

Issues and Requests Relating to Foreign Trade and Investment - France

Category	No	Issue	Issue Details	Requests	References
4 Restrictions on Withdrawal Of Operations	(1)	Restricted Retreat of Business	- <u>Penalty payment to the province (of the enterprise location) may result from retreat of operations or enterprises accompanied by discharge of employees in excess of certain numbers.</u> <u>Issues: Upon retreat of business operation, compensation becomes payable not only to employees, but also to the provincial administration where the enterprise office is located. In addition, in case of retreat by an enterprise of more than 50 to less than 1,000 employees, the amount and details of penal compensation are uncertain, as these are left to the discretion of the provincial bureau of labour.</u>	- It is requested that GOF takes the step to: -- <u>expand the scope of retreat that triggers penalty payment (not from 50 or more but, for example, from 200 or more), and</u> -- <u>stipulate into written form the amount and the terms and conditions of compensation.</u>	- <u>French Labour Act Article L1233-87</u>
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- <u>Export licence is required in Japan under CITES to export to France crocodile watchband (CW). In addition, importers must obtain import licence. It takes much time and work to export CW to France.</u> (Reference) - Export licence concerning protected species of wild fauna and flora: CITES export licence is required to export protected species of wild fauna and flora issued by Bureau des échanges internationaux d'espèces menacées, Ministère de L'Ecologie, du Développement Durable, des transports et du logement.	- It is requested that GOF: -- <u>repeals the requirement for import licence in France. For import of CW, so that export licence issued in Japan suffices, and</u> -- <u>dispenses with export/import licence requirement for samples under ATA carnets.</u>	- CITES Convention
	(2)	Restricted Food Import from Japan	- Exporters to France of food products must file application for certificate of origin, which is a severely heavy burden to farmers and small operators.	- It is requested that GOF repeals or deregulates certificate of origin issuance.	
12 Exchange Controls	(1)	Exchange Loss arisen from Rapid and Radical Changes in the Foreign Exchange Rate	- <u>Non-operating loss has grown large due to the foreign exchange loss resulting from rapid and radical changes in the foreign exchange rate.</u> - <u>Radical exchange fluctuations prevail. As it stands, member firm's subsidiary (MFS) benefits from exchange gain on a direct export transaction in yen. Nevertheless, negotiation for raise in price is difficult. In a transaction with its parent company, the prevailing Yen depreciation enables MFS to offer special prices to its customers. However, MFS runs on a thin margin, so that if the exchange rate swings toward appreciation</u>	- It is requested that the Governments stabilise the foreign exchange rate in parallel with the economic stimulus policy. - It is requested that GOP takes step to: -- <u>stabilise foreign exchange fluctuations, and</u> -- <u>holds the fluctuation band within a few percents in 6-months.</u>	

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			<p><u>of Yen, it will instantly show operational loss: such is the severity of the fluctuation band.</u></p> <p>- <u>It being export to member firm's subsidiary (MFS), its direct relevance is small. However, its impact surfaces on transactions in EURO (€).</u></p>		
14	Taxation Systems	(1) Increased Tax Burden from Recycling related Taxes	- GOF contemplates introduction of tax on consumables for office equipment.	- It is requested that GOF reduces the tax burden, as the bill, if enforced, will increase cost to enterprises in concern.	Recycling Law Bill (not yet enforced)
16	Employment	(1) Difficulty in Acquisition of Work Visa, etc.	<p>- <u>It takes time and trouble for acquisition of work/stay visa for expatriates and their accompanying family members, while expedited despatch of expatriates is indispensable for smooth and efficient business operation for an international enterprise.</u></p> <p>- Due to the inadequate appreciation of the governing laws concerning acquisition of Expatriates' Visa on the part of the Immigration Bureau and its related Organisations, they give incorrect advice from time to time. As a result, they require the applicant to take French Lessons. The only one-year validity remains the same on the Visa Renewal for the Accompanying Family Members.</p> <p>- <u>Renewal of visa validity remains only for one year for the accompanying family members.</u></p> <p>- In general, visa acquisition procedures are severe, time consuming and complex.</p> <p>- <u>A member firm filed application for short-term work visa for despatch of a service engineer from Japan to provide maintenance and repair service on industrial equipment sold to a Japanese affiliated manufacturer in France. In last year, it took 3-months for APT (Autorisation Provisoire de Travail=Provisional Work Authorisation), which used to be available in 2~3 weeks. In addition, required documents differ by local DIRECCTE (Labour Bureau), and the method of filing documents vary from one DIRECCTE to another without harmonisation, so is the delivery method (by surface mail or Email.)</u></p>	<p>- <u>It is requested that GOF simplifies and expedites acquisition of work/stay visa.</u></p> <p>- It is requested that GOF: -- unites the window for accepting the Visa Application, and -- extends the validity term on Renewed Visa for Accompanying Family Members.</p> <p>- It is requested that GOF takes steps <u>to extend the validity of renewal visa for the accompanying family members.</u></p> <p>- It is requested that GOF takes steps to facilitate visa acquisition terms for enterprises without any problem on visas concerned in the past.</p> <p>- It is requested that GOF: -- streamlines and harmonises the application procedures, and -- sets up exclusive window for Japanese visa applicants.</p>	Immigration Act of France

