RESTRICTED

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Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade in Industrial Products

Group 4 - Licensing

REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

JAPAN

Outline of systems

1. The following three different procedures can be distinguished in the Japanese import system.

(1) Import quota system

In order to import products specified under the import quota system (so-called I/Q system) the importer must obtain, prior to importation, an import quota from the Ministry of International Trade and Industry. If the quota is granted, the importer must forward the import quota certificate to an authorized foreign exchange bank which issues automatically a certificate of import approval. All allocations of import quotas are made on a global basis.

(2) Automatic import quota system

In order to import products specified under the automatic import quota system (so-called AIQ system) the importer must obtain, prior to importation, an import quota from the Ministry of International Trade and Industry. Allocations are made, however, automatically and without restriction. When the quota is granted, the importer must forward the import quota certificate to an authorized foreign exchange bank which issues automatically a certificate of import approval.

(3) Automatic approval system

Imports of products specified under the automatic approval system (so-called AA system), are free from quantitative restrictions; the certificate of import approval is, on application, issued freely and without restriction by authorized foreign exchange banks.

Note: The number of offices and branches of banks which are authorized to issue certificates of import approval under any of the above systems amounts to 1,000 or so.

Commodity coverage of the licensing requirement

2. The items under the IQ system are enumerated in the attached List 1 and those covered by the AIQ system are specified in the attached List 2.[1] Products other than those listed in the IQ or AIQ system fall under the AA system.

3. Japanese licensing requirements are applied without discrimination to imports from all sources.

4. (a) Only the IQ system is designed to limit the quantity of imports. But, the other systems are not intended, nor have no effect, to restrict the quantity of imports.

(b) The main purpose of the AIQ system is to obtain, as early as possible, detailed statistical information on the import trend after liberalization; such being the principal objective of the system, existence of AIQ has contributed to mitigating psychological resistance on the part of those who incline to over-estimate possible impacts of liberalization on domestic industries, thereby facilitating Japan's efforts for liberalization of imports. The number of items under this system has been substantially reduced recently.

(c) The main purpose of automatic approval system is to confirm whether all necessary forms and procedures are fulfilled. This has the effect of obviating the necessity of governmental approval for the settlement in foreign currency (the import approval obtained by the importer from the authorized foreign exchange bank automatically qualifies him to use foreign exchanges as payment for imports) and has also the incidental effect of grasping the import trend at an early stage of import procedures.

5. (1) The Japanese licensing system is maintained under the following law, orders and regulations:

(i) Foreign Exchange and Foreign Trade Control Law (Law No. 228, Dec. 1949) as amended.

(ii) Import Trade Control Order (Cabinet Order No. 414, Dec. 1949) as amended, and Cabinet Order concerning Control of Foreign Exchange (Cabinet Order No. 203, June 1950) as amended.

(iii) Other regulations and ordinances, especially Import Trade Control Regulation (MITI Ordinance No. 77, Dec. 1949) as amended.

(2) The designation of products to be subjected to the IQ and AIQ systems is in the competence of the Minister of International Trade and Industry.

(3) The licensing system is statutorily required, and it is necessary to amend the law, orders and regulations as cited above, to abolish it. Even in the cases where the abolishment by the Administration is theoretically possible, it is difficult, in practice, to take such a step without seeking prior approval of the Legislature.

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[1] Lists 1 and 2 are not reproduced in this document, but appear in the report of the Joint Working Group (L/3391/Rev.1).

List 1: corresponds to the Japan column in Annex I to L/3391/Rev.1.

List 2: has been reproduced in full as Annex II to L/3391/Rev.1.

Procedures

6. The following replies are only concerned with the IQ system.

(a) (i) The information concerning procedure for allocation of quotas is published in the Official Gazette, International Trade and Industry Official Bulletin and International Trade Public Bulletin.

(ii) The overall amount of quotas is not published on each item but on the basis of several commodity groups. No allocation of quotas is made on the basis of the country of origin; the allocation is made on a global basis without discrimination. Further there is no maximum limit of quota to be allocated to individual importer.

(b) The size of quota is usually determined on a six-monthly basis and, in general, the allocation is made once for six months. There are, however, some cases in which allocations are made throughout the year upon application for quotas.

