

Provisional Survey Report 2014

**New Issues and Requests for Improvements on Trade and Investment  
- Europe -**

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Japan Business Council for Trade and Investment Facilitation (JBCTIF)  
Secretariat: Japan Machinery Center for Trade and Investment

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Issues and requests relating to foreign trade and investment - EU

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Duty	<ul style="list-style-type: none"> <li>- 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.</li> <li>- The tariff rate of 14% is levied on Television Receivers, Video-Cameras, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOJ will commence Japan-EU EPA Negotiation with EU as soon as possible to repeal tariffs on Finished Japanese Cars.</li> </ul>	<ul style="list-style-type: none"> <li>- Commission Regulation (EC) No 1031/2008</li> <li>- Commission Regulation (EEC) No 2658/87</li> </ul>
		(2)	Import Duty levied on Products covered by ITA	<ul style="list-style-type: none"> <li>- Problems remain on HS code classification for toner cartridge.</li> <li>- Due to the use of new combined technology, etc., several products subject to ITA have lost the zero duty status. Example: video function with digital camera, a printer cartridge, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>	<ul style="list-style-type: none"> <li>- ITA (Information Technology Agreement) of WTO</li> </ul>
		(3)	Concomitant Levy of Ad Valorem and Fixed Amount Duties	<ul style="list-style-type: none"> <li>- While EU employs the ad valorem import tariff rates on Finished Watches, EU applies both the ad valorem rate of 4.5% and the fixed amount tariff (minimum and maximum tariff rates) in parallel. On Finished Clock (HS9103 &amp; 9105), only the ad valorem rates of 3.7% to 4.7% is applied.</li> <li>- While EU imposes zero tariffs on Swiss Watches, EU imposes both ad valorem duty (4.5%) and the fixed amount duty on Japanese Finished Watches.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that EU integrates its tariff on watches based only on the ad valorem rate.</li> <li>- It is requested that EU repeals its tariff on watches.</li> </ul>	<ul style="list-style-type: none"> <li>- Commission Regulation (EC) No 1031/2008</li> </ul>
		(4)	Arbitrary Implementation of HS Code Classification	<ul style="list-style-type: none"> <li>- 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).</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOJ works toward:                             <ul style="list-style-type: none"> <li>-- unification of the decision on duty-free as parts for the main unit, and</li> <li>-- addition of the printers, multi-function equipment, etc. into the expanded scope of ITA products.</li> </ul> </li> </ul>	
		(5)	Disunity in Customs Clearance Procedures	<ul style="list-style-type: none"> <li>- Customs clearance procedures are not harmonised among the EU Member States despite the HS Nomenclature. (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.)</li> <li>- The handling of Customs Declaration Numbers at Customs differs among the EU Member States. EORI (Economic Operator Registration and Identification) Number that the customs authority allocates 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.</li> </ul>	<ul style="list-style-type: none"> <li>- 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 Regulation within the Member States.</li> <li>- It is requested that EU harmonises employment of EORI Numbers in regard to the customs procedures.</li> </ul>	

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	(6)	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, the longest it took for 9-months in one case (on the item of Security Camera).		
	(7)	Disunity in the Export Licence Requirement	- EU requires export license issued in Japan under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in regard to exporting alligator watchbands (AWB). Some Member States require importers to obtain import license that is time consuming and cumbersome.	- It is requested that EU: -- authorises import of AWB only by export license issued in Japan, and -- exempts export/import license requirement for import of AWB, for entries of samples under ATA Carnet.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
	(8)	Declined Competitive Edge of Japanese Products due to Ratification of EU-ROK FTA	- Competitive edge of Japanese products has declined due to ratification 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.	- It is requested that GOJ takes steps to negotiate with EU toward repeal of Import Duty on Export from Japan.	- EU-Korea Free Trade Agreement
	(9)	Inspection on the same Company by 2-EU Member States Customs Authorities	- A Firm's Subsidiary incorporated in Germany engaged in the sales and distribution across the EU received a Formal Document that showed the due 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.	- It is requested that EU modifies the Customs Regulations so that the rest of the Member States accepts the Customs Auditing Report prepared by the Customs of one of the EU Member States.	
	(10)	Repeal of GSP	- 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 at the beginning of 2015 so that thereafter 10% rate applies. On the other hand, each of the other competing companies either import finished cars from South Africa under FTA rate, or assemble them in EU so that no import duty becomes payable.	- It is requested that EU takes steps to: -- re-extend the going GSP, pending application of the FTA Tariff Rate between EU/Thai upon consummation of the negotiation now under way on the EU/Thai FTA. -- 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 by other firms and the imminent repeal of EU-Thai GSP expressly stated in the GSP rule.	- EU Generalised Scheme of Preferences
	(11)	Import Restrictions concerning Frozen Seafood	- EU Regulations, supposedly apply commonly to all Member States, are nevertheless, and interpreted differently by one Member State to another. Exporters to EU 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.	

