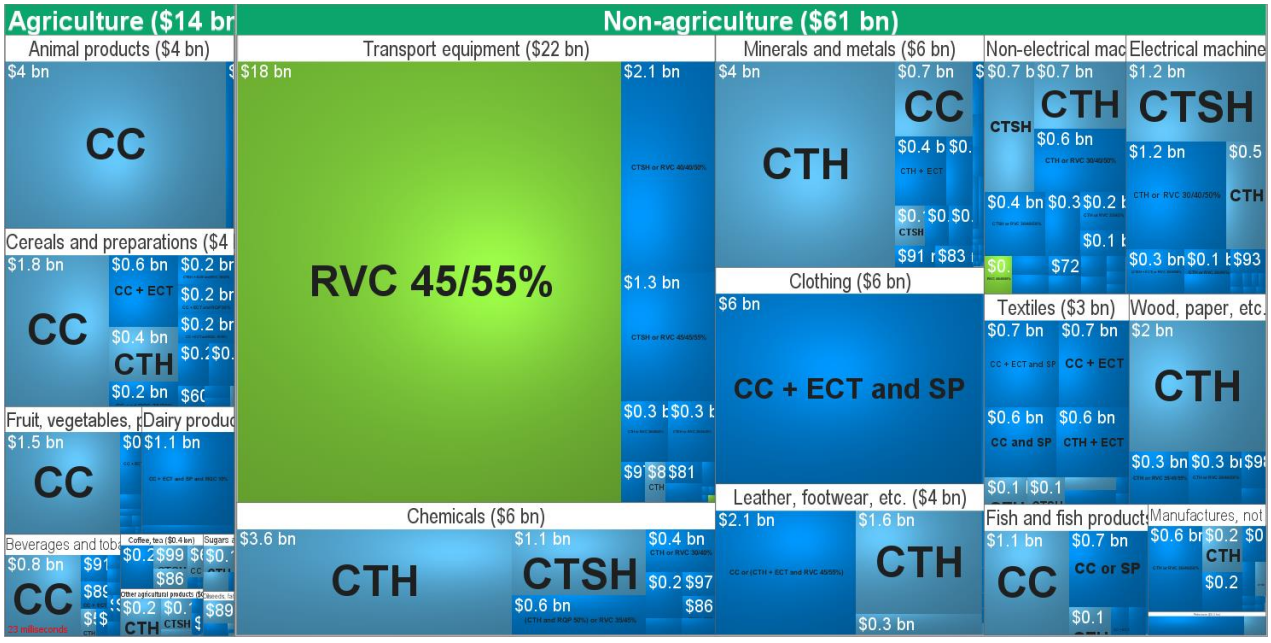
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.3. PSR in CPTPP (2018), across all HS6



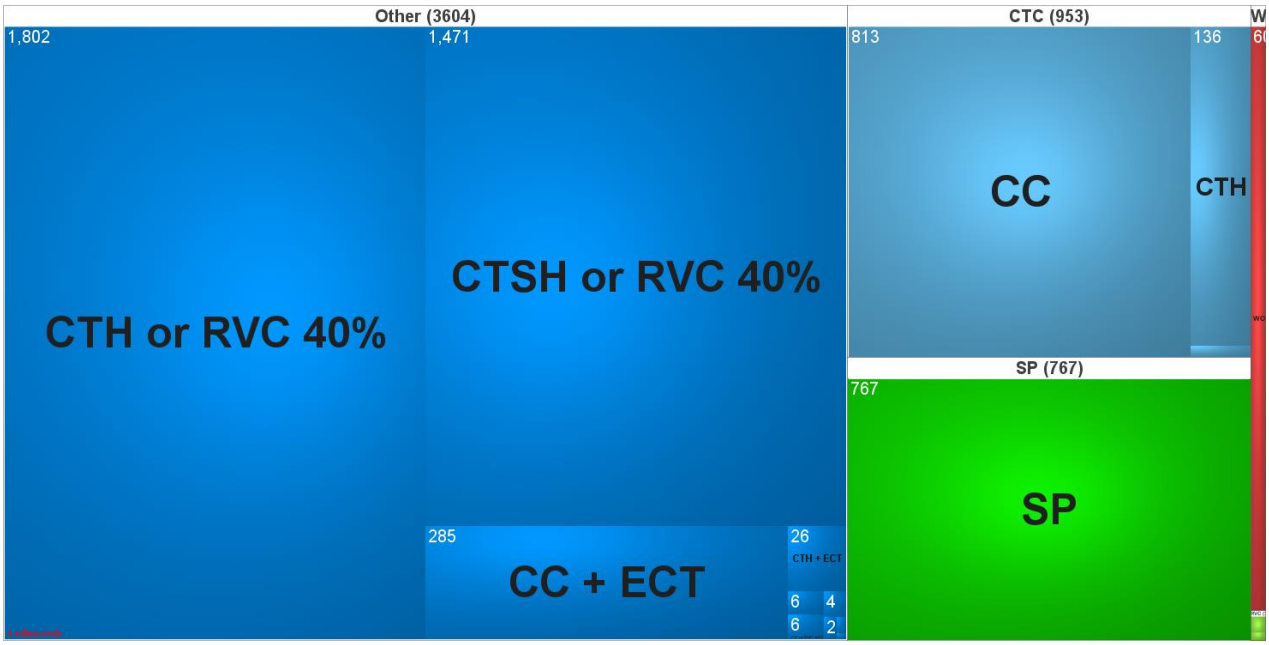
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.4. PSR in CPTPP (2018), by eligible imports



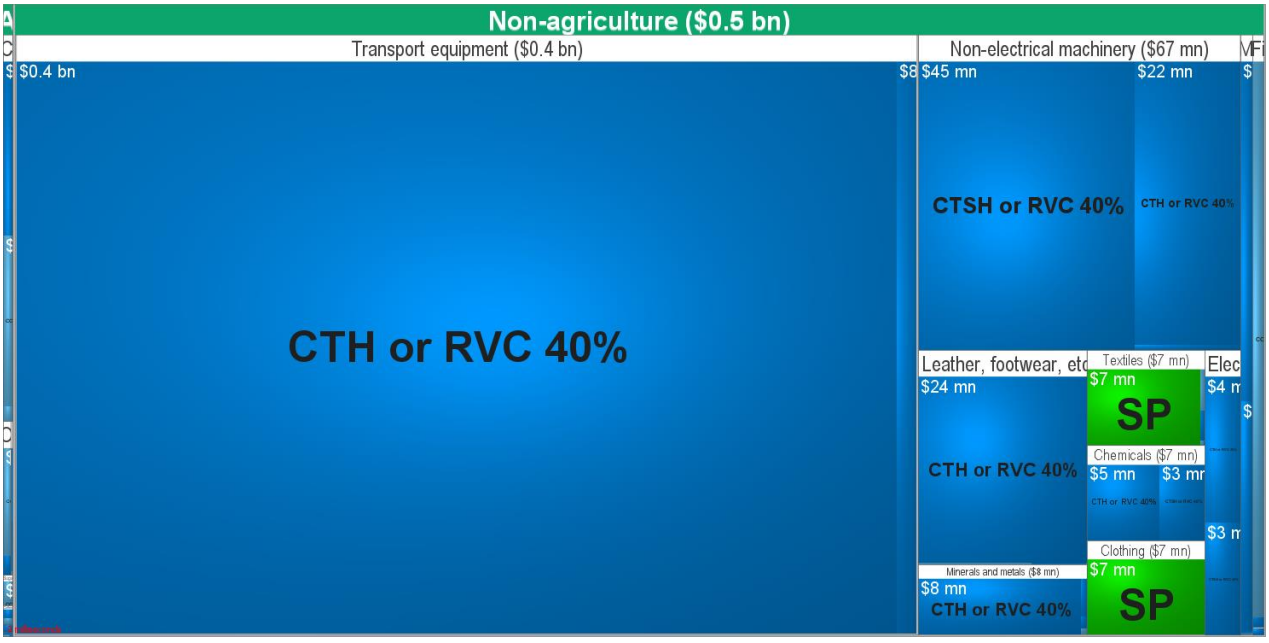
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.5. PSR in Japan-Mongolia EPA (2016), across all HS6



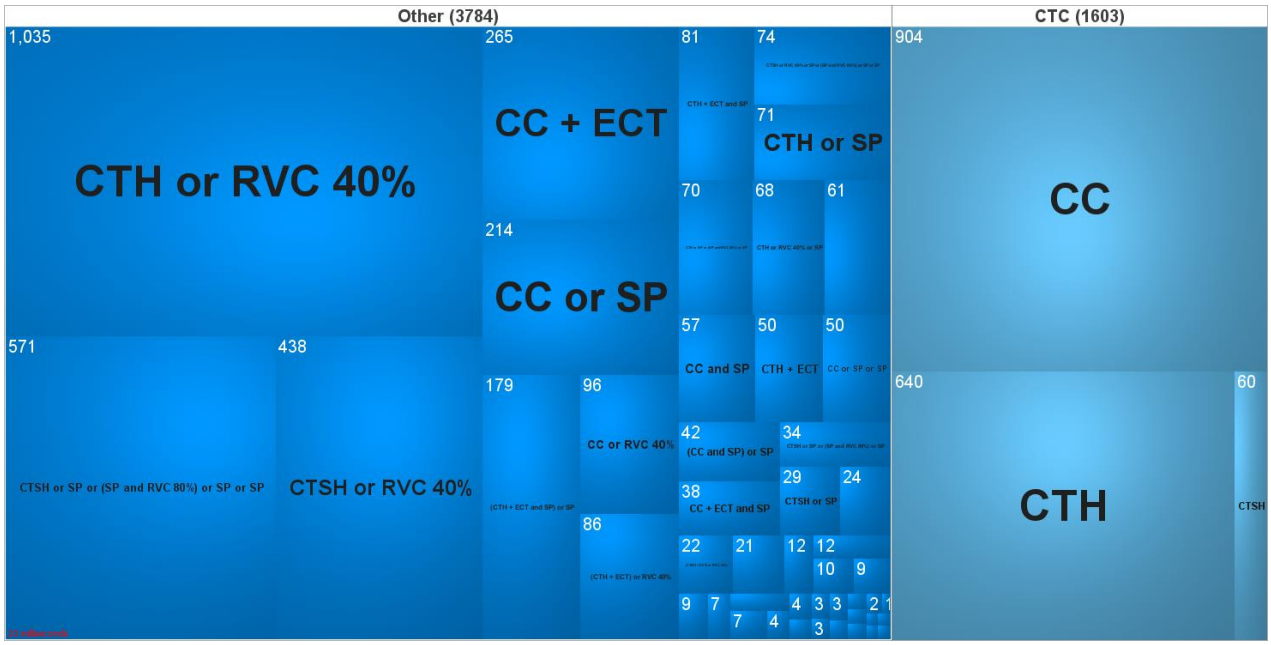
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.6. PSR in Japan-Mongolia EPA (2016), by eligible imports



