

Issues and Requests Relating to Foreign Trade and Investment - EU

Category	No	Issue	Issue Details	Requests	References
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Duty	<p>- EU levies 10% import tariff on finished cars from Japan, weakening its relative competitive edge. South Korea-EU FTA enforced since 1 July 2011, it is feared, will further aggravate the competitiveness of Japanese products against Korean products.</p> <p>(1) 1.5 litre or more: Tariff is repealed in 5-years stages from July 2011. (2) Over 1.5 litre: Tariff is repealed in 3-years stages from July 2011.</p> <p>- The tariff rate of 14% is levied on television receivers, video-cameras, etc.</p> <p>Example: -- PDP screens (TARIC nomenclatura: 8528726000) -- LCD screens (TARIC nomenclatura: 8528724000) -- Video camera (TARIC nomenclatura: 8525809900)</p> <p>- <u>EU's levy of 5.2% customs duty on member firm's export of goods and products serves as entry barriers.</u></p> <p>(Actions) - From the beginning of April 2013, GOJ and the EU launched the EPA negotiation. - <u>In May 2015, at Japan/EU Summit Meeting, on EU/Japan EPA negotiation, it was mutually agreed to aim at reaching mutual understanding on all major issues by the end of 2015.</u> - <u>In November 2015, at Japan/EU Summit Meeting, on EU/Japan EPA negotiation, it was agreed to exert mutually maximum effort to settle the outstanding differences with a view to reaching agreement encompassing all the key issues preferably by the end of 2015, if not in 2016 at the earliest opportunity.</u></p>	<p>- It is requested that GOJ proceeds with Japan-EU EPA negotiation with EU as soon as possible to repeal tariffs on finished Japanese cars.</p> <p>- <u>It is requested that GOJ will achieve:</u> -- <u>Early ratification of Japan / EU FTA (ideally, within 2-years).</u> -- <u>Early ratification of expanded ITA covering broad scope, and</u> -- <u>Flat panel display system with digital DVI connectivity to PC and other equipment.</u> -- <u>WTO Panel's prompt execution concerning flat panel display system with digital DVI connectivity to PC and other equipment.</u></p> <p>- <u>It is requested that EU takes step to review:</u> -- <u>Goods and products subject to (Protective) preferential measures (GAPP)</u> -- <u>Tariff rates on goods and products outside the scope of GAPP.</u></p>	<p>- Commission Regulation (EC) No 1031/2008 - Commission Regulation (EEC) No 2658/87</p>

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			<p>(Improvement) - In December 2015, agreement was reached on the Expansion of the ITA (by additional 201-Items).</p>		
	(2)	Import Duty levied on Products covered by ITA	<p>Problems remain on HS code classification for toner cartridge.</p> <p>- Due to the reasons such as use of new fusion technology, etc., several ITA target products have already lost the zero duty status.</p>	<p>- As regards HS3707, Digital Europe's proposal on "the Expansion of Trade in IT Products" is considered appropriate.</p> <p>It is requested that EU will maintain and expand the scope of products subject to ITA to ensure the essential spirit of assuring market access opportunities for information technology products.</p>	ITA (Information Technology Agreement) of WTO
			<p>(Improvement) - Effective from 1 July 2011, EU repealed tariff on Multifunction Printer, Flat Panel Display, Set-Top-box, while levying 2.2% tariff on some Multifunctional Digital Copiers of which Copying serves as its chief function. - In December 2015, agreement was reached on Expansion of Trade in ITA Products.</p>		
	(3)	Concomitant Levy of Ad Valorem and Fixed Amount Duties	<p>- While EU employs the ad valorem import tariff rates EU applies both the ad valorem rate of 4.5% and the fixed amount tariff (minimum and maximum tariff rates) on finished watches. On finished clock (HS9103 & 9105), only the ad valorem rates of 3.7% to 4.7% is applied.</p>	<p>It is requested that EU integrates its tariff on watches based only on the ad valorem rate.</p>	Commission Regulation (EC) No 1031/2008 (The latest version of Explanatory Notes : Commission Regulation (EU) No 861/2010)
	(4)	Repeal of GSP	<p>- A member firm distributes within the EU territories finished cars imported from Thailand under EU/Thai Generalised Scheme of Preferences (GSP), which allows import at 6.5% GSP rate, compared to 10% normal import duty rate. However, GSP rate application will be terminated in the beginning of 2015, so thereafter 10% rate applies. On the other hand, each of the other competing companies either import finished cars from South Africa under FTA, or assemble them in EU, therefore no import duty becomes payable.</p>	<p>It is requested that EU takes steps to:</p> <ul style="list-style-type: none"> -- re-extend the current GSP, until application of the FTA tariff rate under EU/Thai FTA whose negotiation is currently under way, -- create the tariff free market to enable a difficult brand name to develop the new foothold. The Member Firm is fully aware of the shift to South Africa of the strategic production foothold, as a result of study of competing companies and the imminent repeal of EU-Thai GSP expressly stated in the GSP rule. 	EU Generalised Scheme of Preferences

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			<p>- <u>On Shock Absorbers, 4.5% of import duty previously exempted on imports from most favoured nations, including Malaysia, Thailand, etc. has become payable in recent years. The reviews of this kind frequently take place. However, from the manufacturer's perspective, due to inability of taking a remedial action in a flash, there is no way to avoid grave negative impact on profit & loss statement.</u></p>	<p>- <u>It is requested that EU devises GSP graduation scheme in a more visible and timely manner with ample grace period given to exporters in concern.</u></p>	
	(5)	Declined Competitive Edge of Japanese Products due to Ratification of EU-ROK FTA	<p>- Competitive edge of Japanese products has declined due to conclusion of FTA between ROK and EU, while Import Duty is levied on tyres, etc. exported from Japan to EU. Moreover application of GSP on products exported from other ASEAN Member States to EU heavily impacts also upon export to EU of Japanese products.</p> <p>- <u>Japanese finished vehicles are subject to 10% import duty levy in EU so that their competitive edge has further declined after ROK-EU FTA ratification in 2011. EU levies heavy import duty not only on finished vehicles but also on car parts, chemical raw materials, debilitating the competitive edge of Japanese manufacturers in the EU market.</u></p> <p>- <u>Japanese manufacturers are less competitive in some business fields compared to other countries, having ratified FTA with EU ahead of Japan.</u></p> <p>(Actions)</p> <p>- Since April 2013, Japan/EU has launched negotiations of the Japan-EU EPA.</p> <p>- <u>In May 2015, at Japan/EU Summit Meeting, on EU/Japan EPA negotiation, it was mutually agreed to aim at reaching mutual understanding on all major issues by the end of 2015.</u></p> <p>- <u>In November 2015, at Japan/EU Summit Meeting, on EU/Japan EPA negotiation, it was agreed to exert mutually the maximum effort to settle the outstanding differences with a view to reaching agreement in principle, encompassing all the key issues preferably by the end of 2015, if not in 2016 at the earliest opportunity.</u></p>	<p>- It is requested that GOJ takes steps to negotiate with EU toward repeal of import duty on export from Japan.</p> <p>- <u>It is requested that EU repeals import duty.</u></p> <p>- <u>It is requested that GOJ ratifies FTA with EU as soon as possible.</u></p>	EU-Korea Free Trade Agreement
	(6)	Temporality of Suspensions and its Non-Application to Finished Products	<p>- Concerning suspensions of customs duty set forth in the followings:</p> <p>-- <u>Non-application of suspensions on finished products.</u></p> <p>-- <u>Non-application of suspensions where identical, or equivalent products are manufactured in EU in sufficient quantity, or manufactured by third country manufacturers in the GSP Target Countries. Similarly, suspensions are not applicable, where suspensions are injurious to competition of the final finished products.</u></p> <p>http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/suspensions/index_en.htm</p>	<p>- <u>Problems of suspensions include its transient validity, and its applicability, limited only to components. This issue, being resolvable by ratification of Japan/EU FTA, its early ratification is solicited.</u></p>	<p>- Council Regulation (EU) No 1344/2011</p>