(c) (i) There is no case where the allocation of quotas is made to domestic producers of like goods. For the imports of materials for industrial use, allocations of quotas are made whether directly to users or to those who have received orders from users, and, in the case of consumer goods, allocations are made to trading companies.

(ii) No special measure is taken to ensure actual importation.

(iii) The amount of quotas is generally determined on a six-monthly basis, while the period of validity of import quota certificate is four months and that of import approval certificate is six months. As a result, a portion of quota may in some cases be realized in the succeeding period. However this does not influence the determination of quotas in that succeeding period.

(iv) The names of importers to whom quotas have been allocated are usually not made known to public in order to avoid possible disclosure of business secrets. However, they are made known in cases where necessary and appropriate.

(d) The period open for the submission of applications for quotas is usually about two weeks.

(e) The minimum length of time for processing applications for quotas is one week, its maximum being three weeks except in some special cases.

(f) Upon receipt of the import quota certificate, the import approval can be obtained and actual importation can be carried out at any time, subject to the period of validity of certificates mentioned in 14 below.

(g) Consideration of applications for quotas is usually effected by a single administrative organ in charge of quota allocation, but on rare occasions other administrative organs may be involved in the judgment of the import requirements for users in question.

In both cases, however, the importer does not need to approach more than one administrative organ.

(h) (i) If the demand exceeds the quota, the allocation is made on the basis of (1) past import records on customs clearance basis (past performance allocation) (2) distribution of equal amount of quota to applicants (equal allocation) or combination of (1) and (2). In the case of quota allocation to users, the allocation is determined on the basis of the import requirements by users.

(ii) There is no maximum amount of quotas to be allocated per applicant.

(iii) Where appropriate, new importers, with or without qualifications, are permitted to apply for quotas. In such case, the allocation is usually made evenly to new importers.

(iv) Applications for quotas are generally examined simultaneously.

(i) The question is not applicable to Japan. Because there exists no arrangement with other countries which sets bilateral quotas for imports from them or which obliges them to restrain exports.

(j) The question is not applicable to Japan.

(k) For imports of certain kinds of raw materials for processing of goods for export, allocations additional to the normal allocations based on the domestic demand and supply are made automatically on condition that such raw materials will not be used for processing of goods to be sold at home. These items are staple food, starch and milk products.

7. The following replies are concerned with the AIQ and AA systems.

(a)-(b) In the case of AIQ where it is necessary to obtain an import quota certificate prior to import approval, such certificate is usually issued the next day or the day after next upon receipt of application. In case of urgency and in unavoidable circumstances a certificate may be issued on the day of application. With regard to import approval, it must be obtained prior to the date of agreement on settlement for payment or the date of importation of goods, whichever earlier. In principle, authorized foreign exchange banks issue the certificate of import approval on the day of application.

(c) Applications are accepted on all working days.

(d) Import quota certificates are issued by the Ministry of International Trade and Industry and certificates of import approvals are issued by authorized foreign exchange banks. There is no need for importers to approach other organs.

8. Application for import approval and import quotas will not be refused, if they satisfy the prescribed conditions.

9. Eligibility of importers

(a) With regard to the importation of IQ items, there are certain cases where eligibility for application for quotas is limited to the importers who have the past record of actual imports.

As for the importation of raw materials for industrial use, eligibility may be confined to the actual users of such materials or those who have received orders from such users. As for the importation of gunpowder, hunting guns and others, a special qualification is required under the relevant regulations.

(b) Any person is eligible for the application. There is no system of registration of importers.

Documentational and other requirements

10. A sample form is annexed hereto.

Documents required at application are as follows:

(1) For the application for import quotas.

(i) In the case of items under IQ system:

(a) Application form for import quotas.

(b) Documents certifying the past records of actual imports (this is required only in cases where allocation is made on the basis of the past actual imports. Normally either original or copies of certificates of import approval or import declarations are sufficient).

(c) Explanatory note on the product concerned (only when it is difficult to confirm that the item falls under the IQ system).

(d) Letter of order or documents indicating the commission from users (when the allocation is made on the basis of orders from users).

(c) Contract with a shipper or an offer from a shipper (there are some cases where this is not required).

(ii) In the case of items under the AIQ system:

(a) Application form for import quotas.

(b) Explanatory note on goods concerned, only when it is difficult to confirm that the item falls under the AIQ system.