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			<p>- <u>Under the existing scheme, it is impossible to switch the visa status for an applicant entered France under "student visa" to "expatriate visa" status after the applicant's completion of the training programme.</u></p> <p>(Reference) - GOF requires visa for a stay in excess of 3-months. An applicant must file visa application corresponding to the purpose of stay with the Consulate (or French Embassy in Japan, if filed in Japan), and after arrival in France, must file another application for stay permit with each prefectural government (if filed in Paris, with the Paris Metropolitan Police). Subject to registration at Immigration Bureau within 3-months of the applicant's entry, a stay visa for a longer term (3~12-months) in each category is also available.</p> <p>(Actions) - At Japan-EU Regulatory Reform Dialogue, GOJ presented to EU its request for improvement.</p>	<p>- It is requested that GOF reviews the visa system to enable change of visa status from "student" to "work visa", without having to return to Japan.</p>	
	(2)	Excessive Labour Protection	<p>- Excessively labour protective regulations abound, 35-hour work week/restricted work during weekends/substantive difficulty in dismissals/excessive privacy protection, etc. Make it difficult to operate company's business flexibly.</p> <p>- <u>Social insurance, holiday provisions, etc. heavily protect workers, forming a bottleneck, and driving personnel cost up sky high. (MFS, locally incorporated subsidiary in France).</u></p> <p>- Labour Law permits the term employment contract only on work of a seasonal or a temporary nature.</p> <p>- In planning retrenchment of employees in France, an enterprise must submit to the competent authorities the reasons for dismissals, requesting its acceptance. However, due to the nebulous basis for acceptance or non-acceptance, there have been delays in enterprise's internal planning itself.</p>	<p>- It is requested that GOF takes steps to afford the management a little more freedom in workers' management.</p> <p>- It is requested that GOF establishes the scheme that assures a flexible adjustment of workforce.</p> <p>- It is requested that GOF, in attracting foreign investment, takes steps to: -- draw up a clear-cut framework up to withdrawal of business in France, and -- fairly implement such framework.</p>	<p>Labour Law - Protection of Personal Information Act - Law to Stabilise Employment</p>
	(3)	<u>Compulsory Employment Continuation from Business Transfer</u>	<p>- <u>Transferee's statutory obligation to succeed transferor's employees heavily burdens FFEs provision of investment with high productivity operation.</u></p>	<p>- It is requested that GOF: -- <u>takes step to repeal TUPE,</u> -- <u>deregulates the terms and conditions.</u></p>	<p>- <u>Transfer of Undertakings Protection of Employment (TUPE, UK)</u> - <u>2001/23/EC</u></p>

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17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Private Copying Remuneration System	- Due to the unfairness in the mechanism for determining the tariff rates by the beneficiaries under the private copying remuneration system (PCRS), the tariff rates so determined are always unfavourable to business operators (payors). Moreover, GOF, being one of the beneficiaries for 25% of the revenue from PCRS as its cultural promotional fund, supports PCRS, whose legality is in question. Moreover, despite its dubious legality, on 19 November 2014, French state council affirmed the current tariff rate. Business operators are compelled to plan and sell the products in concern in the absence of the legal fairness and stability, besides paying the private copying remuneration.	- It is requested that GOF implements Private Copying Remuneration System in the manner that reflects the intent of manufacturing operators in a fair manner.	France Law No. 92-597 of 1 July 1992 on the Code of Intellectual Property (Legislative Part), Article 311(5)
19	Industrial Standards, Approval of Safety Standards	(1)	<u>Tobacco Plain Packaging Legislation (TPPL)</u>	- <u>Contemplated introduction of TPPL on tobacco products as has been implemented in Australia, if materialised, will materially reduce the identification capabilities (between the products), being the essential faculty of trademarks, materially destructing the "brand value", and consequently damaging the sound market competitions more precise concerns include, without limitation, purchasers unwittingly purchase unintended products from the difficulty of making distinction, move to lower priced products, and finally, closing the door for new entry into the market. In addition, simpler packages facilitate counterfeiting activities, resulting in the growing counterfeits in the market.</u> <u>(Note) TPPL, a measure to standardise configuration, colour, etc., of individual tobacco package, largely restrict the space on the packaging by the mandate to print specifically, "warnings with photo" (in the 75% of the total area front, and 90% Back).</u>	- <u>As described in the left column, TPPL infringes upon intellectual property right of business operators, consequently hinders the industrial development through sound market competitions. On the other hand, prevention of juvenile smoking is deemed possible through education, with tightened penalties, etc. It is therefore requested that GOF fully appreciates the issues described in the left column and implements the measures based on the principle of proportionate general rules.</u> - <u>GOJ is requested to fully appreciate the issues on the left column and takes positive measures accordingly.</u>	- <u>Draft Health Bill Amendments</u>
22	Environmental Pollution and Waste Disposal	(1)	<u>Positive Listing of Food Manufacturing/ Processing Enzyme</u>	- <u>Turning food manufacturing/processing enzyme into positive list.</u>	- <u>It would seem its promulgation is due in 2020. Member firm is collecting information as it uses substantial enzymes in fabricating Japanese "Sake". Member firm considers it essentially important to have prior consultation between EU and Japanese enterprises including not only sake breweries, but also</u>	- <u>EU Directive No.23/2012</u>