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	(7)	<u>Excessive "Circumvention Investigation" on Anti-Dumping (AD)/Countervailing Duty (CDV) Proceedings</u>	<p>- <u>EU collects the same percentages of anti-dumping duty/countervailing duty on products imported from the country(ies) as that EU has determined to be "the destination country(ies) for the circumvention purposes."</u></p> <p><u>Prior to Affirmative Circumvention Determination, EU conducts "Circumvention Investigation" on manufacturers in the country(ies) suspected of circumvention that includes assumption of extensive actual modes of circumventing activity. Manufacturers in the countries subject to circumvention investigation are required to respond to all items in the abovementioned investigation. Affirmative finding of circumvention will be made on manufacturers not cooperating with the investigation, with the high risk of finding for anti-dumping / countervailing duty levy in the same percentages as the anti-dumping / countervailing duty. This is the actual state of affairs.</u></p> <p><u>Thus, to avoid the AD/CDD levy, it is necessary for the concerned party to cooperate with the broad range of investigation that includes seemingly irrelevant, unnecessary information, far beyond the range deemed necessary for determining presence or absence of circumvention, which is the original purpose of investigation.</u></p>	<p>- <u>In the context of "Circumvention Investigation on anti-dumping/ countervailing duty", it is requested that EU will pay due consideration to the state of affairs of individual manufacturer, focusing upon the minimum extent necessary to complete the investigation on "presence or absence of circumvention".</u></p>	<p>- <u>COUNCIL REGULATION (EC) No 1225/2009 of 30 November 2009 (13)</u></p>
	(8)	Arbitrary Implementation of HS Code Classification	<p>- <u>Judgement base differs between the EU and the U.S. on parts of the main units (which is duty free) and chemical goods (consumables such as toner / ink cartridge for printers, multi-function equipment, etc., which are dutiable).</u></p> <p>(Improvement)</p> <p>- <u>With incorporation of the printers, multi-function equipment, etc. into the ITA products, the expanded ITA was agreed in January 2016.</u></p>	<p>- <u>It is requested that GOJ works toward:</u></p> <p>-- <u>unification of the decision on duty-free as parts for the main unit, and</u></p> <p>-- <u>addition of the printers, multi-function equipment, etc. into the expanded scope of ITA products.</u></p>	
	(9)	Abrupt Change in HS Nomenclature in Classification and Tariff Rates	<p>- <u>Out of the blue, a Firm received Notification under Binding Tariff Information (BTI) from German Taxation Authority (GTA) that due to the change in EU Import Duty Rates, it would impose 14% Import Duty on a Product (a large Video Projector, incorporating LED) instead of Zero percent Import Duty, previously confirmed by the GTA. However, the Firm renewed its BTI application, this time as "Parts", as it had not</u></p>	<p>- <u>It is requested that EU:</u></p> <p>-- <u>will provide opportunities for exchange of dialogues in expanding or changing the applicable scope of import duty,</u></p> <p>-- <u>will ensure transparency by giving</u></p>	<p>- <u>EU Customs Regulations</u></p>

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			received such notification from any other EU Member States. While finished products attract 14% Import Duty, 5% Import Duty now applies. However, abrupt future change in taxation system can result in the same set of circumstances and may disrupt the stable business activity.	a proper and sufficient explanation, and -- harmonises the tax law implementation within the EU Regions.	
	(10)	Long Period Required for BTI Approval	- It takes too long for the Commission to issue Binding Tariff Information (BTI) from the receipt of application to issuance of approvals. Normally, it takes 3-months, which are extendable, but the longest one took 9-months (on the item of security camera). (Reference) - In EU, an economic operator may obtain from the customs authorities of the Member States the correct tariff classification for goods they intend to import or export under the Binding Tariff Information (BTI) system. The tariff classification obtained under BTI is valid for 6-years except for certain cases throughout the Community, regardless of the Member State which issued it.	- <u>It is requested that EU cuts down the requisite time for issuance of BTI approval.</u>	
	(11)	Differences in Interpretation between Member States on Customs Valuation Audit	- A firm's subsidiary incorporated in Germany engaged in the sales and distribution across the EU received a formal document that showed the lawful deduction under the law of service cost, after the German customs auditing on customs valuation. However, the Italian customs totally disregards the German customs formal document, and insists on making its own audit, which is costly and time consuming. - <u>MFS registered in Federal Republic of Germany (FRG) received customs auditing in detail concerning customs duty valuation. In the end, FRG approved deduction of service fee from the price. However, Italian customs, in refusal of accepting FRG custom's decision, requested to make its own investigation in detail. Responding to plural customs investigations on the same issue is costly and time consuming.</u>	- It is requested that EU ensures the Member States accept the customs auditing report prepared by the customs of another Member State as a result of its customs audit. - <u>It is requested that the rest of the EU member states' customs authorities should accept the auditing results of the customs authority of one member state.</u>	
	(12)	Disunity in Customs Clearance Procedures	- Customs clearance procedures are not harmonized among the EU Member States despite the harmonized EU customs regulations. (Example: Upon import, some Member States require submission of certificate of origin, which is not required by the EU customs regulations. Importers not only incur extra cost but also must put up with the delay in customs declaration.) - <u>There is no harmony between the customs of the EU member states on customs clearance procedures.</u>	- It is requested that EU harmonises customs clearance procedure and operation within the Member States through use of common data request, common data exchange interface and common application of EU customs regulations within the Member States.	

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			- <u>The handling of customs declaration numbers at customs differs among the EU Member States. EORI (Economic Operator Registration and Identification) number, as harmonized EU number, that the customs authorities of member states allocate to each enterprise (or branch) or to each individual for use upon customs declaration. However, due to the difference in handling (in Spain, Hungary, etc.), the acquisition of the AEO (Authorised Economic Operator) status does not necessarily guarantee a simplified customs clearance, among other things.</u>	- <u>It is requested that EU harmonises employment of EORI numbers in regard to the customs procedures.</u>	
	(13)	Disunity in the Export Licence Requirement	- <u>International Trade in Endangered Species of Wild Fauna and Flora (CITES) requires to obtain export license issued in Japan in regard to exporting alligator watchbands (AWB). Some member states require importers to obtain import license that is time consuming and cumbersome.</u>	- <u>It is requested that EU:</u> -- <u>authorises import of AWB only by export license issued in Japan,</u> <u>and</u> -- <u>exempts export/import license requirement for import of AWB, as samples under ATA Carnet.</u>	- <u>Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)</u>
	(14)	Rules of Origin	- <u>In the past, EU established Pan-EU Regulation on Generalised System of Preferences (GSP), which has been applied uniformly for both FTA and GSP, followed by Amendment of the Rules Of Origin under GSP in 2012, which adopted the option between the Change in HS Heading criterion and Added Value criterion under Korea-EU FTA, gradually deregulating the requirements. However, basically, the Added Value criterion is used at a severely high threshold.</u>	- <u>To enable application of the uniform Rules of Origin (ROO) for the same products, it is requested that EU/GOJ adopt the EPA Common Rules (namely, CTH criterion or less than 60% of Non-Originating Materials (= Added Value of more than 40% criterion) as ROO for GSP, provided, however, that in the case of the items where parts / sub-parts are classified in the same HS Heading of 4-digits, CTSH (Change in Tariff Sub-Heading) criterion or less than 60% of Non-Originating Materials (= Added Value of more than 40%) criterion shall apply. In addition, as to Semiconductors, it is requested that EU/GOJ adopt CTSH criterion, or Diffusion Process criterion, or less than 60% of Non-Originating Materials (= Added Value of more than 40%) criterion.</u>	

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			- Under the EPAs Japan has ratified with Asian countries' Rules of Origin for many products allows manufacturers' choice of added value 40% criterion or change in HS heading (6-digits or 4-digits) criterion. For Japanese enterprises used to these criteria, the EU Rules of Origin that incorporate the rigorous added value criteria are unacceptable.	- It is requested that EU / GOJ adopt FOB. Price (not Ex-Factory price) as the denominator for calculation in added value criterion to maintain uniformity with other agreements that GOJ has ratified.	
	(15)	Import Restrictions concerning Frozen Seafood	- All EU Member States supposedly apply common EU restrictions, but interpretation is different by one Member State to another. Exporter must take different actions per Member State.	- It is requested that the European Commission takes steps to ensure that customs, and governmental agencies relative to export/import of each Member State share the common recognition concerning the EU regulations, and that each Member State respect the common rules.	
	(16)	<u>Export/Import Regulation</u>	- <u>Regulations of raw materials for food-products all over the world including Japan have settled individually. Therefore these differences work as non-tariff barriers on food trading.</u>	- <u>It is requested that plural FDA regulations are harmonised into a single regulation worldwide.</u>	- <u>EU Regulation</u>
	(17)	Submission of Certification concerning Safety of Agricultural/ Fishery Products	- Producers of Agricultural/Fishery Products file application to Agricultural Administration Office, Ministry of Agriculture, Forestry and Fisheries for certificate by container that the cesium density for the products for export to EU are within the specified regulated density and that they are not products of Fukushima, Gunma, Ibaragi, Tochigi, Miyagi, Saitama, Tokyo, Chiba, Kanagawa, and Iwate Prefectures.	- The U.S. no longer requires restrictions of this kind, while EU continues to control severely. New ROK's regulation on fisheries has given an impetus for the revival of attention to the radiation issue. It is requested that EU takes steps to wipe out the harmful rumour.	
	(18)	<u>Import Restrictions on Japanese Agro/ Fishery Products</u>	- <u>EU restricts import of Japanese agricultural / fishery products on the Heath and Environment Grounds (such as "katsuo-bushi (smoke-dried bonito)" which is subjected to tightened control from its possible cancer causing risk), obstructing export from Japan of agro-fishery products.</u>	- <u>It is requested that GOJ exchanges dialogues with EU for deregulating or repealing import restrictions upon Japanese agro-fishery products.</u>	- <u>EU Food Safety Standards</u>
	(19)	Acquisition of E-Number Disallowed	- The going EU approved additives with E-Numbers do not include additives such as rice malt, therefore, product label cannot be marked with E-numbers. Japanese exporters can only print "Koji" (Japanese for rice malt) on the product label. (Note) E numbers are codes for substances which can be used as food additives for use within the European Union and Switzerland (the "E" stands for "Europe")	- It is requested that EU takes steps to allocate E-number for the Japanese rice malt "Koji", as soon as possible.	