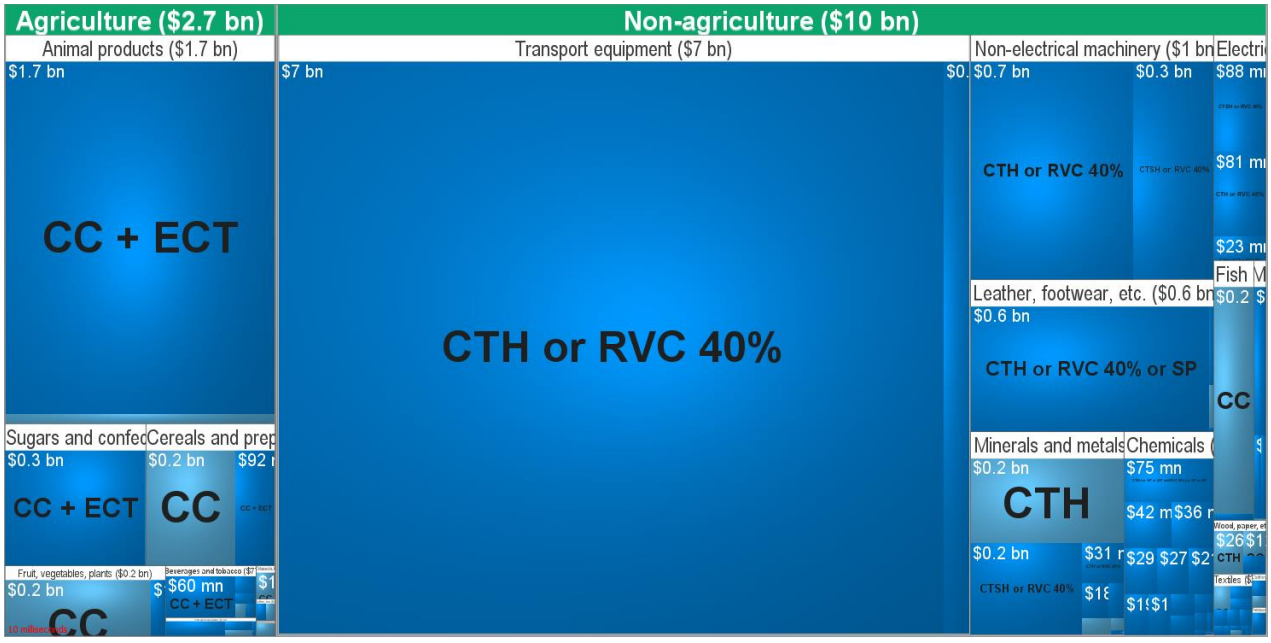
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.7. PSR in Japan-Australia EPA (2015), across all HS6



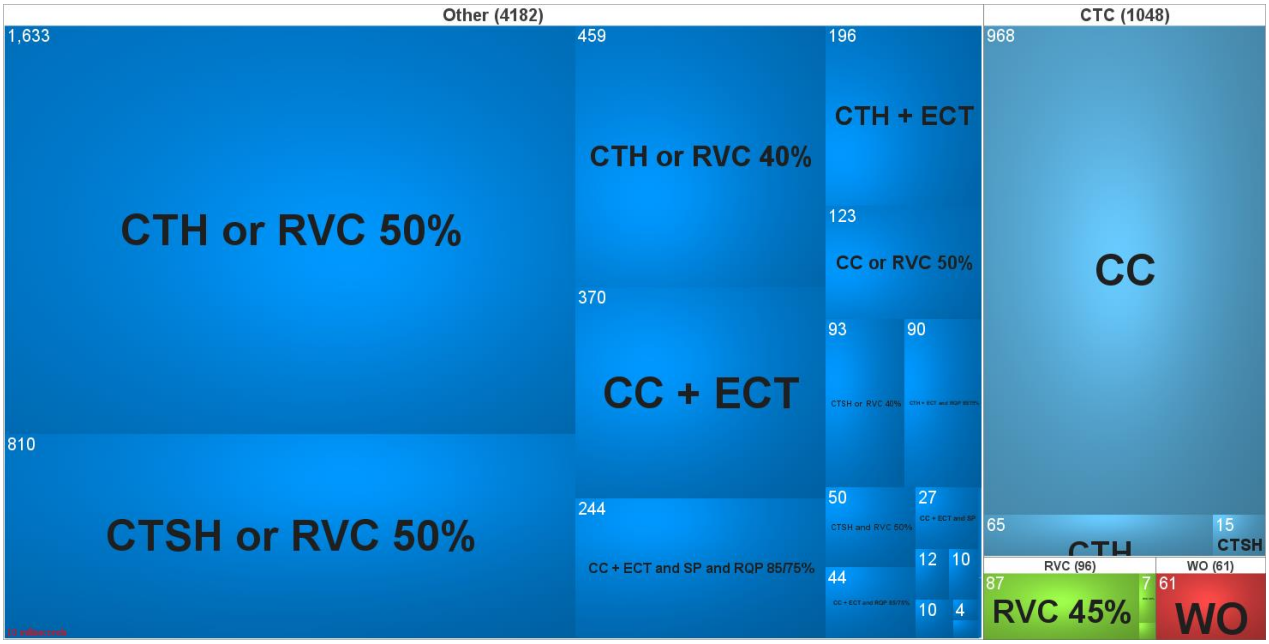
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.8. PSR in Japan-Australia EPA (2015), by eligible imports



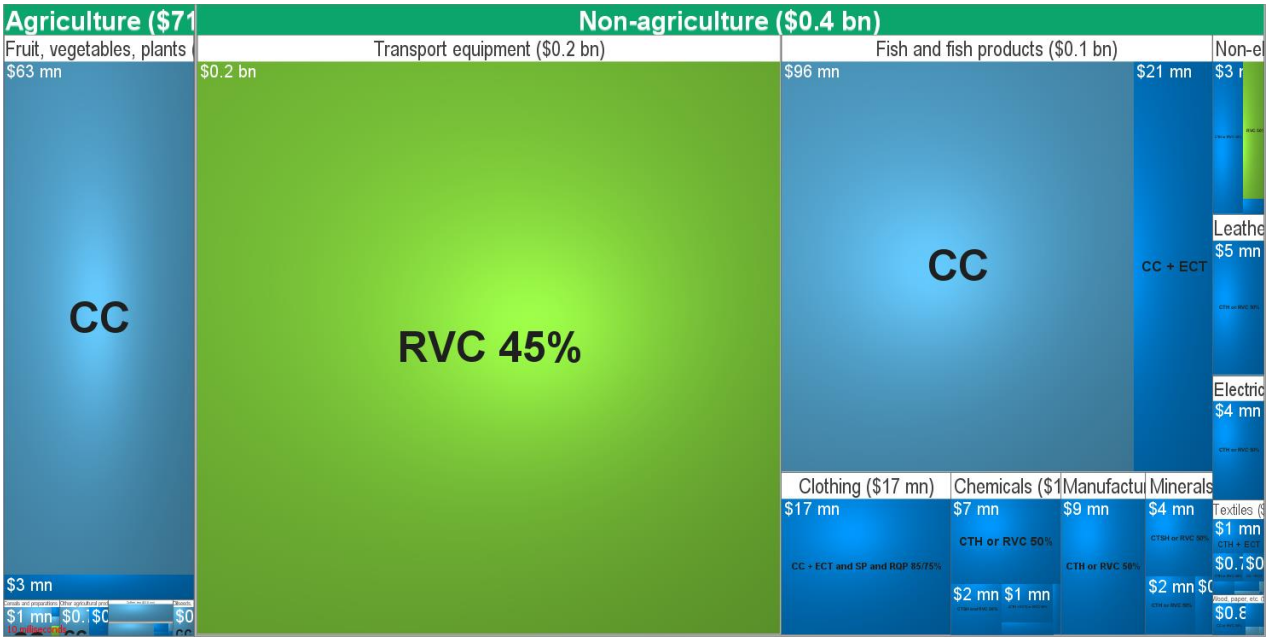
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.9. PSR in Japan-Peru EPA (2012), across all HS6



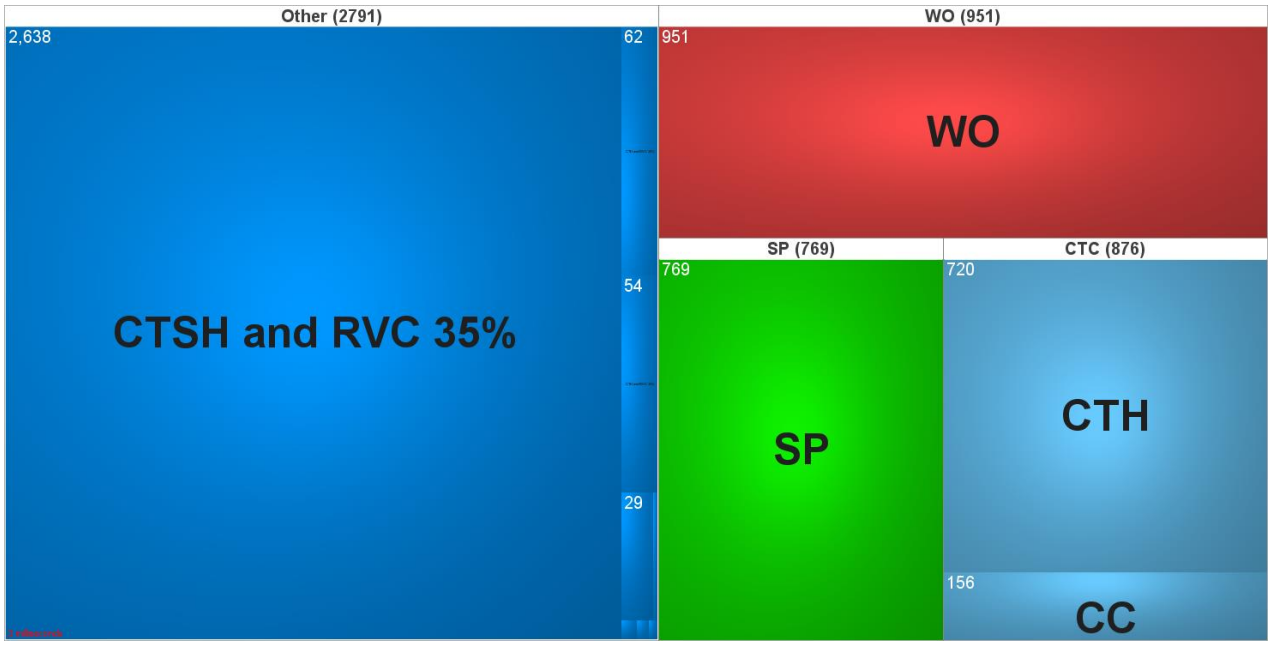
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.10. PSR in Japan-Peru EPA (2012), by eligible imports



