



Voluntary Report - Voluntary - Public Distribution

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Report Name: Guidance on Shipping Individual Small-Sized Samples to Japanese Buyers

Country: Japan

Post: Tokyo ATO

Report Category: Agricultural Situation, FAIRS Subject Report

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Report Highlights:

The COVID-19 pandemic has led to a reduction in large trade shows where buyers generally sample and research new food and beverage products. Additionally, travel restrictions have prevented many U.S. exporters from visiting Japan. This report provides guidance on shipping small-sized individual samples to interested buyers in Japan and details eligibility for duty free shipments and import notification exemptions.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY *Please note: Food sample shipments to Japan <u>must</u> have a consignee; samples should never be sent without agreement from the buyer/recipient.*

General Information:

Japanese buyers seeking new foods and beverage products typically try samples before making business decisions. These buyers tend to seek new products at large trade shows, where they can sample a vast array and meet with suppliers face-to-face, as detailed in GAIN JA2020-0054.

For large tradeshows, the organizers typically hire customs brokers to assist with the import of samples, as detailed in GAIN <u>JA2020-0031</u>. However, the COVID-19 pandemic led to the reduction, postponement, or cancellation of large tradeshows, and travel restrictions have prevented many suppliers from entering Japan. This report provides information on shipping food samples to individual buyers.

Specific Import Requirements:

If a product is for public distribution, even free of charge, then all standard import procedures must be followed, including the "Import Notification of Foods." Typically, the importer obtains information, such as ingredients and manufacturing process, from the exporter and submits the required "Import Notification of Foods" document to Japan customs/the Food Quarantine Station. Additionally, Japan has similar but different regulations than the United States on permissible food additives and maximum residue levels (MRLs). U.S. exporters are advised to consult with importers and the Ministry of Health, Labor, and Welfare (MHLW) quarantine stations in advance to minimize potential delays and disruptions at the border. For details on "Import Notification for Food" and Article 27 of the Food Sanitation Law, see the USDA FAIRS (Food and Agricultural Import Regulations and Standards) Country Report at http://www.usdajapan.org/reports/.

Products requiring certification with animal or plant health attestations will not be permitted entry without certification, even if imported for sampling purposes. Meat and organs, bone, fat, egg, milk and dairy products, as well as some live seafood are all subject to animal health quarantine, including processed products depending on the degree of processing and packaging. Plant-based products are subject to phytosanitary quarantine inspection, except for certain exempted products including some dried fruits and pickled plants. For more information:

- The sanitary requirements on meat products can be found here: <u>https://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/Japan</u>.
- Phytosanitary regulations by plant and country of origin can be found at this searchable database: <u>http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml</u>

If your product is subject to the regulatory requirements, the Tokyo Agricultural Trade Office (ATO) has commissioned a series of reports to help navigate the import process, together with importers/distributors, which can be found here: <u>http://www.usdajapan.org/dl/</u>.

Import Notification Exemptions:

The purpose of the "Import Notification of Foods" is to protect public health by preventing the unwanted spread of foods that do not meet health and safety standards. However, if a product is not meant for public consumption by an unspecified number of people, it may be eligible for exemption so long as the weight of each shipment is less than 10 kilograms (kg) including packaging (more details below). For many products, especially retail-oriented processed products, sample shipments can be relatively fast and simple. Generally, products can be exempted from the "Import Notification of Foods" required by Japan's Food Sanitation Law if they are for:

- 1) Sampling and not for sale or distribution,
- 2) Display purpose only at exhibition (not for tasting), or
- 3) Research.

U.S. suppliers should state in the shipping documents that, "Contained food samples are neither for sale nor for distribution to unspecified people" or "Product is only for [one of the aforementioned examples]."

Eligibility for Duty-Free or Simplified Tax Rates:

Even if food samples are not for sale, the importer may be subject to the import duties and the consumption taxes which are separate from the Food Sanitation Law. However, many products that are not for sale and/or commercial use only are exempted and may enter customs duty and consumption tax (8 percent for food) free if:

- 1) The product price (cost), freight and insurance (CIF) value is less than JPY10,000 (about \$95 USD), and
- 2) The total weight (including packaging) is less than 10kg.

Exporters should pay close attention to the exchange rate, which is subject to fluctuation. For instance, if the product value is \$20 and the total delivery cost including insurance is \$70 then the total CIF price (taxable price) is \$90. For example, if the exchange rate is JPY105 to \$1, the tax-free exemption will be applicable (JPY9,450). However, if the exchange rate increases to JPY112 to \$1, the CIF would exceed the exemptible amount (JPY10,080).

If the product CIF is more than JPY10,000 but less than JPY200,000 (about \$1,900), simplified import duty rates may be applied, which are paid by the importer when the samples are withdrawn from the bonded area. Consumption taxes are levied separately from the import duties. Liquor and tobacco taxes are not exemptible, even for samples that are not for sale. Please see <u>GAIN JA8502</u> for more details on Japan's liquor taxes. Simplified import duties do not apply for certain items, such as wheat, barley, rice, milk and dairy, and some processed meat products. Exporters should consult with importers if a product CIF is within the simplified import duty rates to confirm product eligibility. For more information on simplified tax rates, please visit <u>https://www.customs.go.jp/tsukan/kanizeiritsu.htm</u> (Japanese only).

Shipping Information from International Forwarders:

- FedEx: https://shippingchannel.fedex.com/en-gb/ship-to/japan.html
- DHL Express: https://www.dhl.co.jp/en/country_profile/import_guidelines_express.html
- UPS: https://www.ups.com/us/en/services/knowledge-center/resources/country-guides/japan.page

Key Contacts:

Agricultural Trade Offices (ATO) in Japan (Tokyo and Osaka)

U.S. Embassy in Japan 1-10-5 Akasaka Minato-ku, Tokyo 107-8420 E-mail: <u>atotokyo@usda.gov</u> Tel: 81 (3) 3224-5115 Fax: 81 (3) 3582-6429

American Consulate General in Osaka 11-5, Nishitenma 2-chome Kita-ku, Osaka 530-8543 E-mail: <u>atoosaka@usda.gov</u> Tel: 81 (6) 6315-5904 Fax: 81 (6) 6315-5906

USDA Japan Online

http://www.usdajapan.org/ (FAS Japan, English) https://twitter.com/usdajapan (FAS Japan, English) https://ustr.gov/usjta (USJTA, English)

Japan Ministry of Health, Labor and Welfare:

Import Procedure under Food Sanitation Law:

https://www.mhlw.go.jp/english/topics/importedfoods/1.html

Procedures of Import Notification of Foods and Related Products (chart): https://www.mhlw.go.jp/english/topics/importedfoods/1-1.html

Quarantine Station List: https://www.mhlw.go.jp/english/topics/importedfoods/1-2.html

Japan Ministry of Agriculture, Forestry and Fisheries of Japan:

Animal Quarantine Service: <u>https://www.maff.go.jp/aqs/english/product/import.html</u> Plant Quarantine Inspections: <u>https://www.maff.go.jp/pps/j/introduction/english.html</u>

Attachments:

No Attachments.