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11 Restriction on Profits Remittance Abroad	(1)	Delayed Collection	- <u>Delayed collection has become customary. It seems it is no different in cases of other firms. Probably this is one of the characteristics of the country. Untiring prompting for payment seems to be the only possible means left for terminating this business practice.</u>		
14 Taxation Systems	(1)	Disunity in Interpretation and Implementation of Transfer Price Taxation System	- <u>Tightening in implementation of transfer price taxation system (TPTS) in each Member State is a factor of heavy cost increase, particularly documental requirements for a firm's subsidiary operating as group enterprises within the EU Member States. Moreover, TPTS in many cases impacts upon execution of the functional reorganisation or integration within the group of firm's subsidiary in EU as a risk element.</u>	- It is requested that EU: -- <u>materialises integrated implementation of TPTS that assures freedom of organisational planning within the EU Member States, and</u> -- <u>propels international cooperation that guarantees expulsion, without fail, of the double taxation.</u>	- Tax Law of each Member State - Transfer Pricing Taxation System
			(Actions) - At Japan-EU Regulatory Reform Dialogue, Government of Japan (GOJ) presented to EU its request for improvements. (Improvement) - EU established Joint Transfer Pricing Forum (JTPF) to study "A strategy for providing companies with a consolidated corporate tax base for their EU-wide activities", and to alleviate, especially, the burden for compliance with Transfer Price Taxation System shouldered by multinational enterprises operating in various Member States. Based upon the study at JTPF, the European Commission made a proposal on Code of Conduct related to transfer pricing taxation system and this proposal was approved in June 2006. This Code of Conduct has enabled implementation of "Code of Conduct on transfer pricing documentation for associated enterprises in the European Union (EUTPD)", provided, however, that a group of legal entities, if separately required by the taxation authority in a Member State will be required to prepare a separate individual documentation. (http://ec.europa.eu/taxation_customs/taxation/company_tax/transfer_pricing/forum/index_en.htm)		
	(2)	VAT is disintegrated within Member States in System, Procedure and Interpretation	- Under the EU directive, value added tax (VAT) within EU has been implemented at similar tax rates and in the similar method of tax levy, despite taxation system is a matter within the sovereign power of each member state. However, in regard to business within the EU member states, complexity remains on the VAT tax declaration procedure, such as reverse charge, particularly as regards cross border transactions within EU. The system design, for recording and maintaining the transactions, demands utmost care and scrutiny, heavily burdening taxpaying enterprises.	- It is requested that EU takes the initiative in achieving the full harmonisation of the VAT taxation system within the EU Member States, and that each Member State joins the band wagon to reach this common goal.	- Tax Law of each Member State - EU Directives

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			<p>- As regards VAT exemption, the following problems confront foreigners traveling within EU:</p> <ul style="list-style-type: none"> -- Complexity in rules and procedures for filing tax declaration and return, -- Disunity of the rules within each member states, -- European court of justice decision in September 2013 directs the policy to harmonise the rules within EU. <p>This decision directs tax levy upon virtually all foreign travellers also, without exception. This gives vent to imbalance, emanating from the heavy cost increase for in-bound travelling agents, a life-and-death problem in their competition against travelling agents outside EU. The enforcement date of the new policy remains ambiguous. Some member states have issued direction, while others have taken no action as yet. It is requested, EU promulgates its policy giving the full details with a sufficient grace period before the effective date of its implementation.</p> <p>(Reference)</p> <p>- Effective January 2007, New Directive codifying the VAT registration in lieu of the Sixth VAT Directive forming the base of the EU VAT legislation has been enforced. The New Directive reforms the difficult to comprehend VAT legislation, which has been made complex by the repeated amendments. While it is effective in enhancing the general comprehension of the VAT legislation, it has no direct effect in elucidating otherwise complicated practical application of the VAT system.</p> <p>(Actions)</p> <ul style="list-style-type: none"> - At Japan-EU Regulatory Reform Dialogue, Government of Japan (GOJ) presented to EU prompting improvement in regard to the injury determination criteria. - The ultimate goal remains unchanged to impose VAT at the originating country, while various proposals for the VAT related regulations are presented toward establishment of the new harmonised and computerized VAT system within the Member States. 	<p>- It is requested that EU takes steps to:</p> <ul style="list-style-type: none"> -- identify clearly its implementation policy (schedule and requisite preparation, etc.) -- avoid extreme unfairness in competition against the traveling agencies outside EU. 	
	(3)	<u>Cross Border Sales Using Internet</u>	<p><u>It is difficult to harmonise, within EU, the (Manufacturer) suggested retail sales price. Moreover, cases have surfaced where retailers' sales activity via internet has become generalised, not only domestically but also externally. In as much as VAT rate is determined by the Seller's country, purchasers in the country of high VAT rate (such as Germany) tend to bypass the legitimate sales channel by purchasing from the country of relatively low VAT rate (such as Ireland). This trend curbs member firm's marketing policy. Incidentally, by right, consumers are responsible to pay VAT in their mother country. However, it appears contrary is the case. Leaving the going status quo as is will likely result in tax collection leakage in EU.</u></p>	<p><u>It is requested that EU provides:</u></p> <ul style="list-style-type: none"> <u>-- some means of curbing internet sales, or</u> <u>-- mandate for payment of VAT in home country, where purchaser in high VAT rate country purchases from a country with low VAT rate.</u> 	

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	(4)	Disunity of Car Tax, etc. within the EU Member States	- Car tax (bonus / malus) exists in the Netherlands / France, etc. based on the threshold value for the carbon dioxide value, while in Austria insurance premium varies commensurate with the vehicle's horse power, and Denmark applies its own unique car tax calculation method. Both the target and the threshold on taxation vary from country to country. Moreover, frequent changes in the threshold value make the product planning difficult. It requires increase in the development cost.	- It is requested that EU harmonises the car tax standard.	
	(5)	Exit Tax	- Tax that accrues from shifting the customer base to another newly established legal entity, etc. Due to the complexities in the relationship between member states, sales and purchases with assured performance based on agreements may not be possible in certain cases. MFS receives advice from consultants by payment of substantial consultation fees.	- It is requested that EU considers new establishment of a consultation windows that enables lawful operation of foreign funded enterprises.	
	(6)	Report on Short Term Workers	- An enterprise operating in EU is required by law to record the number of visit days for non-resident visitors. Should the non-resident's stay in a member state exceed 60-days, the enterprise must confirm the number of days stayed and report the number to the local tax authority. Should the stay exceeds 183-days, the enterprise must pay corporate income tax.	- It is requested that EU: -- streamlines the rules. (In certain member states, reporting is necessary by calendar year, and in others by different periods.) -- simplifies the reporting standard such as filing the first report, in the case a stay of 183-days is exceeded.	- All EU countries
16	Employment	(1) Stay and Work Permit	- There is no uniformity in individual authorities in EU among the member states as to the period of authorized stay and work permit (at Bureau of Foreign citizens, Labour Bureau, etc.). For example, working conditions of expatriates from Japan from the same company differ in U.K., France and Germany. Such differences make it difficult to nail down the staff deployment schedule. - Acquisition procedures for work permit and visa are complex and time consuming in many cases. Moreover, their implementation is nebulous as it differs in each case. - Acquisition / renewal procedures for expatriates' work permits and visas are complex and time consuming in many cases. Moreover, their implementation is nebulous as it differs in each case. It is the same with acquisition or renewal of visas for accompanying family members.	- It is requested that EU expedites, streamlines and makes clear the procedures for acquisition of work permits and visas. - It is requested that EU streamlines and expedites the visa acquisition procedures.	