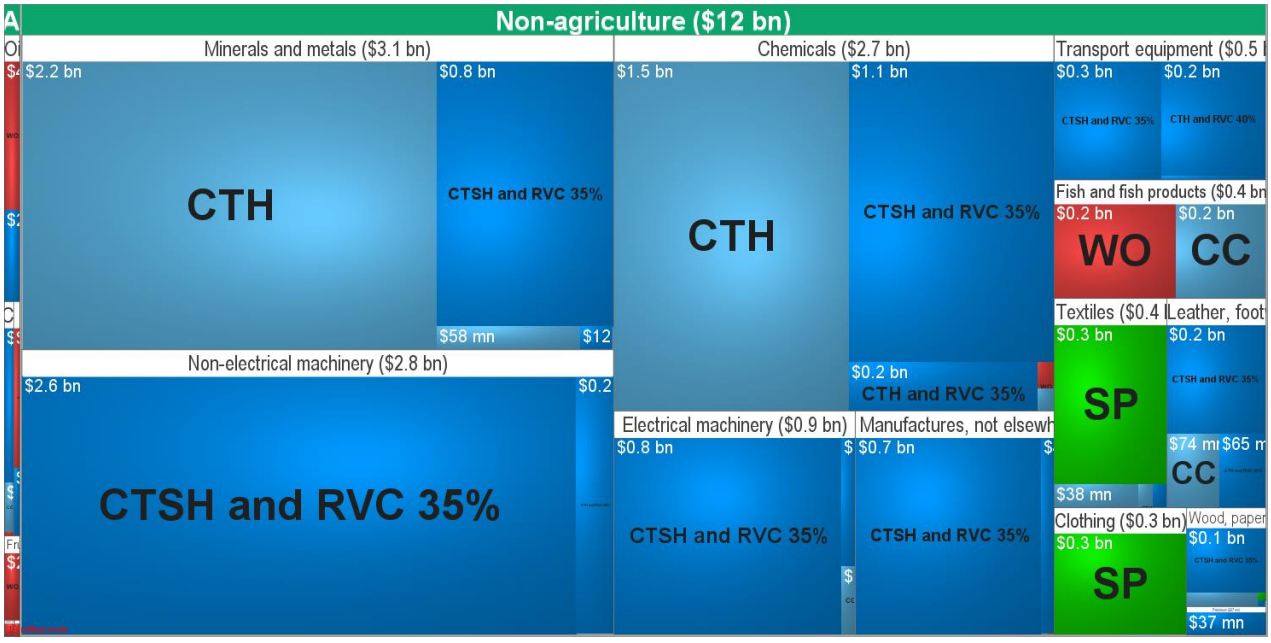
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.11. PSR in Japan-India EPA (2011), across all HS6



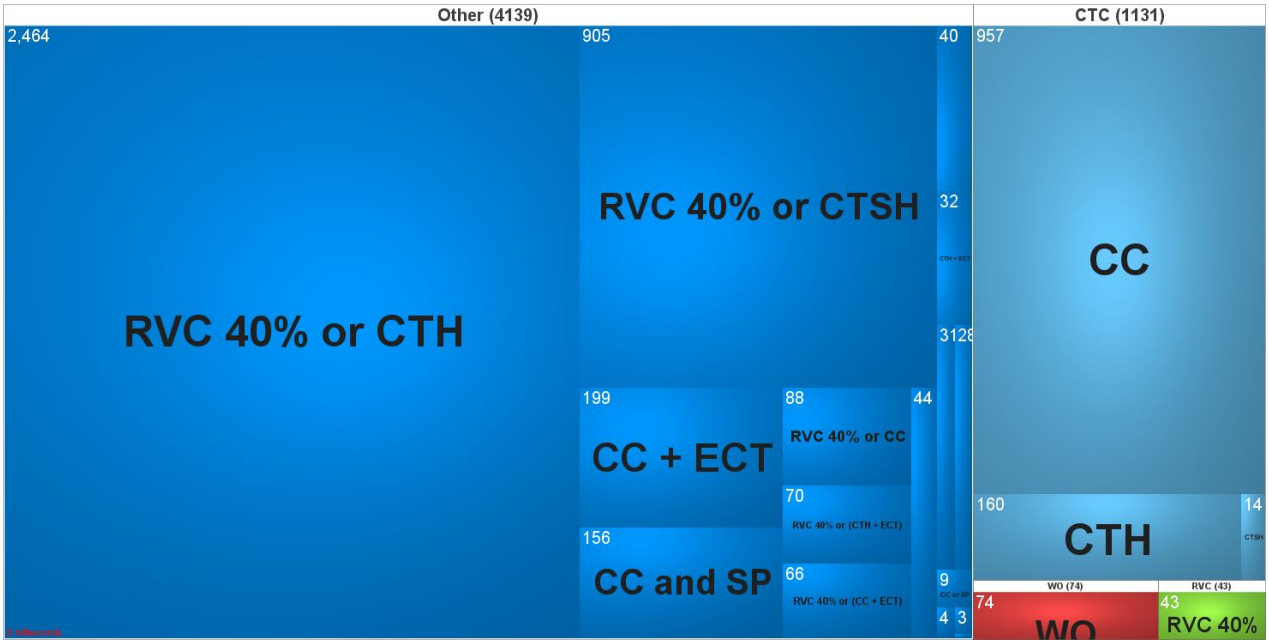
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.12. PSR in Japan-India EPA (2011), by eligible imports



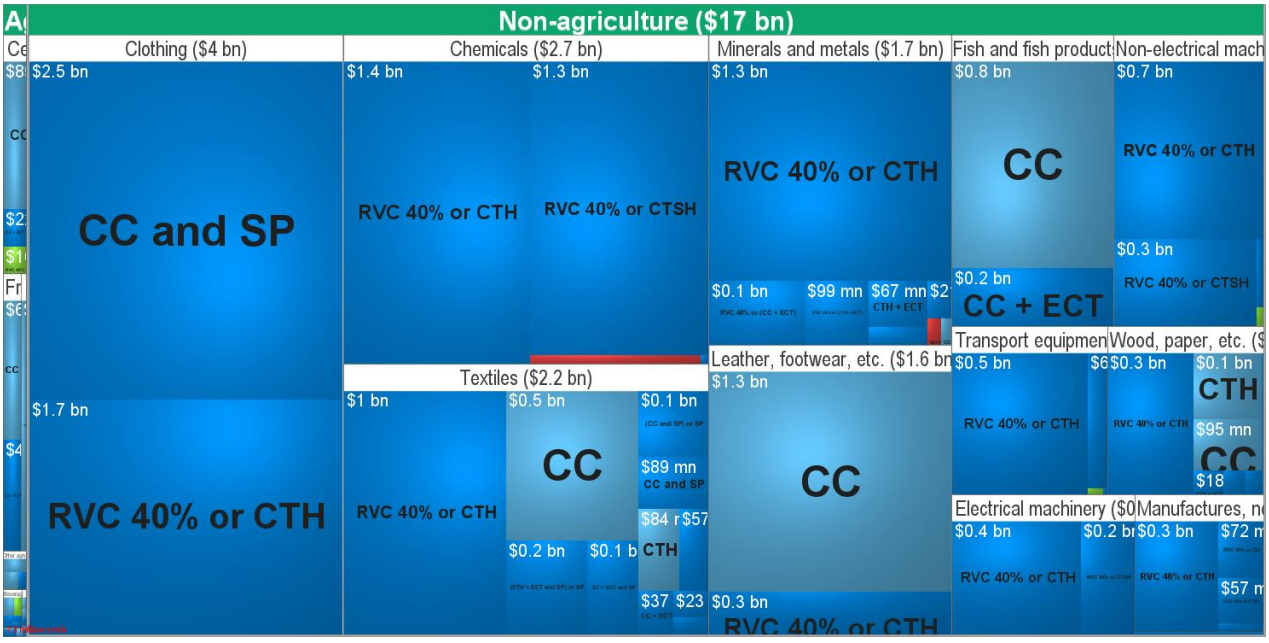
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.13. PSR in Japan-Vietnam EPA (2009), across all HS6



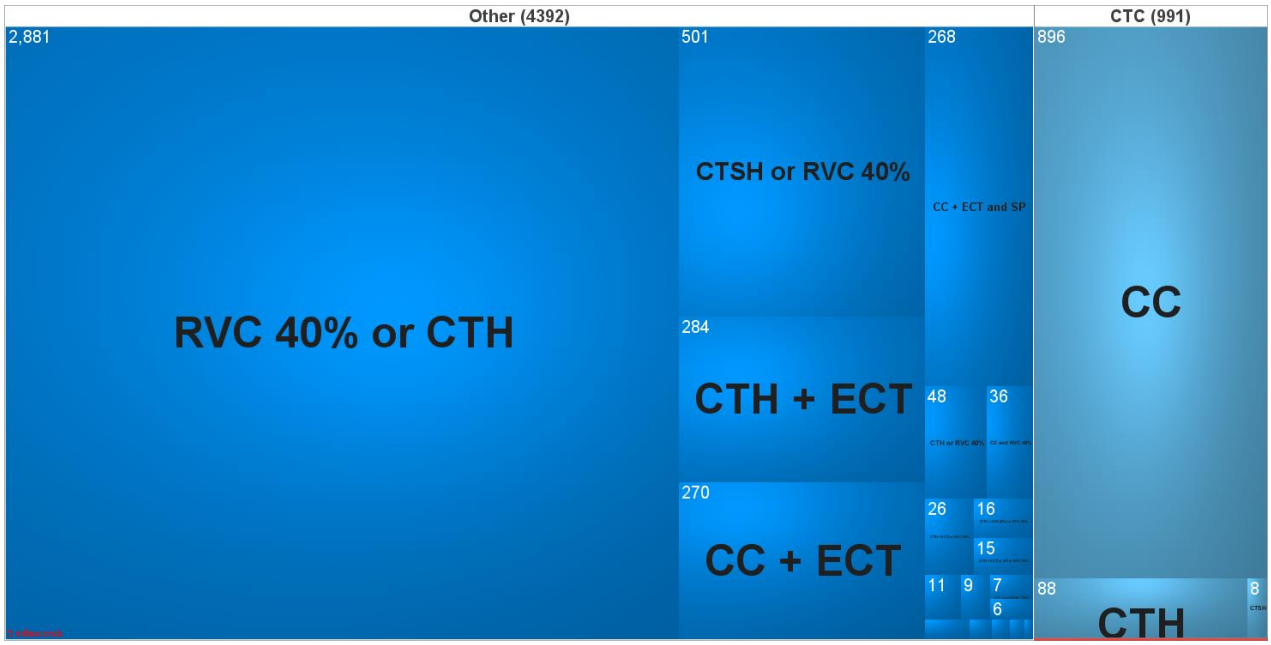
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.14. PSR in Japan-Vietnam EPA (2009), by eligible imports