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	(12)	Acquisition of E-Number Disallowed	<p>- The going EU approved additives with E-Numbers do not include additives such as rice malt so that product label cannot be marked with E-numbers. Japanese exporters can only print "Koji" (Japanese for malt) on the product label.</p> <p>* 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")</p>	- It is requested that EU takes steps to allocate E-number for the Japanese malt "Koji", as soon as possible.	
	(13)	Submission of Certification concerning Safety of Agricultural/ Fishery Products	- Producers of Agricultural/Fishery Products file application at Agricultural Administration Office, Ministry of Agriculture, Forestry and Fisheries for Certificate that the Caesium density for the products for export to EU are within the Specified Regulated Density and that they are not produce of Fukushima, Gunma, Ibaragi, Tochigi, Saitama, Tokyo, Chiba, Kanagawa, and Iwate Prefectures.	- The U.S. no longer requires restrictions of this kind, while EU continues to regulate 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.	
13	Finance	(1) Nebulous Implementation of EU Regulations	- EU Directive provides for compulsion of payment 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 no certain if the French Law applies to A/R payable by customers within the Member States outside France.	- In introduction of new taxation scheme, it is requested that the European Commission takes steps to: -- ensure provision of opportunities for exchange of dialogues with Foreign Funded Enterprises and -- ensure transparency by giving sufficient and proper explanation, etc.	
14	Taxation Systems	(1) Disunity in Interpretation and Implementation of Transfer Price Taxation System	- Tightening in implementation of Transfer Price Taxation System (TPTS) in each Member State is a factor of heavy cost increase focused on 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.	- It is requested that EU: -- materialises Firm's Subsidiary's integrated implementation of TPTS that assures freedom of organisational planning within the EU Member States, and -- propels international cooperation that guarantees expulsion, without fail, of the double taxation.	- Tax Law of each Member State
		(2) VAT is disintegrated within Member States in System, Procedure and Interpretation	- Under the EU Directive, Value Added Tax (VAT) has been implemented at similar tax rates and in the similar method of tax levy, despite the fact that Taxation System is a matter within the Sovereign Power of each Member State. However, in regard to business within the EU complexity remains on the VAT Tax Return, such as Reverse Charge, quite burdensome to the 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.	

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			<ul style="list-style-type: none"> <li>- As regards VAT exemption, the following problems confront foreigners traveling within EU:</li> <li>-- Complexity in rules and procedures for filing Tax Return,</li> <li>-- Disunity of the rules within each country of the Member States,</li> <li>-- In September 2013, EC Court Decision has shown Harmonisation of the Rules within EU, holding all foreigners traveling within EU responsible for VAT payment without exception. This means a substantial cost increase and a matter of life and death to in-bound traveling agencies within EU, creating substantial unfairness in competition against traveling agencies outside EU. The new policy fails to define clearly the starting date of its implementation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that EU takes steps to:</li> <li>-- identify clearly its implementation policy (schedule and requisite preparation, etc.)</li> <li>-- avoid extreme unfairness in competition against the traveling agencies outside EU.</li> </ul>		
16	Employment	(1)	Stay and Work Permit	<ul style="list-style-type: none"> <li>- Personnel transfer within the EU Member States at times disrupts business. On occasions, it takes abnormally longtime for Visa acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that EU expedites the Visa Acquisition Procedures.</li> </ul>	
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Private Copying Compensation Scheme	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>	<ul style="list-style-type: none"> <li>- 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."</li> <li>- [Institutional Issue]</li> <li>- It is requested that EU takes steps to:</li> <li>-- repeal PCRS, and employs a method other than PCRS to pass-on to creators the consideration for their creative work.</li> <li>-- 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.</li> <li>- [Practical Issue]</li> <li>-- On the assumption that the going system continues to apply, it is requested EU releases on its own Website in English, Information on the Target Products/Media, Amount or Royalty Percentage for each Member States" that faithfully reproduces the Regulation of each Member State.</li> <li>-- In the event each Member State releases such information in English from the viewpoint of reliability, and for the sake of easy access to each</li> </ul>	<ul style="list-style-type: none"> <li>- Directive 2001/29/EC</li> <li>- Directive 2001/29/EC</li> </ul>