(c) Contract with a shipper or an offer from a shipper (there are some cases where this is not required).

(2) For the application for import approval.

(i) Application form for import approval.

(ii) Import quota certificate in the case of IQ and AIQ items.

11. Upon actual importation, only certificate of import approval is required.

12. Neither licensing fee nor administrative charge is required.

13. Neither deposit nor advance payment is required.

Conditions of licensing

14. The period of validity of the import quota certificate is four months, but in cases where the extension of the period is required, the period can be extended on the approval of the Minister of International Trade and Industry. Import approval is obtainable with the import quota certificate, as long as the certificate is valid.

The period of validity of the certificate of import approval is six months. But if it is known in advance that extension of the period of validity beyond the six-month period is necessary, the longer period can be approved to the extent necessary. And in such cases where the customs clearance is not considered feasible within the period of six months, the period of validity can be extended to the extent necessary for customs clearance. For the extension of the period of validity of certificate of import approval, the approval of the Minister of International Trade and Industry is required.

15. There is no penalty for the non-utilization of either import quota certificate or certificate of import approval.

16. In order to avoid abuses, import quotas under the IQ system are, in principle, not transferable among importers. Under justifiable reasons, however, the imports on consignment can be admitted on the approval of the Minister of International Trade and Industry.

17. (a) No condition is attached to the issuance of either import quota certificate or certificate of import approval, except in cases where imports are approved on condition that the goods imported be processed in Japan and re-exported.

(b) No condition is attached.

18. In the following cases, approval of the Minister of International Trade and Industry is necessary prior to the application for import approval by the banks.

(1) In case the imports are to be carried out not in conformity with the "standard methods of settlement".

(2) In case the imports are to be carried out on a consignment sale contract with a settlement period in excess of four months after customs clearance.

(3) In case of specific goods and imports from specific countries (either country of origin or country from which shipment is made), wherever necessary in order to fulfil the international obligations such as those under the International Sugar Agreement.

In addition, there are some regulations required by sanitary and health regulations, such as the Pharmaceutical Law, Food Sanitation Law, animals and plants quarantine laws and others.

19. Foreign exchange is automatically provided to the holder of a certificate of import approval.

根拠法規	輸入貿易管理関係令第5条第1項
事務官庁	通　商　産　業　省

輸　入　割　当　申　請　書

申請者名

住　所　　電話番号

記名押印
または署名

資格

申請月日

Ⅰ　予定輸入契約の概要

(1) 契約締結の時期

(2) 貨物船積みの時期

(3) 貨物入着の時期

(4) 価格条件および単価

(5) 総　額

(6) そ　の　他

Ⅱ　申請の明細

1 関税率表の番号等	2 商　品　名	3 型および銘柄	4 原　産　地	5 船積地域	数量および単位(金額)
分類符号					

Ⅲ　割　当　て

※割当数量および単位(割当額)

※証明書番号

※割当月日

※期間満了日

※　担　保	
比　率	
種　類	

通商産業大臣の記名押印

資　格

記名押印

輸　入　承　認　状　況

	輸入の承認を受けた日	輸入承認に係る数量 （金　額）	未承認数量 （金　額）	銀行名および押印
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

注 (1) ※印のある欄は、記入しないこと。

(2) 「関税率表の番号等」欄には、関税率表の番号および同表の品名欄に細分類がある場合における当該細分類の項目に付された数字または符号を記入すること。

(3) 「分類符号」欄には、通商産業大臣が関税率表の番号等に応じ別に定める符号を記入すること。

(4) 「数量および単位（金額）」欄には、貨物の価額により輸入割当てが行なわれるものについては、金額を記入すること。この場合は、「1 予定輸入契約の概要」欄の(5)は記入することを要しない。

(5) 用紙の大きさは、A列4番とすること。

(6) 記載事項は、やむを得ない場合には、英語で記入してもさしつかえない。

Based on	Article 5 paragraph 1of Import Trade Control Regulation
Under Jurisdiction of	Ministry of International Trade and Industry

Application for Import Allocation

Name of Applicant _____

Address _____

Tel. No.