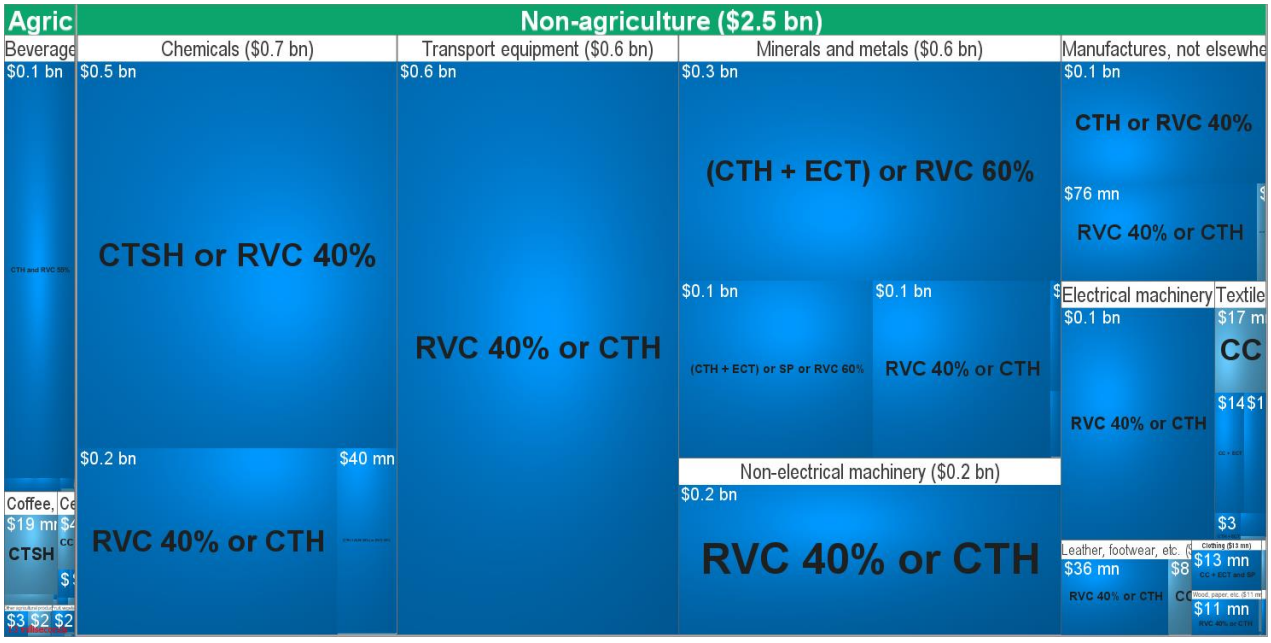
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.15. PSR in Japan-Switzerland EPA (2009), across all HS6



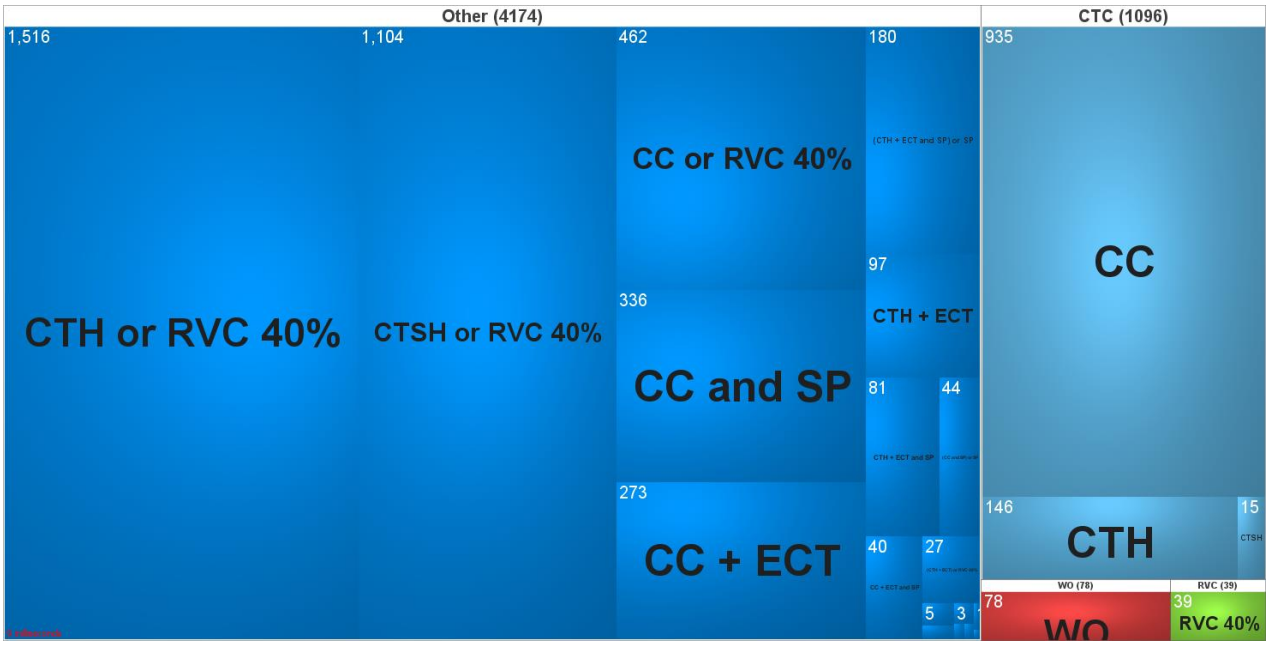
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.16. PSR in Japan- Switzerland EPA (2009), by eligible imports



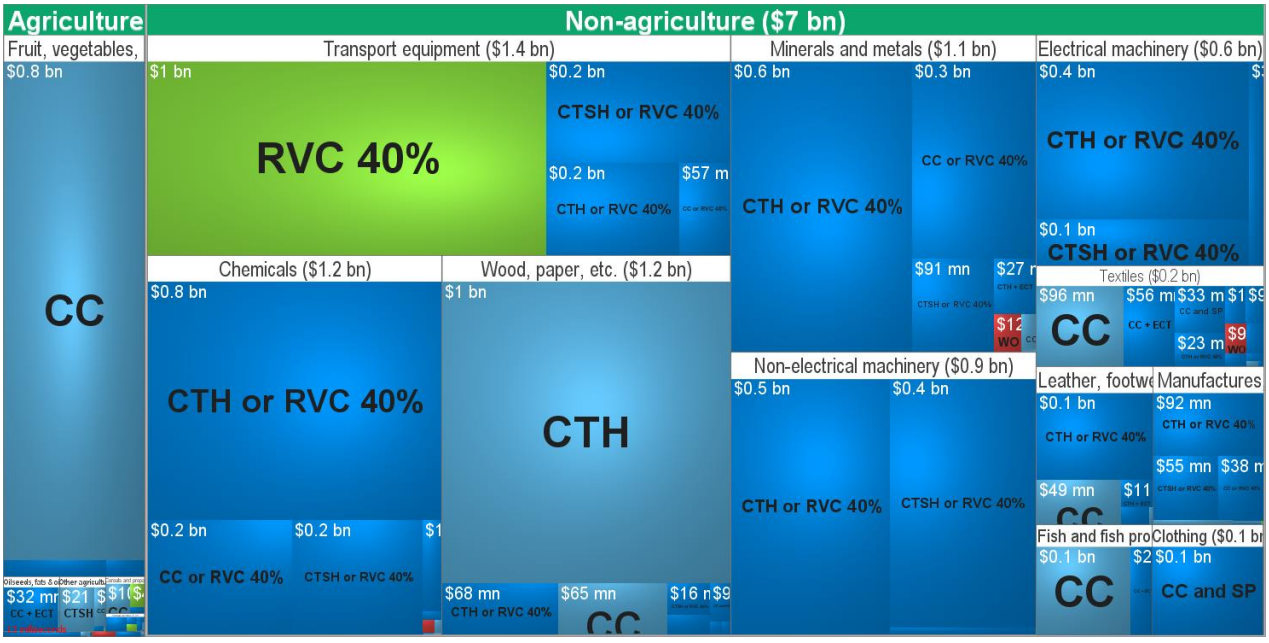
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.17. PSR in Japan-Philippines EPA (2008), across all HS6



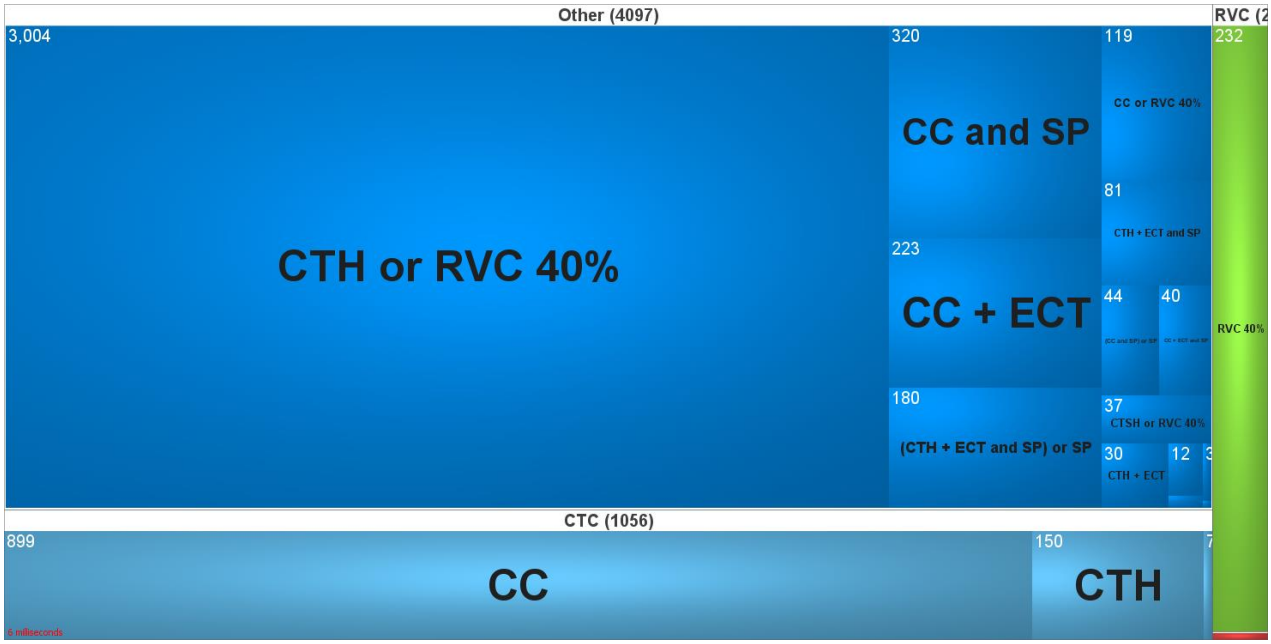
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.18. PSR in Japan-Philippines EPA (2008), by eligible imports



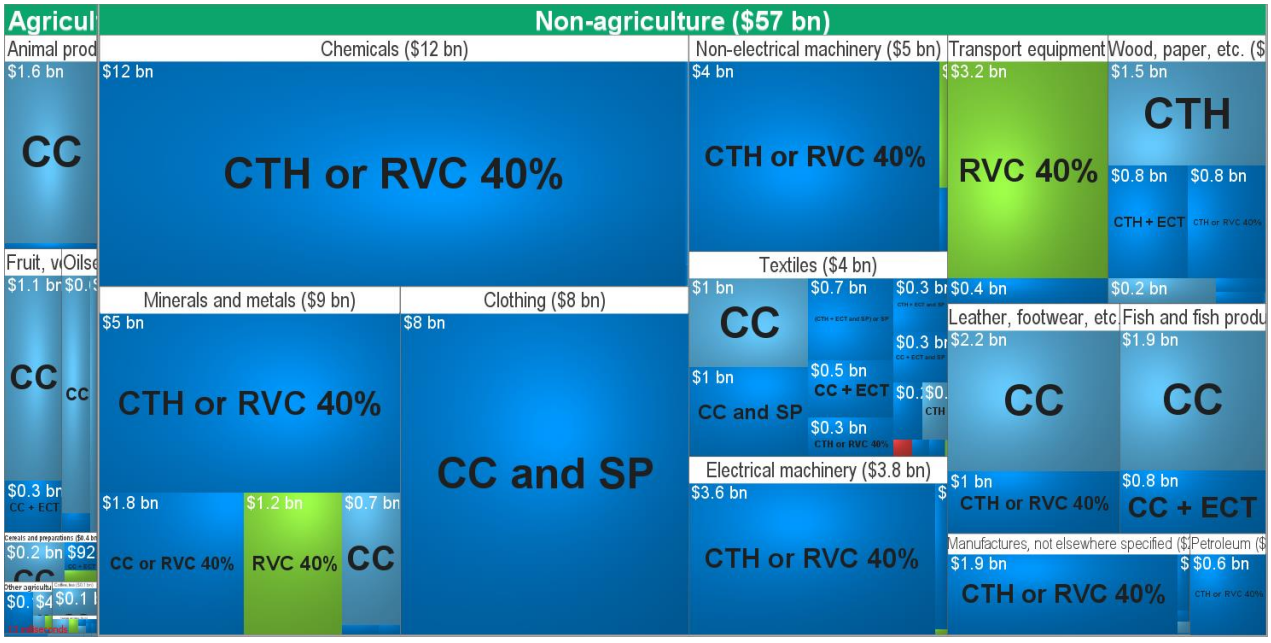
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.19. PSR in Japan-ASEAN EPA (2008), across all HS6