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				<u>food processors/producers, etc. Concerned parties are collecting information.</u>		
	(2)	<u>Environmental Hormone BPA Control</u>	- <u>Due to the Bisphenol A (BPA) contents in the raw materials for the bottle caps manufactured by all firms that a member firm purchases from domestically in Japan, the December shipment destined to France has been canceled. Plural bottle cap manufacturers that a member firm sources bottle caps from are unprepared as yet for commercial production of totally BPA free caps. Caps, without BPA contents at the contact point with the liquid, can be substituted without substantial cost increase. However, French regulation makes no specific mention to the effect: "the caps are acceptable so long as the area touching the liquid surface does not contain BPA". The views are divided among manufacturers. The member firm, following its internal compliance programme, exercises self-control and refrains from export to France.</u>	- <u>As of today, the restrictions concern France. However, it is highly probable they get adopted all across EU. It remains unknown if chemical (scientific) verification, etc. have taken place on the degree of its impact upon human health (damage to health from intake of estimated amount of BPA for a determined period), etc., urging control. It seems unreasonable to apply the regulation on all across food products. Substantive, scientific ground for the measures is requested.</u>		
24		<u>Indigested Legislation, Abrupt Changes</u>	(1) <u>Changed Requirements for Tour Guide Qualification</u>	- <u>As of today, an applicant for tour guide qualification must complete three courses among graduate/master courses. The passage of the Bill, in "Parlement français" (in French Parliament) of "Loi de simplification de la vie des Entreprises" (the Bill on 'Act for the Simplification of the Life of Enterprises') has been prompted by the move toward simplification: "granting licence without the three courses." Should the Bill pass the parliament, all completing graduate/master courses in history of arts, History, etc., from other EU Member states will receive the licence to work as guide in France without having to receive the professional training for tour guide, with the qualification to register at registre, moreover, "irrespective of the foreign language proficiency." It will go nowhere but toward degradation of the tour guide quality. Moreover, "Any person with the nationality of one of the EU member states has freedom to work in any other EU member states." For example, it is quite possible any person with a EU nationality holding the guide registration qualification, satisfying the academic qualifications, may come to France and work as tour guide. Such tour interpreters employed as tour escorts, visiting France with large tourist groups, could result in deterioration of not only service but also tour quality to tourists, including those from Japan.</u>	- <u>Provision of tour guide service by non-EU external tour guides violates labour act, while the language issue comes first for guiding visitors from such countries. Actually, "to the tour guides in the languages, rare and small in use such as Japanese, the legislative prohibition does not surface in reality as a serious problem." However, it is incumbent upon France, rich in cultural heritage, great also on tourism, to provide tour guides of an equally high quality level comparable to its great cultural heritage.</u> - <u>At this time, the following 3-interpreter-guide organisations are negotiating with the competent authority:</u> <u>(1) FNGIC (Fédération Nationale</u>	- <u>L. 221-1.Law on the the Simplification of the Life of Enterprises, Article 4 (On the Qualification for conducting Guided Tours in the Museums and the Monuments in France)</u> <u>(http://www.legifrance.gouv.fr/affichLoiPreparati on.do?idDocument=JORFDOLE000029134377&type=contenu&id=2&ty peLoi=proj&legislature=14)</u>

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				<p>- Resident Japanese tour guides in Paris are aging. However, due to French government's discontinuation of Tour Guide Test, these guides now run short. If nothing were done now, in a few years, there would be no Japanese-speaking guides.</p>	<p><u>des Guides Interprètes et Conférenciers).</u> <u>(2) SNCG(Syndicat National des Guides Conférenciers= former Conférenciers), and</u> <u>(3) ANCOVART(Association Nationale des Guides Conférenciers des Villes et pays d' Art et d' histoire)</u> - <u>In any event, we, enterprises in tourism business have no alternative but listening to the authority's direction. We wish to protect those now in tour guide professions.</u> - <u>At the initiative of the abovementioned 3-organisations, arrangements are on schedule for meetings and street demonstrations.</u> <u>It is hoped that meetings and demonstrations will not impact tourists from Japan.</u> It is requested that GOF takes steps to have the France Tourism Development Agency revive "the test for guide licence in Japanese/French".</p>	
26	Others	(1)	Aggravated Public Security	<p>- Pickpockets, luggage thieveries, bag-snatchers, etc. targeting Japanese tourists are increasing.</p>	<p>- It is requested that the competent French authorities (Paris Metropolitan Police) tightens its patrol.</p>	