Name & Seal or Signature _____

Title _____

Date of Application _____

II Details of Application

I Outline of Anticipated Import Contract

(1) Approx. Date of Contract _____

(2) Time of Shipment _____

(3) Time of Arrival _____

(4) Price Condition and Unit Price _____

(5) Total Amount _____

(6) Others _____

1 No. etc. of Customs Tariff List	2 Name of Commodity	3 Type & Grade	4 Country of Origin	5 Shipment Area	Quantity and Unit (amount)
Marks of Classification					

III Allocation

*Allocation Quantity (Amount) and Unit

*No. of Certificate _____

*Date of Allocation _____

*Date of Expiration _____

* Collateral	
Ratio	
Kinds	

Name and Seal of the Minister of International Trade and Industry

Title _____

Name & Seal _____

State of Conditions of Approval of Import

	Date of Receipt of Approval of Import	Quantity (amount) of Approval of Import	Quantity (amount) not approval yet	Name & Seal of Bank
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Note: (1) The applicant shall not fill out columns marked with *.
(2) In the column of "No. etc. of Customs Tariff List" the description shall be made of numbers or Marks affixed to items of the detailed classification concerned in the case where there is detailed classification in the numbers of customs tariff list and in the column of names of goods of the same list.
(3) In the column of "Marks of Classification" marks which are to be stipulated specially by the Minister of International trade and Industry in accordance with number, etc. of customs tariff list shall be described.
(4) In the column of "Quantity and Unit (Amount)" Amount shall be described with regard to those, for which import allocation is granted in accordance with price of goods. In such a case no description is required for (5) in the column of "I. Outline of Anticipated Import Contract".
(5) The size of paper for the form shall be No. 4 of the row-A.
(6) In an unavoidable case, the application may be filled out in English.

根拠法規	輸入貿易管理規則第2条第1項
主務官庁	通　商　産　業　省

輸入貿易管理令第4条第1項の規定による輸入承認申請書

申請者名＿＿＿＿＿＿＿＿
住　所　　電話番号
記名押印
または署名＿＿＿＿
資　格＿＿＿＿
申請月日＿＿＿＿
次の輸入の承認を申請します。

※承認番号＿＿＿＿＿＿＿＿
※承認月日＿＿＿＿※有効期間満了日＿＿＿＿
※延長後有効期間満了日＿＿＿＿
※内容変更（有効期間延長を含む。）に係る通商産業大臣の承認の内容、月日および番号
＿＿＿＿＿＿＿＿

Ⅰ　輸入の内容

関税率表の番号等	商品名	型および銘柄	数量および単位	価格条件および単価	外国為替金額
分類符号					総計

決済通貨または決済勘定	原産地	船積地域および船積港

数量の増減は＿＿％以内に限る。

備　考

到着予定日（分割船積の際は到着毎の日附）＿＿＿＿＿＿＿＿

Ⅱ　支払の内容

(a) 信用状（買取授権書）の金額＿＿＿
(b) 送金為替金額＿＿＿＿＿＿＿＿
(c) 取立手形の金額＿＿＿＿＿＿＿＿
(d) 手形期限＿＿＿＿＿＿＿＿
(e) 自由円勘定に関する事項＿＿＿
(f) その他の支払取極＿＿＿＿＿＿

Ⅲ　※担保に関する銀行証明

担保比率	担保金額	種類	国庫帰属率	国庫帰属金額	80％以上の通関による返還月日	有効期間満了による一部返還月日	通商産業大臣の返還通知による返還月日	国庫帰属日	銀行名および押印