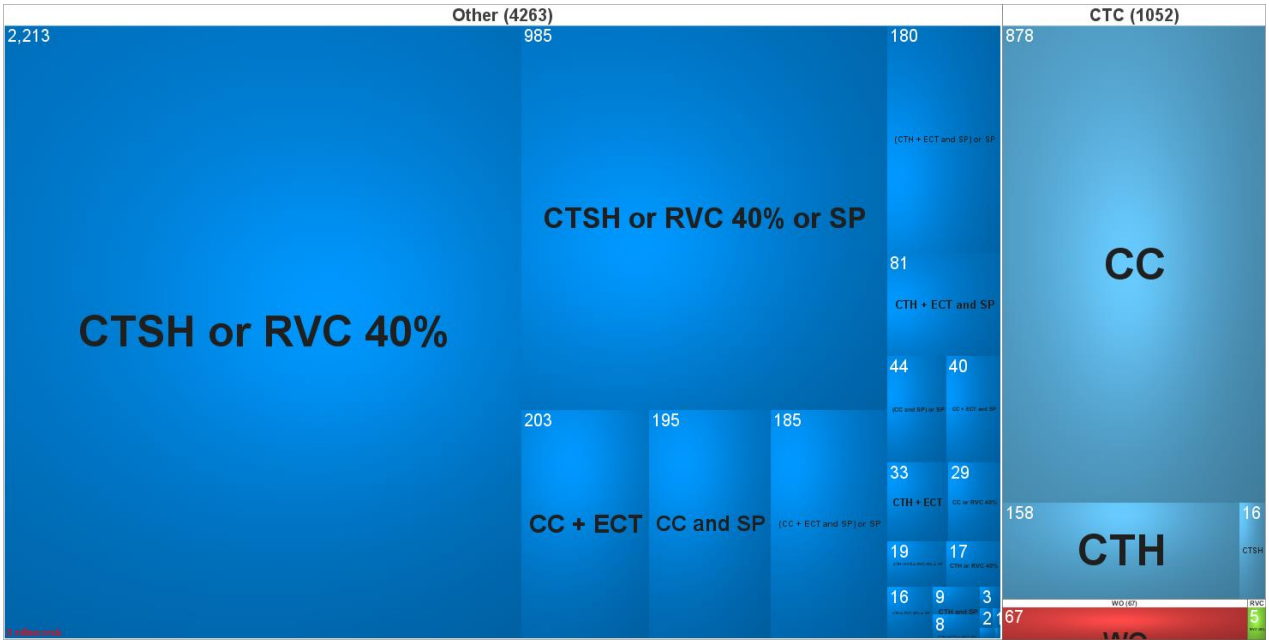
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.20. PSR in Japan-ASEAN EPA (2008), by eligible imports



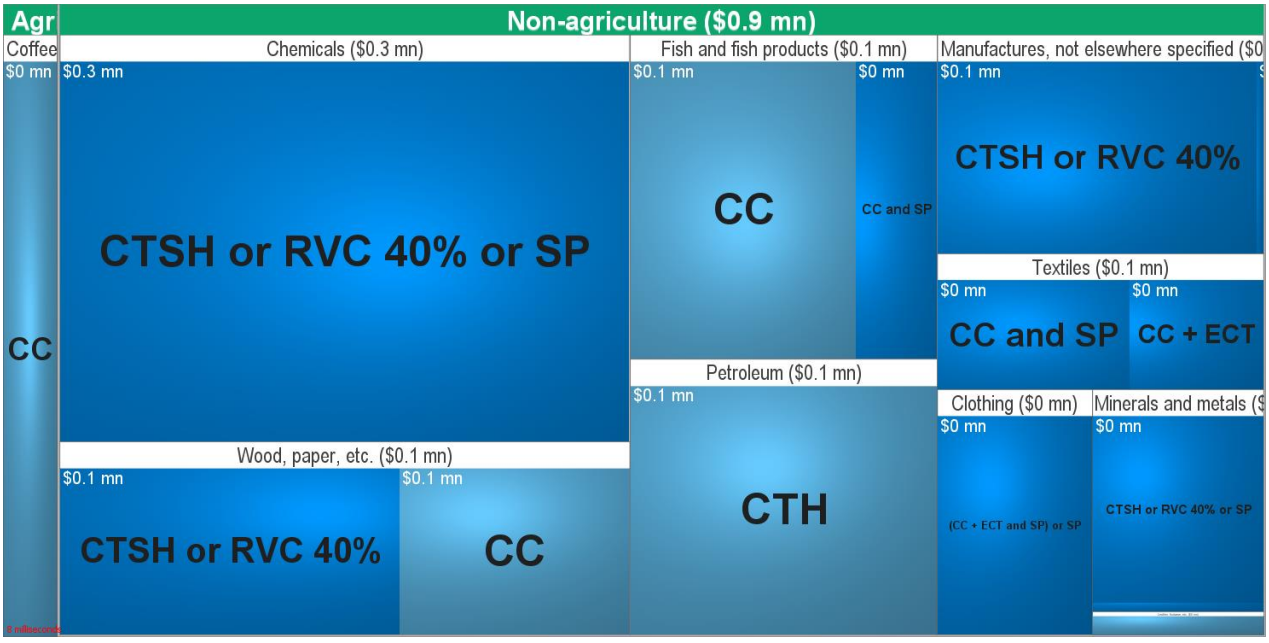
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.21. PSR in Japan-Brunei EPA (2008), across all HS6



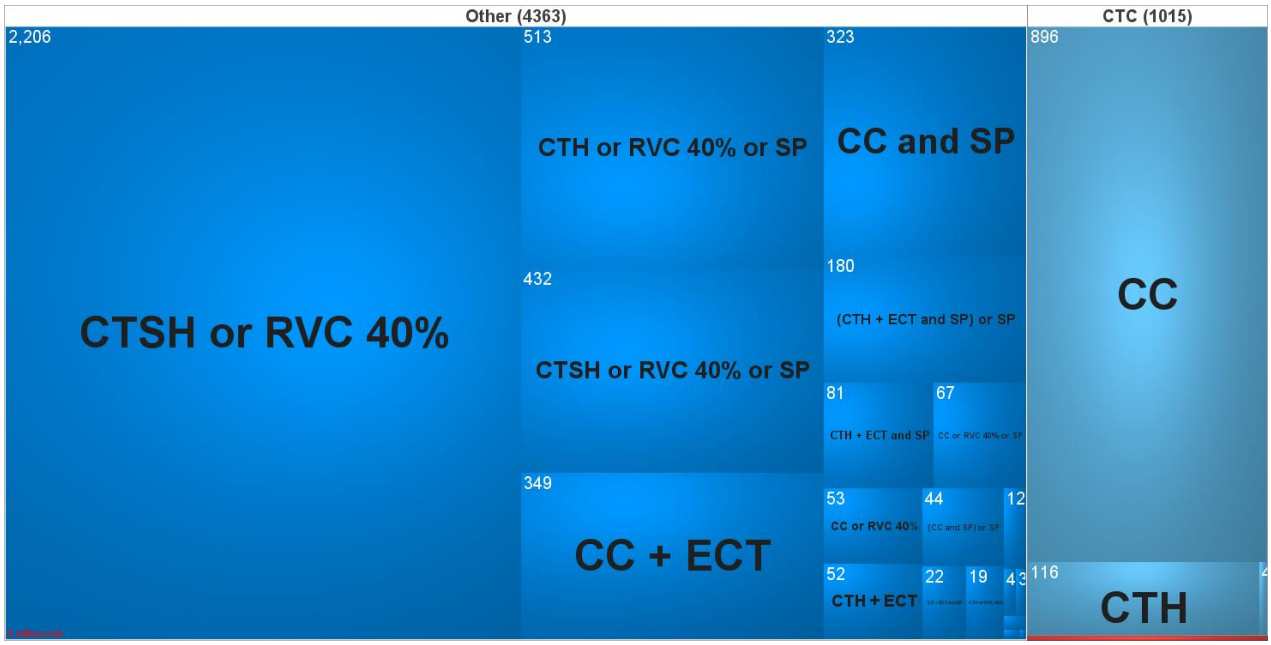
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.22. PSR in Japan-Brunei EPA (2008), by eligible imports



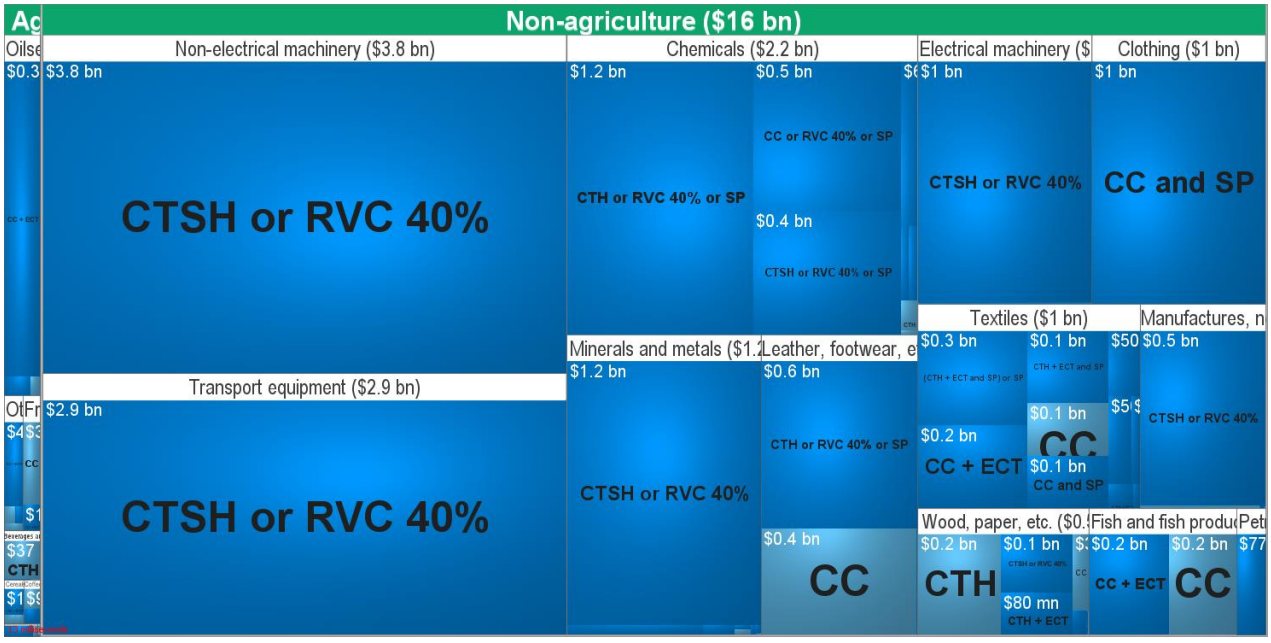
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.23. PSR in Japan-Indonesia EPA (2008), across all HS6