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			<ul style="list-style-type: none"> - <u>Personnel transfer within the EU Member States at times disrupts business. On occasions, it takes abnormally longtime for visa acquisition.</u> - <u>Within the EU member states, substantial procedural differences exist in acquisition of work / stay permits. They are quite complex. It takes much time for acquisition of permit on an expatriate's intra member states move (from Belgium to France, for example). It frustrates business as inter member state move before issuance of a pending stay permit is prohibited.</u> 	<ul style="list-style-type: none"> - <u>It is requested that EU expedites the visa acquisition procedures.</u> - <u>It is requested that EU harmonises the procedures for expatriates' move within the EU member states.</u> 	
	(2)	Operational Differences Over the Stay Period concerning the Schengen Agreement	<ul style="list-style-type: none"> - The Stay Period of Japanese nationals in the countries acceding to the Schengen Agreement is 90-days in aggregate of past half a year. However, the Applicant must be aware that the Aggregation Method differs from country to country. - In the EU, some Member States have not yet acceded to the Schengen Agreement. - The notion of the "Authorised Stay Period" has characteristics of the Greatest Common Divisor, which means the implementation details differ in each Member State, requiring individual confirmation each time. 		
	(3)	Discordance in Social Security System	<ul style="list-style-type: none"> - Personnel movement within EU takes complex and expensive procedures, as treatments differ between the Member States before and after the move in regard to application of Social Security, and Tax Base. - During the processing of Withdrawal / Special Subscription for Employees' Pension Plan in Japan after the Termination of Coverage Under Social Security Agreement, the Subscription / Withdrawal Number become necessary within one-month of the Expatriate's return to Japan. However, the inability to timely obtain these numbers inconveniences completion of the formalities in Japan. 		
	(4)	Double Payment of Social Security Cost	<ul style="list-style-type: none"> - EU Member States compel Japanese expatriate's payment of subscription fees to Social Security Insurance (SSI), on top of such payment in Japan, doubling the cost to enterprises for SSI. 	<ul style="list-style-type: none"> - It is requested that EU and GOJ ratify the Social Security Treaty as soon as possible. 	Social Security Insurance System
	(5)	Overprotection of Workers	<ul style="list-style-type: none"> - In addition to normal Paid Leave, Sickness Leave is also allowable. In Japanese affiliated factories, it is a common knowledge among workers that Sickness Leave is one of the labour entitlements. It has become customary in EU to take Sickness Leave to the maximum extent allowable under the law, downgrading the labour productivity. - With presentation of Medical Certificate, workers are entitled to Sickness Leave almost indefinitely, to which employers must pay wages for one month. 	<ul style="list-style-type: none"> - It is requested that EU makes a drastic review of the Sickness Leave System. - It is requested that EU reviews the legislation relative to sickness leave. 	Labour Act

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		(6)	Trade Unions	- Trade Unions may be freely organised with minimum 10-Members, while Union Executives are completely free from dismissal for 5-years, and may abandon the routine work totally for the purpose of performing the Union Activity.	- It is requested that EU reviews the legislation relative to Trade Unions.	- Labour Law XXI Article 94
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Problems concerning Private Copying Remuneration (PCR) Schemes	<p>- It is said that quite a number of enterprises do not pay surcharge under Private Copying Remuneration Schemes on Device or Storage Medium (PCRS) that they are obligated to pay. It means that those who pay in good faith must stand on the competitive disadvantage.</p> <p>- <u>Directive Chapter II, Article 5(2) directs: "the rightholders receive fair compensation which takes account of the application or non-application of technological measures". However, some Member States fail to reflect expressly the thrust of this Directive into the provisions of their domestic laws.</u></p> <p>- <u>Numerous problems are pointed out over private copying remuneration schemes: in the case of coverage under the non-use for private copying [Existence of general purpose products, the question of how to properly exclude business use of media from private use], double payment in addition to the consideration for licence, existence of copyright owners not asserting copyright, problems over distribution, etc. On the other hand, with the development of the digital technology world, it should be possible to pass on the consideration to the creator without relying upon the PCRS.</u></p> <p><u>In light of the foregoing, variances in the private copying remuneration schemes (PCRS) by each member state, double payment of private copying remuneration (PCR) on cross border transactions, enterprises with cheaper or no compensation standing on a more favourable competitive position, etc. will end up by contravening the product planning and distribution, as well as formation of the single market in the European Community. On the other hand enterprises must put up with the excessive clerical burden, having to research and study the complex PCRS in each Member State.</u></p>	<p>- On the assumption of the going implementation of the System, it is requested that EU promulgates a measure to ensure fairness between the enterprises that discharge their payment obligations and the enterprises that do not honour their payment obligations.</p> <p>- <u>It is requested that each Member State includes in the respective Domestic Law the requirement for "taking full account of the application or non-application of technological measures."</u></p> <p>- <u>[Institutional Issue]It is requested that EU takes steps to:</u> <u>-- repeal PCRS, and employs a method other than PCRS to pass-on to creators the consideration for their creative work.</u> <u>-- implement as soon as possible Antonio Vitorino's recommendations resulting from the mediation on private copying and reprographic levies submitted to EC in order to reform the going PCRS, should early repeal be impracticable.</u></p> <p>- <u>[Practical Issue]</u> <u>-- On the assumption that the going system continues to apply, it is requested EU releases on its own</u></p>	<p>- Directive 2001/29/EC - ECJ (C-467/08 - "Padawan" - EU Private Copying Remuneration Schemes (PCRS)</p>

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			<p>- <u>Many EU Member States have introduced PCR as compensation to rightholders arising from private copying. However, the rates are not harmonised among the Member States, barring achievement of the Community Market.</u></p> <p>- <u>In October 2010, the EU Court of Justice handed down its decision (C-467/08):</u></p> <p>(1) <u>Excluding the use by natural person, PCR levy on business use products contravenes the EC Directive.</u></p> <p>(2) <u>PCR serves as compensation for legitimate private copying which is permitted as an exceptional measure.</u></p> <p>(3) <u>PCR is to be borne in the end by the user, being beneficiary of private copying.</u></p> <p><u>However, it is not necessarily materialised in each Member State so that in many Member States, PCR levy on business use products continues to this day. Certain Member States have introduced the system of once levying PCR on all private copying equipment including business use</u></p>	<p><u>website in English, "information on the subject products/media, amount or royalty percentage for each Member States" that faithfully reproduces the regulations of each Member State.</u></p> <p><u>-- In the event each member state releases such information in English, from the viewpoint of reliability, each Member State releases or each Member State website, and for the sake of easy access to each Member State's website, it is requested that EU's website includes "click here" hyperlink in each Member State's website.</u></p> <p><u>- It is requested that EU:</u></p> <p><u>-- harmonises the PCRS among the Member States as soon as possible.</u></p> <p><u>-- replaces the current system with a system that rightholders directly collect compensation from infringing parties in long-term.</u></p> <p><u>- It is requested that the EU takes the leadership in assuring the decision in the left column will be materialized soon by making some guidelines based on Vitorino Recommendations.</u></p>	