輸入割当証明書の日附および番号

上記の輸入は、輸入貿易管理令第4条第2項の規定により承認する。

承認外国為替公認銀行名＿＿＿＿＿＿＿＿
資　格＿＿＿＿＿＿＿＿
記名押印＿＿＿＿＿＿＿＿

（裏面は外国為替公認銀行および税関により使用される。）

1　信用状開設の銀行証明

信用状番号および通知銀行名	期間満了日	船積期日	信用状金額	商品名	数量	信用状開設月日	銀行名および押印

2　外国為替決済に関する銀行証明

決済金額	決済通貨または決済勘定	決済方法および信用状等の番号	荷物貸渡または荷物引取保証		決済月日	銀行名および押印
			種類および番号	月日		

3　通関

税関申告番号	申告月日	商品名	送状数量	送状金額	通関数量	通関金額	荷揚港	許可または承認月日	税関押印

注 (1) ※印のある欄は記入しないこと。

(2) 輸入割当証明書の「Ⅲ割当て」欄において指定された事項は、本輸入承認申請書の該当欄に※印を附して記載すること。

(3) 「関税率表の番号等」欄には、関税率表の番号および同表の品名欄に細分類がある場合における当該細分類の項目に附された数字または符号を記入すること。

(4) 「分類符号」欄には、通商産業大臣が関税率表の番号等に応じ別に定める符号を記入すること。

(5) 用紙の大きさはB列4番とし、用紙の質は、日本工業規格P3101印刷用紙Aで連量55kgのものとすること。

(6) 記載事項は、やむを得ない場合には、英語で記入してもさしつかえない。

Based on	Article 2 paragraph 1 of Import Trade Control Regulation
Under Jurisdiction of	Ministry of International Trade & Industry

Appliction for License to Import under Article 4 Paragraph 1 of the Cabinet Order concernig Control of Import Trade

Name of Applicant

Address Tel. No.

Name & Seal or Signature

Title

Date of Application

*License No.

*Date of License *Date of Expiration

*Extended Date of Expiration

*Particulars, Date & No. of Approval by MITI concerning Amendment of this License (Inclusive Extension of this License)

Request is made for license to import goods as mentioned hereunder.

I Particulars of Import

No. etc. of Customs tariff List	Name of Commodity	Type & Grade	Quantity & Unit	Terms of Price & Unit Price	Amount in Foreign Exchange
Marks of Classification					Total
Currency or Account of Settlement		Country of Origin		Shipment Area & Loading Port	
Increase and decrease of quantity shall be within ____%.					
Remarks					

Expected Date of Arrival (State each date for partial shipments)

II Particulars of Payments

(a) Amount of L/C (L/A)

(b) Amount of Remittance

(c) Amount of D/C

(d) Usance at

(e) Items concerning Free Yen Account

(f) Other Payment Arrangement

III *Bank's Certificate of Collateral

Ratio of Collateral	Amount of Collateral	Kind	Percentage of Collateral to be forfeited to the National Treasury	Amount of Collateral to be forfeited to the National Treasury	Date of Return after Customs Clearance over 80%	Date of Partial Return by the Expiration of this License	Date of Return by MITI Notice for Return	Date of Forfeiture to the National Treasury	Bank's Name & Seal

Date & No. of Certificate of Import Allocation.

The present application for license to import goods is hereby approved under the provisions of Article 4 paragraph 2 of Import Trade Control Order.

For BANK

Title

Name & Seal

(Reverse-side to be used by Authorized Foreign Exchange Bank and Customs)

1 Bank's Certificate for Establishment of Letter of Credit

L/C No. & Name of L/C Notifying Bank	Date of Expiration	Date of Shipment	L/C Amount	Name of Commodity	Quantity	Date of Opening of L/C	Bank's Name & Seal

2 Bank's Certificate concerned with Foreign Exchange Settlement

Amount of Settlement	Currency of Account of Settlement	Method of Settlement and No. of L/C, etc.	T/R or L/G		Date of Settlement	Bank's Name & Seal
			Kind & No.	Date		

3 Customs Clearance

Customs Declaration No.	Date of Declaration	Name of Commodity	Invoice Quantity	Invoice Amount	Quantity Cleared	Amount Cleared	Port of Unloading	Date of Permission or Approval	Customs Seal

Note

(1) The applicant shall not fill out the columns marked with*.

(2) Items designated in the columns of "III Allocation" are mentioned in certificate of import allocation, shall be described in the corresponding column of this application for approval of import with mark * to the spot.

(3) In the Column of "No etc. of Customs Tariff List" the description shall be made of numbers or marks affixed to items of the detailed classification concerned in the case where there is detailed classification in the numbers of customs tariff list and in the column of names of goods of the same list.

(4) In the column of "Marks of Classification" marks which are to be stipulated specially by the Minister of International Trade and Industry in accordance with number, etc. of customs tariff list shall be described.

(5) The size of paper for the form shall be No. 4 of the row-B and its quality shall be printing-paper-A of JIS-P-3101 and 55 kilograms per ream.

(6) In an unavoidable case, the application may be filled out in English.