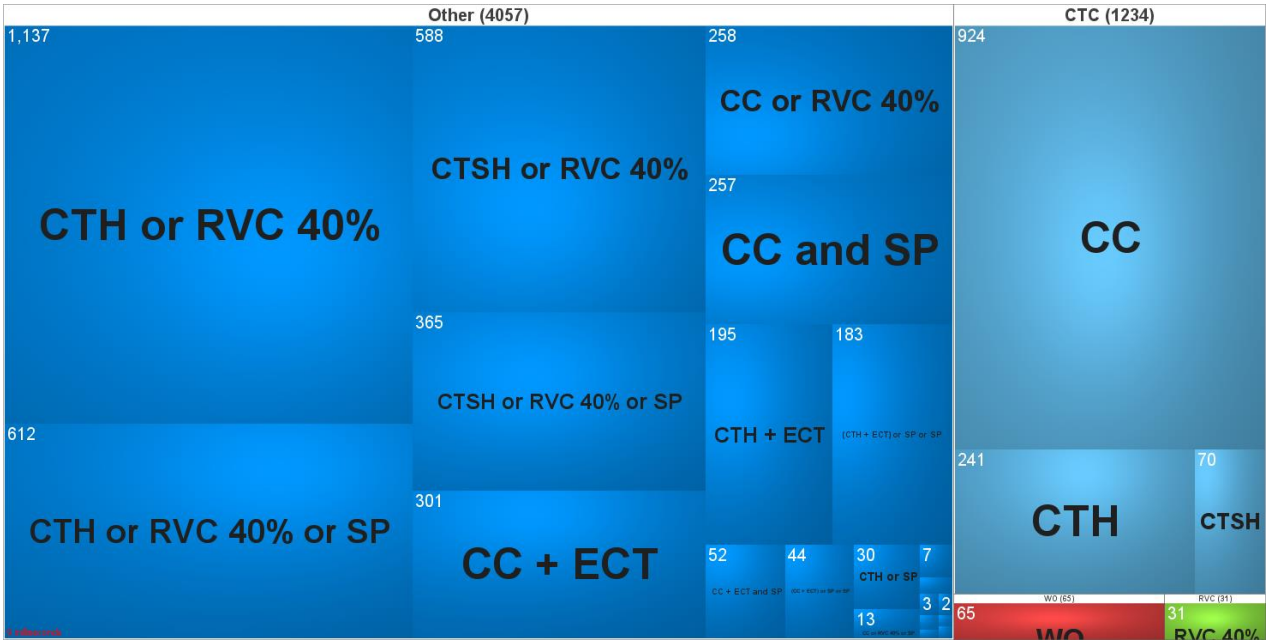
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.24. PSR in Japan-Indonesia EPA (2008), by eligible imports



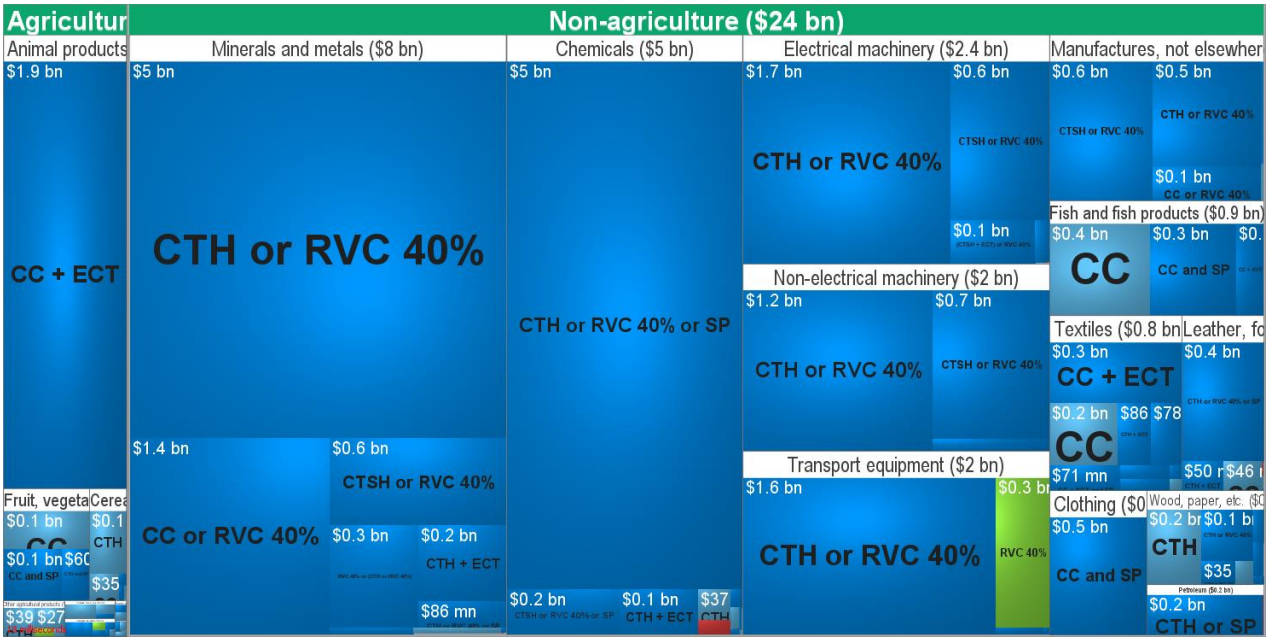
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.25. PSR in Japan-Thailand EPA (2007), across all HS6



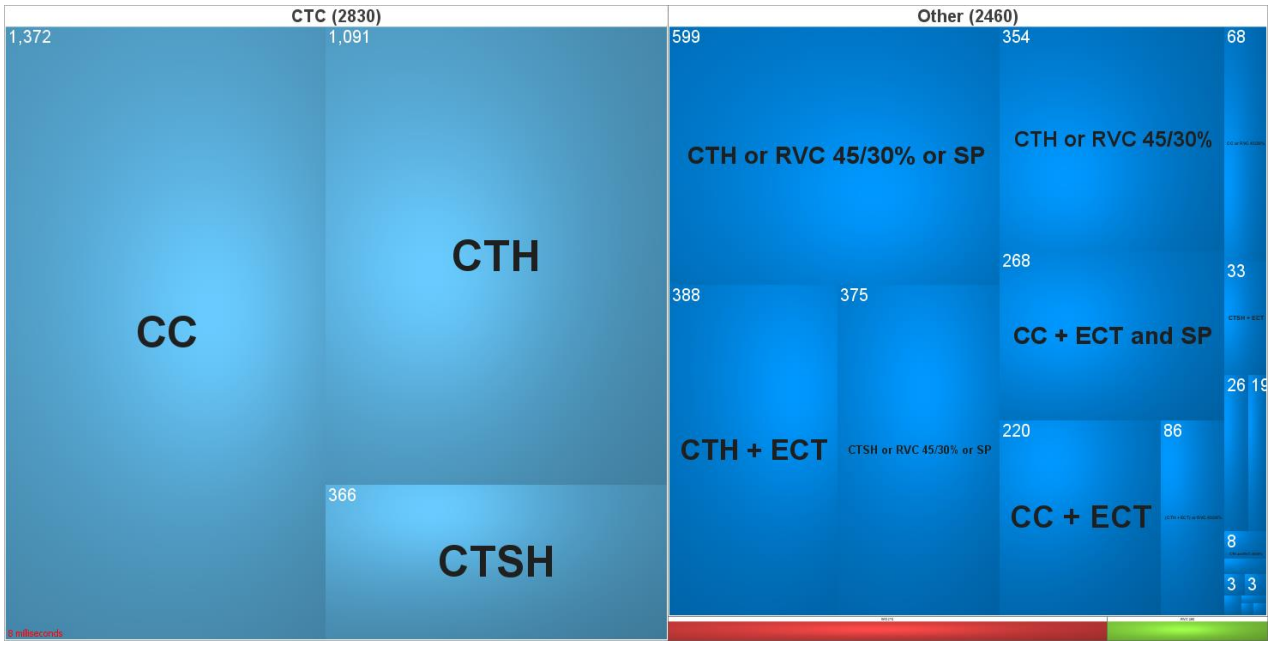
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.26. PSR in Japan-Thailand EPA (2007), by eligible imports



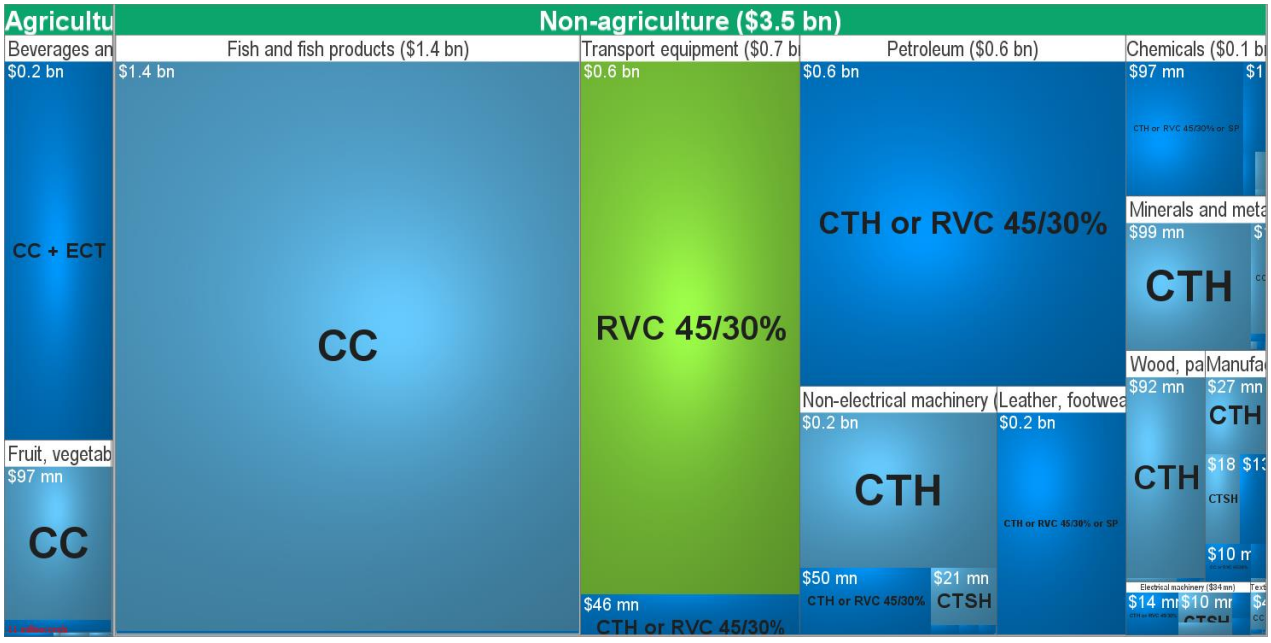
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.27. PSR in Japan-Chile EPA (2007), across all HS6