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			<p><u>levying PCR on all private copying equipment including business use products and thereafter execute ex post refund of PCR. However, this system heavily burdens business operators, who must first make payment which is by nature not necessary and for the costs incurred for receipt of refund.</u></p> <p><u>- It is clear from the Directive and the Court of Justice Decision (C-467/08, etc.) that the final PCR payer is the user that makes private copying. However, in many Member States that implement compensation scheme, users are not noticed the price of the equipment user purchases includes how much compensation. Therefore, the users are unaware that they pay unjustifiable high amount of compensation.</u></p> <p>(Reference)</p> <p>- Most of the EU Member States have introduced the levy for fair compensation for private copying, excepting U.K., Ireland, Cyprus and Malta. Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society (Copyright Directive) under Article 5.2(b) directs the Member States to assess "a fair compensation which takes account of the application or non-application of technological measures referred to in Article 6 to the work or subject-matter concerned". However, despite the advent of the copy protection technology in recent years, incorporation of the Copyright Directive into the domestic acts as they now stand do not seem to fully reflect the thrust of the levy system under Article 5.2(b) of Copyright Directive.</p> <p>(Actions)</p> <p>- European Commission incorporated private copying levy reform in its 2006 Work Programme, inviting comments of stakeholders. However, the Commission's planned reform of the copyright levy system has hardly made any progress at all and in 2007, the renovation programme was scrapped.</p> <p>- On 21 November 2010, Court of Justice of EU handed down its decision on the concept of "fair compensation" within the meaning of EC Copyright Directive in a litigation ordering PADAWAN SL payment of Private Copying Levy on Spanish business equipment: that 'fair compensation' must be interpreted uniformly in all the Member States, fair compensation must be calculated on the basis of the criterion of the harm caused to authors of protected works, and that application of the private copying levy, in particular with respect to digital reproduction equipment, devices and media not made available to private users and clearly reserved for uses other than private copying, (business equipment at government offices and private enterprises) is incompatible with the Directive.(Ref: http://curia.europa.eu/jcms/upload/docs/application/pdf/2010-10/cp100106en.pdf)</p> <p>- In July 2012, the European Commission released Proposed Directive on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing. It compels the collecting societies to develop/attain technical competency and to expedite payment of royalty on copyright.</p>	<p><u>- It is requested that EU takes steps to mandate the EU Member States levying compensation, to expressly mark the compensation amount for the benefit of the users of copying equipment/media.</u></p>	
	(2)	Delays in Patent Issuance	<p>- Compared to other countries, EU takes a longer period for examination of patent application. For example, in the case of 2011 EU registrations, the distribution peak from filing of application to registration was about 6-years, compared to 3 to 4-years, in the case of the U.S.</p>	<p>It is requested that EU expedites not only on specified cases under the PACE accelerated procedures, etc. but cuts down the total examination period by increasing examiners, etc.</p>	<p>Examination and Employment - European Patent Convention (EPC)</p>

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			<p>- <u>There is a considerable gap in the final disposal period of the patent applications among the Patent Offices of Japan, USA and EU, where EU's 4-years makes quite a gap compared to 2+Alpha of Japan and USA. Delays and the high cost of maintenance/renewal fees, annual or otherwise, of the pending patent applications put heavy burdens on the applicants. It is hoped that the pilot program began in January 2010 on Trilateral PCT-Patent Prosecution Highway (PCT-PPH) proves effective in speeding up patent examination period and in cost reduction.</u></p> <p>(Actions)</p> <p>- <u>A Comprehensive Patent Prosecution Highway (Pilot) Programme between Japan and U.K. are being worked in full-fledged basis, and as a pilot programme, between patent offices of Japan vs. Denmark, Finland, Austria, Hungary, The European Patent Office (EPO), Spain, Sweden, Nordic Patent Institute, Norway, Portugal and Poland.</u></p>	<p>- <u>It is requested that the European Patent Office will:</u></p> <p>-- <u>speed up final disposal period,</u></p> <p>-- <u>reduce maintenance cost of patent applications, and</u></p> <p>-- <u>take measures to cut down the period of time before the patent is issued.</u></p>	
	(3)	EU's High Cost of Patent Acquisition and Complexity of the Litigation System	<p>- <u>In the EU, after patent is issued, the patentee incurs substantial cost of translation into various languages as required pushing up the total cost of filing a patent application by far exceeding the cost incurred in the U.S., etc. This is a factor that slows down research and development in the EU. A varied litigation procedure in each Member State also makes it difficult for the patentee to utilise.</u></p> <p>(Improvement)</p> <p>- <u>Draft Partial Agreement of Single EU Patent System: Council of the EU, agreed in December 2009, on an Enhanced Patent System In Europe, is a big step forward for the purpose of establishing the Single Patent System in Europe (SPSE), including one of the core arguments at the Council, establishment of the European and Community Patents Court (EEUPC) that adjudicates exclusively all litigations related to patents.</u></p> <p>- <u>"Proposal for a Council Regulation (EU) on the translation arrangements for the European Union patent" released in July 2010, deals with a proposal for the final element of SPSE, namely, translation languages. It proposes patent examination and issuance based on one of the three official languages of the European Patent Office (EPO) (English, French and German), pursuant to the existing European Patent System. The conclusions confirmed that in order for the EU patent to become operational, the necessity inter alia for arrangements concerning the rolling out of the high quality automated machine translation programme that covers all EU official languages.</u></p> <p>- <u>In December 2012, Council Regulation CREU-Translation was adopted. In March 2013, Spain filed complaint to Court of Justice of the European Union (CJEU) for voiding the Regulation. In November 2014, CJEU dismissed the Spanish complaint.</u></p> <p>- <u>As regards the court location to adjudicate the patent issues under the EU Single Patent System (EU Single Patent System (EUSPS)), The Headquarters' Function will be placed in Paris, while Special Technical Issues will be tackled in London and Munich. EUSPS will function beginning from 2014.</u></p>	<p>- <u>In December 2012, the European Parliament approved draft regulations on unitary patent protection (UPP) and the unified patent court. It is requested that EU advances its design in the form and manner that facilitate the users in quality and cost.</u></p>	European Patent Convention (EPC)

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	(4)	Discrepancies between the Unitary Patent Protection and the going European Patent Convention (EPC)	<p>- While Unitary Patent Protection System (UPPS) is due for enforcement in the beginning of January 2014, it does not repeal the going EPC, which continues to exist for the predetermined transfer period, complete with the provisional period (the period for filing Exclusionary Application) for expressing the applicant's choice from the available systems. While EPC allows 4-months for response (a period for deciding in what patents obtain countries) on prior notice of permission, under UPPS, it is very short, only 1-month is available for filing exclusionary application. The choice between UPPS and EPC is closely related to the selection of the designated country in deciding the country in which patent protection is sought. It is the applicant's desire to have the period synchronised to the 4-months between the period for filing exclusionary application and the period for Prior Notice of Permission under EPC.</p> <p>- <u>The current EPC will continue to operate in parallel with the Unitary Patent Protection System (UPPS) during the transfer period upon expiry of which it will cease to operate so that UPPS will operate as the Unitary Patent Protection System in the EU. Nevertheless, despite its due enforcement in January 2014, the fees remain undecided under the UPPS. As it stands, patent applicants are unable to determine whether to opt for UPPS, in the absence of the information on the economic benefits from opting for UPPS.</u></p>	<p>- It is requested that EU synchronises the period between the period for filing exclusionary application and the period for prior notice of permission under EPC for enhancement of the applicants' convenience.</p> <p>- It is requested that EU: <u>-- determines the fees under UPPS as soon as possible, and</u> <u>-- establishes the fees in such a way that UPPS is more beneficial in cost as well, for example, at the fee levels for the 3-languages (English, German, and French) under the going EPC scheme.</u></p>	
	(5)	Excluded Patent Protection of Programmes for Computers	<p>- Convention on the Grant of European Patents does not protect programmes for computers per se as invention. Therefore it does not protect patent holders from the counterfeit programmes available on the internet, which is not equipped with recording media.</p>	<p>- It is requested that EU modifies the Convention on the Grant of European Patents so that it protects programmes for computers themselves.</p>	<p>- Convention on the Grant of European Patents, Article 52(2)(c)</p>
	(6)	Continued Payment of Renewal Fees	<p>- <u>As it stands, renewal fees are payable by the year. The past payments up to the date of withdrawal of patent application are wasted in case the patent application is withdrawn in the end.</u></p>	<p>- It is requested that EU takes steps to amend the law: renewal fees are payable: <u>-- after the patent issue, or</u> <u>-- in lump sum for all the past renewal fees upon the patent issue.</u></p>	<p>- <u>The European Patent Convention Article 86</u></p>

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			- <u>Under the Japan or the U.S. scheme, payment of "Patent Maintenance Annuity" (PMA) begins after completion of Patent Registration, whereas in EU, PMA payment obligations begin even before the start of registration or examination. Compared to Japan/the U.S., it takes longer time before the patent gets registered in EU, which means PMA burden is heavier in EU than in Japan/the U.S.</u>	- <u>It is requested that EU dispenses with the PMA payment requirement, preceding the Patent Registration.</u>	
	(7)	Efficiency is Procrastinated to Combat Counterfeit Goods in EU	- EU Council Regulation No.1383/2003, a Uniform Rule for Suspension of Counterfeit Goods, does have positive factors in that a single filing of application for Customs Registration Procedure, etc. Will suffice for the entire Member States, obviating the need for Bond Posting for Detention of Counterfeit Goods, consignee's positive consent on confiscation / destruction of the IPRs infringing products, etc. However, certain Member States have not yet adopted this Directive, so that separate filings of applications are necessary. It makes the Directive partially ineffective in the absence of the Consignee's Positive Consent or Response on confiscation / destruction of the IPRs infringing products, etc. Therefore, it requires a fresh institution of Civil Proceeding, even where the infringement is apparent. The procedures are onerous and inefficient for the IPRs holders. (Actions) - In January 2012, EU and its 22-member states signed the Anti-Counterfeiting Trade Agreement (ACTA), whereas the European Parliament denied the ratification of ACTA with the overwhelming majority. The European Commission takes the position that it would seek the decision of the Court of Justice of the European Union (CURIA) on the ACTA's compatibility with the EU Laws, before deciding upon the responsive measures. However, in December, the European Commission withdrew its reference to CURIA , concerning ACTA's compatibility with the EU Laws.	- It is requested that EC causes all Member States to adopt this Directive.	- EU Council Regulations (1383/2003)
19	Industrial Standards, Approval of Safety Standards	(1) Excessively Heavy Burden for Acquisition of CE Mark	- <u>Japanese exporters must apply the CE Mark on a product sold to EU market, Norway, Liechtenstein, and Iceland, each time the product is covered by the specific provision of the law.</u> - <u>Acquisition of CE Marking is prerequisite for distribution and sales of products in European Economic Area, without which no business development is possible. However, its acquisition is not only time consuming, but also acquisition procedures is unclear in part.</u>	- <u>Exporters are responsible to go through the expensive test and certification procedures, when selling Japanese products in France and EU.</u> - <u>By conclusion of the Japan-EU FTA, there is a possibility that the certification system is harmonised between the EU and Japan.</u> - <u>It is requested that EU streamlines and clarifies the CE Marking acquisition procedures.</u>	- CE marking - SOC - Council Regulation (EU) N 339/93 - Directive (2004/108/CE) - French decree n 2006-1278


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			<p>(Actions)</p> <ul style="list-style-type: none"> - GOJ presented a request for improvement at the Japan-EU Regulatory Reform Dialogue. <p>(Improvement)</p> <ul style="list-style-type: none"> - On 31 December 2004, new Directive 2004/108/EC was published in the Official Journal, and in May 2007, the new Guide for the EMC Directive 2004/108/EC was published. 		
	(2)	Compulsory Attachment of CE Mark	<ul style="list-style-type: none"> - EU compels attachment of CE mark virtually on all products. - <u>As regards commodity products such as fire pumps manufactured in Japan, as a matter of course, they are manufactured to satisfy the Japan Industrial Standard (JIS). However, if this product is destined to distribution in EU, it becomes necessary to check and confirm if it is designed after the relevant EU Directives, and if it satisfies the inspection standards of every kind in EU on certain models, by appointing a professional consultant to enable issuance of a self-declaration of conformity.</u> 	<ul style="list-style-type: none"> - A member firm contemplates <u>introduction of a model to the EU market. Attachment of CE mark is compulsory even for a single unit equally upon a product for which the exporter has no idea how many can be sold in EU. For an SME enterprise, filing application for CE mark is risky and costly. Saving is significant, if the requirements are simplified in a less costly manner in time and expenses.</u> 	The Council Decision of 22 July 1993
	(3)	Stringent Standard on Protection of Potable Water	<ul style="list-style-type: none"> - The Standard for "Protection against pollution of potable water in water installations and general requirements of devices to prevent pollution by backflow" sought within the EU area, compared with those of outside the EU area, is unique and extremely stringent. For this reason, toilet seat with a warm-water shower feature destined to the EU area must have different specifications as regards its hydrographic composition and materials. 	<ul style="list-style-type: none"> - It is requested that EU amends its Standard in line with the standard outside EU to maximise efficiency in product development. 	CSN EN 1717 Protection against Pollution of Potable Water in Water Installations and General Requirements of Devices to Prevent Pollution by Backflow
	(4)	Abrupt Removal of a Paragraph from Questions and Answer Web Page on Removing Batteries from Appliances	<p>In regard to QUESTIONS AND ANSWERS ON THE BATTERIES DIRECTIVE (2006/66/EC), out of the blue, without any advance notice, whatsoever, a whole paragraph has been removed from Q&A since November 2012 at under the caption of "What does 'batteries and accumulators can be readily removed' mean?" which in effect states: "it suffices the requirements, if end-users or professionals should be able to remove batteries from appliances," namely, reading as follows:</p> <p>End-users or professionals (e.g. appliance service centres, waste treatment facilities) should be able to remove batteries from appliances. The instructions showing how the batteries can be readily and safely removed should also specify who, in the view of the manufacturer, the best person to safely remove the battery is. The instructions should also</p>	<ul style="list-style-type: none"> - Before making changes to Questions and Answer, it is requested that EU first exchange views with the interested parties. - It is requested that EU authorises Battery removal by professionals and restores the deleted Q&A. 	Directive 2006/66/EC of 6 September 2006 on Batteries and Accumulators and Waste Batteries and Accumulators, and Repealing Directive 91/157/EEC - Commission Services Document: Questions and Answers on the Batteries Directive

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			<p>describe any dangers of not complying with the battery removal instructions. Where there is more specific legislation applying to specific products (e.g. toys) on how the batteries should be removed, these products should comply with those specific rules.</p> <p>While the process for the deletion requires further rectification, should EU disapprove removal by professionals (recyclers, etc.), it will heavily burden manufacturers, who must absorb the cost of design change on Small Electric and Electrical Appliances. Moreover, its disapproval necessitates enlargement of machineries and equipment (heavier). It detracts from the operational ease, due to the increased weight of the equipment at the cost of the users' convenience. Moreover, satisfaction of this requirement results in an increased amount of plastic materials used, turning them into waste materials in the end past the products' useful life. It triggers the vicious cycle of increased volume of industrial waste that gives negative impact upon the environment.</p> <p>(Actions)</p> <p>- Article 11 (Removal of waste batteries and accumulators) of the amended Battery Directive adopted on 10 October 2013 by the European Parliament adds provisions to the effect that assurance for the ready removal by the end-user and by qualified professionals suffices. However, the Commission's DG Environment provides under its Frequently Asked Questions at its website: "Its main provision is that Member States must ensure that the electrical or electronic equipment covered by the Directive is designed in such a way that waste batteries and accumulators can be (de facto) "readily" removed (by end-users.)".</p>		(2006/66/EC)
	(5)	Lack of Interchangeability Scheme in Industrial Standard	<p>- No compatibility is secured between European Standards (PED, SIL) and Japanese Industrial Standards (JIS). Relative to Pressure Equipment Directive (PED), in substance, products with the JIS approval are rarely accepted. It seems hardly any customer swallows the idea that JIS is more stringent than PED, therefore, should be acceptable.</p>	<p>- It is requested that EU takes steps to: promulgate regulation that condemns unjustifiable treatment where interchangeability is recognised between EU and Japan regarding individual standards. It will save time and cost for conversion between the standards and expand business opportunities.</p>	<p>- SIL: IEC 61508 - PED</p>
	(6)	<u>Disapproved Export with the JIS Mark</u>	<p><u>- Food manufacturing equipment manufactured to the JIS Standards cannot be used in (or exported to) EU for local manufacture of food products. Japanese food manufacturing technology is superb in safety and hygiene. Nevertheless, the EU/the U.S. Standards serve for no purpose but totally as non-tariff barriers.</u></p>	<p><u>- It is requested that the concerned authorities advance mutual recognition of safety standards between Japanese and EU/the U.S. on food processing/ fabricating machines.</u></p>	<p>- CE marking</p>

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20	Monopoly	(1)	Repealed Advance Consultation System	Due to the repeal of the "negative clearance provisions", a previously available individual advance consultation system, the opportunity has been lost for advance approval of the authorities, for example, on cases, such as formation of a patent licencing pool.	It is requested that EU resurrects the advance consultation system or institutes a new corresponding system in its competition regulations.	EC Council Regulation No 17 First Regulation implementing Articles 85 and 86 of the Treaty, Article 2, Negative Clearance
22	Environmental Pollution and Waste Disposal	(1)	The REACH and CLP Regulations and the RoHS Directive	On Duty to Communicate Information on Substances in Articles, the Regulation requires information on the substance within 6-months of the publication of the target substance, whose requirement is difficult to satisfy not only within the EU Member States but also fundamentally externally. In Japan, due to "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors", which restricts excessive requirement, collecting information is all the more difficult.	<p>It is requested that in implementing the laws and regulations, ECHA considers the actual conditions that enterprises confront in importing products externally.</p> <p>In order to alleviate the burden upon suppliers for research on the contained substance, it is requested that ECHA considers extension of the due submission date to ECHA, also on information of the Target Substance under Article 33 of REACH Regulation.</p> <p>It is noted that there have been cases where ECHA adopts inclusion in the Candidate List a substance, previously not classified under CLP Regulation, more or less simultaneously with the change in the classification of the substance. It is requested that ECHA bears in mind that chemical contents information on the substance and its mixtures first gets transmitted to the supply chains via Safety Data Sheets (SDS). In other words, ECHA should propose inclusion into the Candidate List under the CLP Regulation at a time when the information dissemination via SDS, etc. can be expected (in about 2-years).</p>	<p>Environmental Legislation such as WEEE, RoHS, REACH, etc.</p> <p><u>Directive EC 1907/2006</u></p>