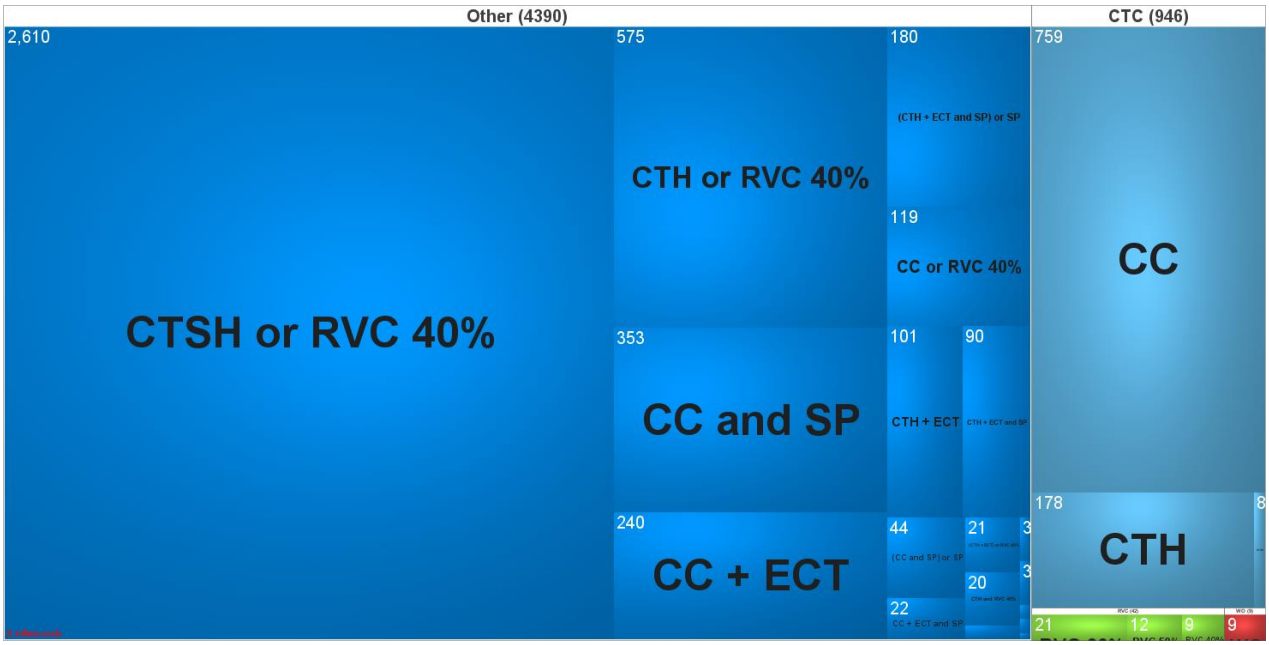
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.28. PSR in Japan-Chile EPA (2007), by eligible imports



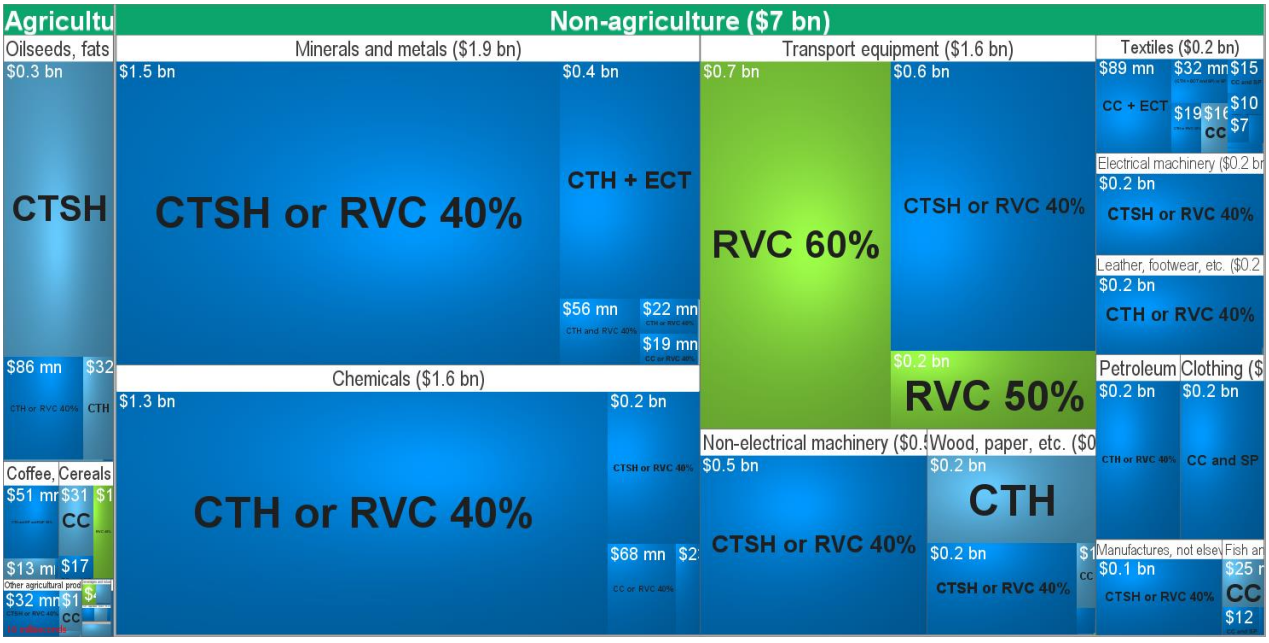
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.29. PSR in Japan-Malaysia EPA (2006), across all HS6



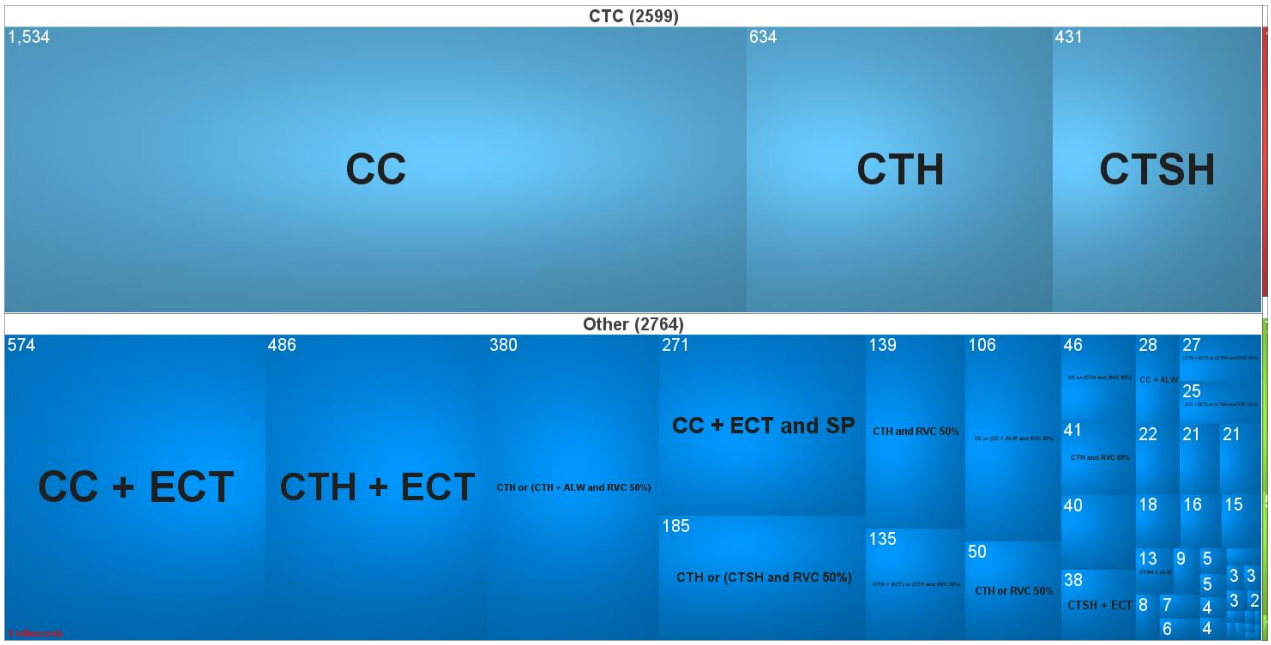
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.30. PSR in Japan-Malaysia EPA (2006), by eligible imports



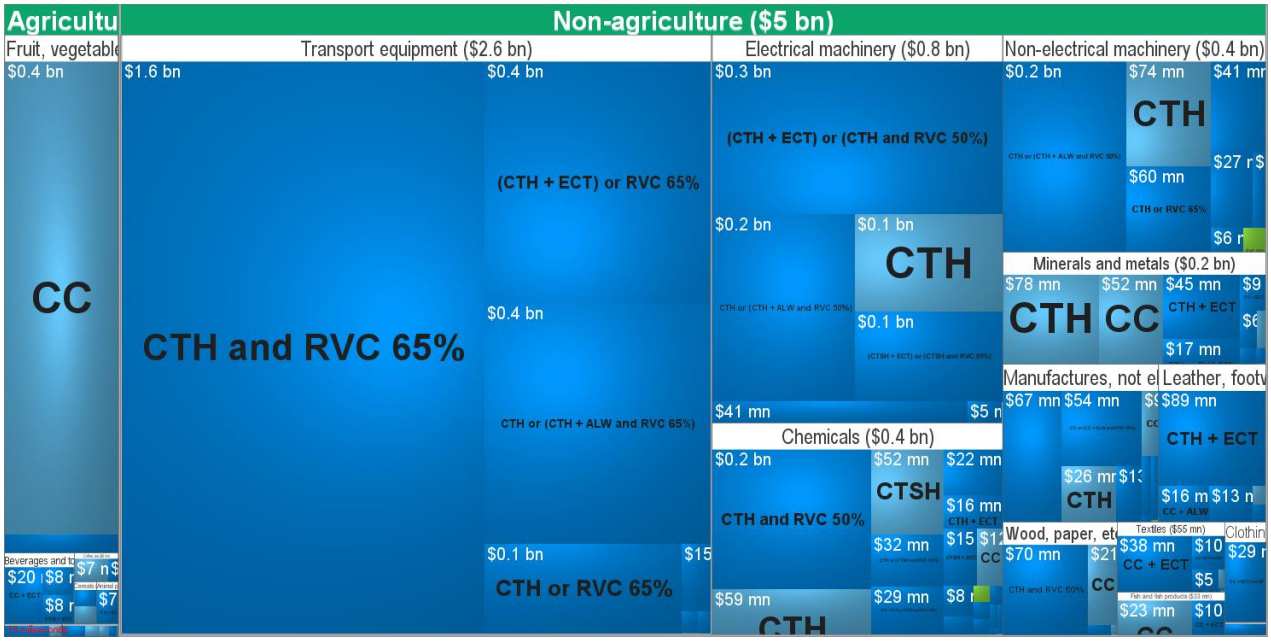
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.31. PSR in Japan-Mexico EPA (2005), across all HS6



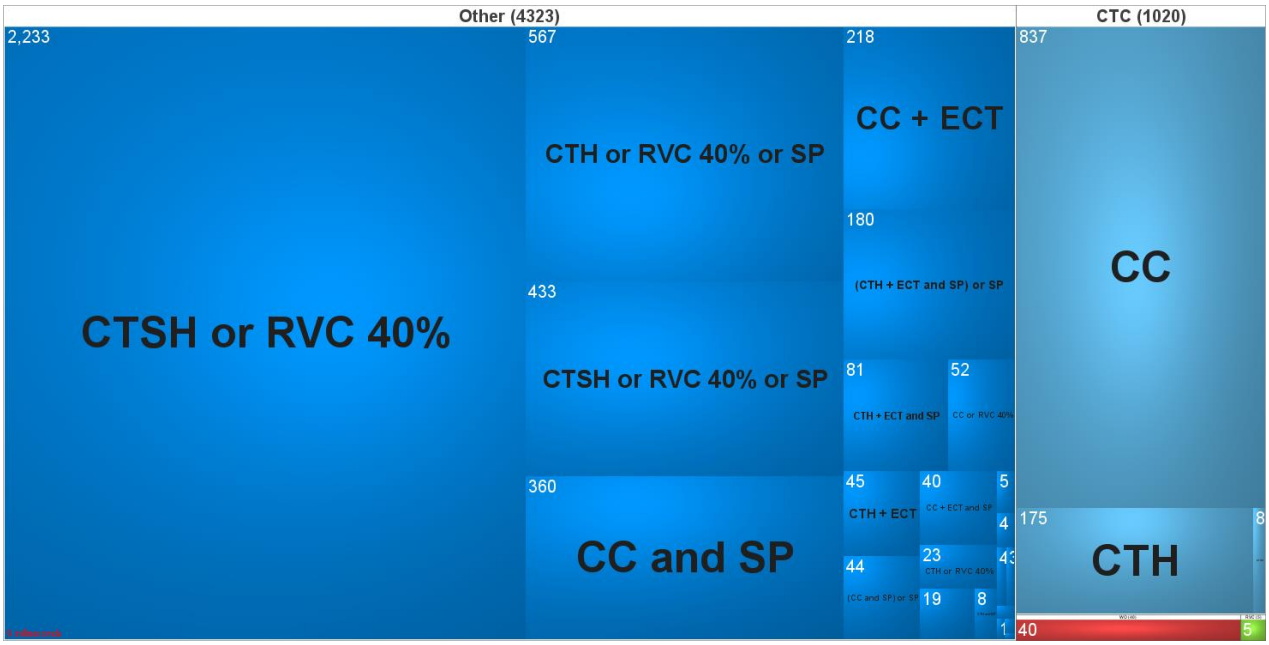
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.32. PSR in Japan-Mexico EPA (2005), by eligible imports



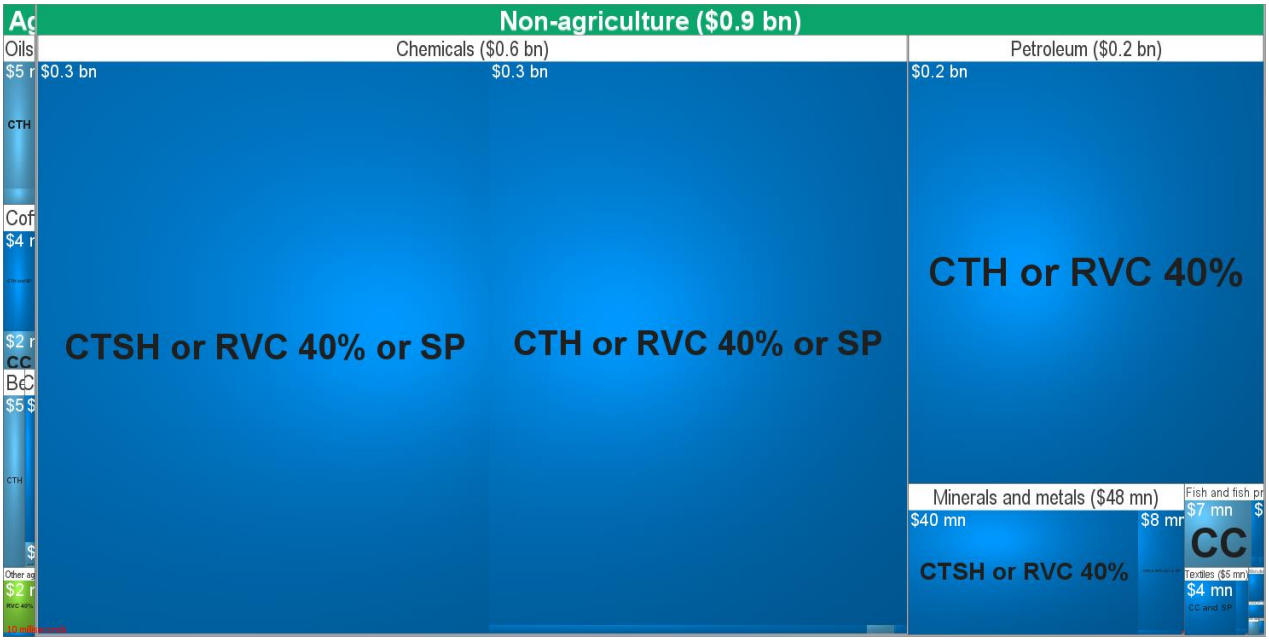
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.33. PSR in Japan-Singapore EPA (2002), across all HS6



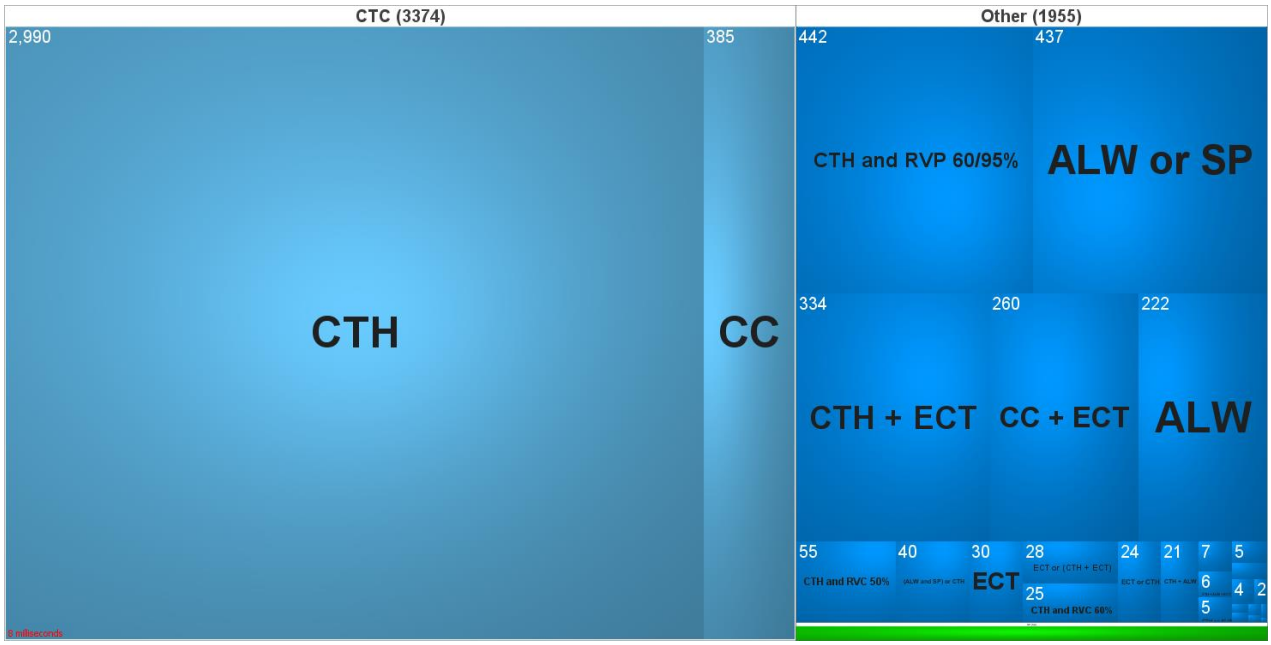
Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.34. PSR in Japan-Singapore EPA (2002), by eligible imports



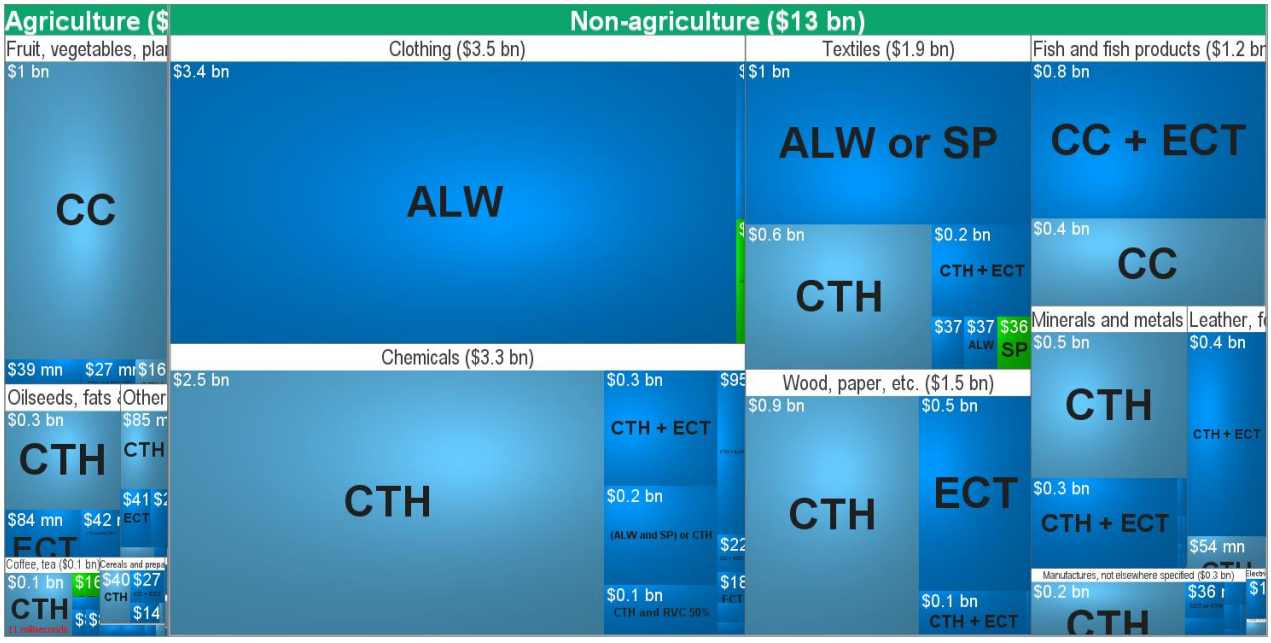
Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.

Table C.35. PSR in Japan GSP (1971), across all HS6



Note: HS6 have been aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1.

Table C.36. PSR in Japan GSP (1971), by eligible imports



Note 1: HS6 codes were aligned with HS2017. Split headings within a single HS6 code were normalized to add up to 1. Intra-PTA imports at the tariff line level are eligible if the preferential margin is non-zero.
Note 2: Product sectors are defined in World Tariff Profiles 2019.
Note 3: Trade and tariff data are based on the latest available year.