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			<p>- <u>REACH Regulation is not only nebulous in interpretation but also complex. It takes a lot of workload and cost for its observance, particularly in the business sector, taking the form of trade firms.</u> <u>There are cases where external manufacturers must abandon the project for developing new chemical compounds for distribution in the EU market, due to the REACH Regulation, much to the detriment of the EU users' interest. As to CLP Regulation, purportedly aligning to GHS (Global Harmonisation System (http://www.env.go.jp/chemi/ghs/index.html)), nevertheless, it introduces EU's own unique classification standard, having full of confusions. In practical application, it contains problems galore. It requires integration compatible with GHS in its entirety. As it stands, changes and amendments are frequent in CLP Regulation, demanding much time-consuming workload each time for compliance.</u></p> <p>- On review of RoHS Exemptions, Japanese industries have spared no effort in collaborating with EU. However, RoHS Exemptions not only concern numerous constituent parts of a product, the exempted items get changed or exempted with passage of time. This makes evidential preparation excessively burdensome on the CE Marking that accompanies introduction of RoHS II. While its lofty objective for induction of the Alternative Technological Development is indeed highly valuable, adoption one after another of Exemption Items not previously sought by the industries goes counter to this objective, in the absence of consistency.</p> <p>- A Firm is hard put to understand the new EU move toward Addition of Substances under RoHS. To begin with, it distorts the movement toward the Risk-Based Control of Chemical Substances under REACH for EU to add substances (such as Phthalate, Tetra Bromo Bisphenol A, etc.) that do not reflect the scientific assessment restricted only to Electric and Electronic Products. The Firm looks forward to the successful results of EU's Review on the Scope of REACH. On the other hand, the fact remains that RoHS now serves as Model Code on Environmental Issues for the rest of the world. The Firm further requests EU to realise the fallacy of possibly misleading the global environmental burden that results from the restrictions upon substances without underlining by the scientific assessment.</p>	<p>- <u>It is requested that EU unitises the contents of REACH Regulation with those of the United Nations Globally Harmonised System (GHS).</u></p> <p>- It is requested that EU promulgates jointly with industrial groups the compliance guidance on the Amended RoHS Directive (RoHS II). It is further requested that EU secures an adequate validity term and takes complementary measures separately by means such as FAQ to ensure the practical effectiveness of the measures.</p>	

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			<p>- It is no easy matter to adjust the requisite procedures for each member state of EU with individually unique legislation / interpretation / employment different to each other. For example, Norway jumped the gun by enforcing 'ban' on use of PFOA (Perfluorooctanoic acid) ahead of EU.</p> <p>- The differences in the judgement basis of content/non-content between RoHS Directive and REACH Regulation require different managements between them. There are some cases that substance/utility exempted under RoHS are subject to information transmission requirement under REACH. The necessity has arisen for an individually separate management over the contents in substance via its supply chain. As it stands, it requires a separate control of the contents information. These dual legislative provisions have caused confusions in the industry.</p> <p>- <u>As regards REACH, disunity exists among the EU member states in the denominator calculation for the compound chemical substance, concentration calculation rate, etc.</u></p>	<p>- It is requested that the EU Member States build up the common framework based on the objective scientific knowledge.</p> <p>- Where existing legislation applies (on RoHS Exemption), it is requested that EU avoids dual application with different contents.</p> <p>- It is requested that REACH takes step to harmonise the proposed draft regulation in accordance with the REACH process. (EU Court of Justice Decision is expected in Spring 2015.)</p>	
	(2)	Application of RoHS Directive, etc. to Maintenance Parts for Production Equipment, etc.	<p>- <u>Under Energy-related Products (ErP) Directive (Directive 2009/125/EC), and Amended RoHS Directive (Directive 2011/65/EU), the requirements are difficult to comprehend. While production equipment, etc. are excluded from the subject goods, in certain cases, compliance with the respective Directives is necessary on each individual part (commercial computer, monitor, etc) comprising the equipment.</u></p>	<p>- It is requested that each EU Member State takes steps to exclude from the subject goods individual parts for the production equipment, etc. when shipped as maintenance parts.</p>	
	(3)	Authorised Representative	<p>- <u>WEEE recast directive requires designation of an authorised representative acting on behalf of the manufacturer in discharging the responsibility under the directive, when selling EEE in other member states.</u></p>	<p>- It is requested that WEEE recast directive is further amended to the effect that designation of a natural person suffices for performance of obligations under the directives, where the applicant has no branch operation.</p>	<p>- <u>WEEE Directive 2012/19/EC article 3 (f)(iv)</u></p>
	(4)	Differences in Energy Saving Regulation and Labeling System between Japan and EU	<p>- <u>The differences between nations heavily burden business in energy efficiency regulation and labeling system on internationally distributed products such as information communication technology (ICT) products. The additional cost required raises product prices and increases burden upon consumers.</u></p>	<p>- It is requested that GOJ and EU harmonise at least the methods for test and use, because both share the same purpose for saving energy in the product use.</p>	<p>- International ENERGY STAR Program, IEC/TC108, IEC/TC100, IEC/TC113, etc.</p>

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	(5)	Difficulty in Saving Resources on IT Products	- While printer products have been reduced in size, and energy efficiency has made a fair progress, certain EU Member States require their users' manual printed on paper (in their own languages), barring the efforts to reduce the use of print sheet. Their requirement defeats the purpose for achievement of energy efficiency.	- It is requested that each Member State promotes the use of electronic information, at least for IT products.	- Consumer Protection Directives - Energy Efficiency Directive
	(6)	Original Recycle Mark (Batteries)	- <u>Legislative provisions have been promulgated in each country and each region throughout for effective use of natural resources and prevention of environmental pollution. It is the same with Batteries. GOT compels provision of the various markings on the Battery itself, and its User's Manual correctly without any mistakes, the administration of which heavily burdens the manufacturers.</u> 	- It is requested that Governments <u>will jointly work toward unification of the Recycle Marking Requirement worldwide.</u>	
	(7)	Nanomaterial Control	- <u>The likelihood of legislative introduction, without sufficient discussion on the Definition and the toxic quality of "nanomaterials" among the stakeholders, is a matter of concern.</u>	- If EU is to implement the legislation on control of nanomaterials, it is requested that EU confirms: -- such control is justifiable based on <u>the objective scientific knowledge.</u> <u>and</u> -- such control is kept to a minimum level absolutely necessary, lest it negatively affects the business activity of enterprises.	The European Commission Recommendation on the Definition of Nanomaterial (2011/696/EU)
	(8)	Punitive Provisions for CO2 Emission Control on Vehicles	- Since 2012, EU has started CO2 Emission Control, which sets the Basic Value, which is based not in the Absolute Value of CO2 Emission but in the Relative Value between the CO2 Emission and the Vehicle Weight.	- It is requested that EU changes the control based on the absolute value of CO2 emissions that assures a fair competitive environment, as the going control is based in favour of the EU Domestic Manufacturers.	
	(9)	Disunity in Environmental Regulations within the EU Member States	- Implementation of Law among the Member States requires unitisation. The Domestic Laws of each Member State based on EU Regulations, Article 95 of Treaty of Nice, and Article 11495 of Treaty of Lisbon ought to be the same. However, in practice, they do not necessarily agree in each Member State as exemplified in the Article Argument on REACH and the	- It is requested that EU: -- better defines the scope of each legislation, and -- causes Member States / Industrial Sectors to jointly prepare and own	- Regulations by Member States or EU on Product Safety, EMI Radiation, Consumer Protection, Recycle, and Ergonomics

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			Phthalate Ban in Denmark this time. This kind of nebulous Law Administration is burdensome upon the EU enterprises. To the Japanese enterprises, it means much heavier burden, as they tend to adopt more rigorous interpretation of such laws.	/ update Q&A on RoHS, Enterprise Resource Planning (ERP), etc.	The Local Fire Defense Ordinances	
	(10)	Carbon Footprint Scheme	<p>- For the proper implementation of the carbon footprint scheme, it is necessary to establish reasonable means of measurements.</p> <p>- <u>The Standards and the methods are ambiguous to determine the EU environmental footprint.</u></p>	<p>- It is requested that GOJ and EU move toward international harmonisation of the carbon footprint scheme.</p> <p>- <u>It is preferable that EU establishes the internationally harmonised standards and methods by product categories.</u></p>		
23		Inefficient Administrative Procedures, Regimes and Practices	(1) Directive on the Protection of Personal Information	<p>- Discussions are underway whether to beef up / amend EU directive on the protection of individuals personal data. The current EU Directive 95/46/EC directs the member states to permit the transfer of personal data to a third country outside of EU only when an adequate level of protection, which is equivalent to the directive, is ensured, with the exception of special circumstances. However, since the current level of protection under the Japanese scheme is not considered as being adequate level of protection, enterprises globally operating both in Japan and EU must choose between the only two alternatives: observance of the two personal data protection schemes of EU and Japan, or non-transfer of personal data from EU to Japan.</p> <p>- <u>While each EU member state incorporates into the respective domestic law and implements EU data protection directive, in reality, there exists a vast difference by and among the member states. Consequently, in formulating an individual enterprise's personal information protection policy, distinction must be made into two segments, one that allows common approach and the other that deals with individual cases.</u></p> <p>- <u>The going Directive 95/46/EC on the protection of personal data heavily burdens enterprises by its requirement, among others, for signature on the contracts for data disposal when carrying out personal information to the outside of EU/EEA.</u></p>	<p>It is requested that Japan and EU first of all work together expeditiously to confirm if the Japanese "law on the protection of personal information" provides an adequate level of protection at the same level as the EU Directive. (The ideal ultimate goal is to establish worldwide compatibility of the system to protect personal information in each country.)</p> <p>- <u>European commission envisages formulating uniform data protection within EU by single regulation. While the draft regulation envisages enforcement by the end of 2015, it has come up with new arguments, including the right to be forgotten and more severe requirements concerning agreement.</u></p> <p>- It is requested that EU streamlines <u>the requirement concerning the Directive on the protection of personal data.</u></p>	<p>Directive 95/46/EC</p> <p>- A Proposal on General Data Protection Regulation</p>

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				<p>- Article 25 of EU Directive 95/46/EC provides: "the transfer to a third country of personal data may take place only if ... The third country in question ensures an adequate level of protection." As it stands, EU does not regard Japan as a country ensuring an adequate level of protection. Nevertheless, Japan severely, thoroughly protects and safeguards Personal Data under Act on the Protection of Personal Information, JISQ15001, etc. In addition, it is indispensable for Enterprises with footholds abroad to acquire and utilise personal information of their employees. In order to observe the EU Directive, conclusion of Agreement is indispensable between the Group Enterprises in EU and outside EU on Transfer of Personal Data. A Firm that globally operates Group Enterprises extensively must complete complex procedures that necessitate an extensive work both in Japan and in EU.</p> <p>- <u>Proposal for a Regulation on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) casts shadows of anxiety over the Japanese affiliated enterprises operating in and out of the EU Member States on account of heavier workload and increased cost that become obstacles and impact on their business activity.</u></p> <p>- A Proposal on General Data Protection Regulation that the European Commission released in 2012 (EU GDP Regulation) contains provisions that could harm business on Provision of Service over the Internet, more precisely as follows:</p> <p>(1)Excessive Fines (2% of worldwide turnover) and their disposal (which should be deployed for cyber security measures, etc. in case of damage brought by hackers),</p> <p>(2)Compulsory notification of personal data breach to the Supervisory Authority: (It is technically difficult to confirm the actual leakage within 24-hours),</p> <p>(3)Ambiguous definition for Personal Data / Data Subject (It should exclude anonymous information which is incapable of individual identification, in as much as so doing can materially interfere with business operation in the "Big Data" Era), and</p> <p>(4)Further streamlining and speeding up of the Binding Corporate Rule for Transfer of Personal Data to Third Countries or International Organisations.</p>	<p>- It appears that the Draft amendment of Directive on Protection of Personal Data addresses issues such as unitisation of rules and supervisory institution in the key Member States within the EU. It is requested that EU materialises increased transparency and simplification of procedures in the amended Directive.</p> <p>- <u>It is requested that EU makes the proposed regulation within the reasonably rational limit both in contents and the targeted application by giving due consideration to the impact upon the actual business activity of enterprises.</u></p> <p>- It is needless to mention the importance of Protecting Personal Data and Information. However, it is requested that the authorities concerned pays special caution in avoiding the harm to the Users' Convenience, to the Enterprises' Innovative Business Activity, and not to bind overly the hands of enterprises engaged in the Worldwide Business Activity.</p>	

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			<p>(Reference)</p> <ul style="list-style-type: none"> - Article 25 of Data Protection Directive 95/46/EC empowers the Commission to decide whether the third country in question ensures an adequate level of protection. However, Japan is not designated as such third country by the Commission. - Commission's Regulations concerning standard contractual clauses on transfer of personal data to third countries and data processing enterprises in third countries is enforced in April 2002. - <u>In January 2012, European Commission released draft regulation on general data protection, which was adopted in April 2016 by the Council of the European Union and European Parliament.</u> <p>(Actions)</p> <ul style="list-style-type: none"> - At Japan-EU Regulatory Reform Dialogue, GOJ presented to EU its request for improvements. 		
	(2)	Nebulous Implementation of EU Regulations	<ul style="list-style-type: none"> - EU Directive provides for limitation of collection for accounts receivable (A/R) within 60 days of the accrual date of A/R. It is said that this EU Directive is observed particularly in France under its domestic law. However, it is not certain if the French law applies to A/R payable for customers within the Member States outside France. 	<ul style="list-style-type: none"> - In introduction of new taxation scheme, and changes in taxation scheme and in taxation rate, it is requested that the European Commission takes steps to: <ul style="list-style-type: none"> -- ensure provision of opportunities for exchange of dialogues with foreign funded enterprises and -- ensure transparency by giving sufficient and proper explanation, etc. 	
	(3)	e-Privacy Directive (Cookie Regulation)	<ul style="list-style-type: none"> - While not being enforced in all EU member states, cookie regulation came into force in 2011, seeks user's consent before the website operator places on his/her device the cookie, employed for online customers' experience improvement activity. Views are divided among the member states whether the user's advance approval should be expressly obtained or if implicit approval is allowable. If the former is necessary, it might affect (bar) business activity. 	<ul style="list-style-type: none"> - The directive is devoid of guidelines on the key areas, as to what constitutes effective agreement. It has met with criticisms for being unrealistic, de facto unfeasible. For the sake of fair and square implementation of the directive, a clear-cut and practically definitive work guidance is indispensable. 	<ul style="list-style-type: none"> - <u>Directive 2002/58 on Privacy and Electronic Communications</u>
	(4)	Member States' Language Requirements on Small Products	<ul style="list-style-type: none"> - Increasing number of the member states are stipulating into the domestic laws, the requirement for use of the individual languages of all member states on the packages of all products for sale. (Eg., Royal Decree No. 1368/88, Spain). 	<ul style="list-style-type: none"> - On small, non-complicated products (batteries, electric bulbs, headphones,...), from technical/economic reasons, this requirement is virtually impossible to comply. This forms a barrier to transactions, severely frustrating 	<ul style="list-style-type: none"> - Example: Spanish Royal Decree 1368/88

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					<u>development and sales of small, standardised products. The use of logo mark, replacing all these languages should be allowable.</u>	
24	Indigested Legislation, Abrupt Changes	(1)	Procedural Complexity in the Cross-Border Mergers	- <u>A firm has experienced a lengthy and complex procedure in the EU cross-border merger application for reorganisation of its group enterprises (turning its locally incorporated subsidiary in Germany into a branch of U.K. subsidiary).</u>	- <u>It is requested that EU streamlines the procedures.</u>	- EU Cross-border Directive
25	Government Procurement	(1)	Paucity of Information	- <u>Information is insufficient concerning reinforcement of public procurement regulation.</u>	- <u>It is requested that EU confirms and provides the latest information concerning public procurement regulation.</u>	
26	Others	(1)	Inadequate Infrastructure	- While overhauls on Express Ways have made a fair progress, many public roads are of Single Lane Per Direction and in poor repair, even in urban areas. They are not only congested but are insecure from the safety point of view.	- It is requested that EU overhauls the public roads.	
		(2)	<u>Establishment of Farming System to meet the (Pathogen Free) Sales Terms for Merchandise (Seeds)</u>	- <u>Regarding sales of ornamental tomato seeds destined to Europe, by request of distributors' organisation, it has become necessary for member firm to supply GSPP seeds. GSPP seeds mean pathogen free seeds against specific pests that demand establishment of production method and the seeding soil that can meet these requirements.</u>	- <u>Ample preparatory period is needed by member firm to establish production system, including without limitation, selection of appropriate seeding site, and establishment of production technology.</u>	