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			<p>- In October 2010, the EU Court of Justice handed down its Decision (C-467/08):</p> <p>(1) Excluding the use by natural person, PCR levy on business use products contravenes the EC Directive.</p> <p>(2) PCR serves as compensation for legitimate private copying which is permitted as an exceptional measure.</p> <p>(3) PCR is to be borne in the end by the user, being beneficiary of private copying.</p> <p>However, it is not necessarily materialised in each Member State so that in many Member States, PCR levy continues to this day. Certain Member States have introduced the system of once 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.</p> <p>- It is clear from the Directive and the Court of Justice Decision (C-467/08, etc.) that the final PCR payor is the user that makes private copying. However, in many Member States that implement compensation scheme, the price of the equipment user purchases includes some compensation, without notice to the users. Therefore, the users are unaware that they pay unjustifiable high amount of compensation.</p>	<p>Member State's website, it is requested that EU's Website includes "Click Here" hyperlink in each Member State's Website.</p> <p>- It is requested that the EU takes the leadership in assuring that PCR is not imposed by each Member State on the business machines clearly reserved for uses other than private copying.</p> <p>- 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.</p>	<p>- Directive 2001/29/EC</p> <p>- Directive 2001/29/EC</p>
	(2)	Delays in Patent Issuance	<p>- 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.</p>	<p>- It is requested that the European Patent Office will:</p> <ul style="list-style-type: none"> <li>-- speed up final disposal period,</li> <li>-- reduce maintenance cost of patent applications, and</li> <li>-- take measures to cut down the period of time before the patent is issued.</li> </ul>	<p>- Examination and Employment</p>
	(3)	Long Examination Period in Patent Application	<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>- European Patent Convention (EPC)</p>
	(4)	High Cost of Patent Issue, and Increasing Complexity of Court Proceeding	<p>- 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.</p>	<p>- 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.</p>	<p>- EPC</p>

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		(5)	Disparity in the Amount of Copyright Compensation Levy among Member States	- 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.	- It is requested that EU: -- harmonises the PCRS among the Member States as soon as possible, and in long-term, -- replaces the current system with a system that rightholders directly collect compensation from infringing parties.	- EU Private Copying Remuneration Schemes (PCRS)
		(6)	Shorter Period for filing Exclusionary Application under UPPS than the Response Period under EPC for Prior Notice of Permission	- While Unitary Patent Protection System (UPPS) is due for enforcement beginning 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 on Prior Notice of Permission, under UPPS, it is very short, only 1-month is available for filing Exclusionary Application. The choice between Unitary Patent Protection System 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.	- 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.	
		(7)	Undetermined EU Unitary Patent Fees	- The going 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 Unitary Patent Protection System. As it stands, Patent applicants are unable to determine whether to opt for Unitary Patent Protection System, in the absence of the information on the economic benefits from opting for UPPS.	- It is requested that EU takes steps to: -- determine the fees under UPPS as soon as possible, and -- establish 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.	
		(8)	Continued Payment of Renewal Fees	- As it stands, renewal fees are payable by the year, so that past payments up to the date of withdrawal of patent application are wasted, in case the patent application is withdrawn in the end.	- It is requested that EU takes steps to amend the law so that renewal fees are payable: -- after the patent issue, or -- in lump sum for all the past renewal fees upon the patent issue.	
19	Industrial Standards, Approval of Safety Standards	(1)	Excessively Heavy Burden for Acquisition of CE Mark	- 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.	- Exporters are responsible to go through the expensive test and certification procedures, when selling Japanese products in EU. By ratifying the Japan-EU FTA, there is a possibility that the certification system is harmonised between the EU and Japan.	- Council Regulation (EU) N ° 339/93 - Directive (2004/108/CE) - French decree n ° 2006-1278

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	(2)	Compulsory Attachment of CE Mark	- EU compels attachment of CE Mark virtually on all products. 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.	- A Member Firm contemplates 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.	- The Council Decision of 22 July 1993
	(3)	Stringent Standard on Protection of Potable Water	- 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 from those from 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.	- 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)	Lack of Interchangeability Scheme in Industrial Standard	- Interchangeability is denied between EU Standard (PED, SIL) and JIS of Japan. On PED (Pressure Equipment Device), in practice, EU rarely approves Japanese Industrial Standards (JIS).	- 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.	- SIL: IEC 61508 - PED: <a href="http://ec.Europa.EU/enterprise/sectors/pressure-and-gas/documents/ped/">http://ec.Europa.EU/enterprise/sectors/pressure-and-gas/documents/ped/</a>
20	Monopoly	(1) Negative Clearance under Anti-Competition Law	- Due to the repeal of the "Negative Clearance provisions", a previously available individual Advance Consultation System on the basis of "absence of grounds for action", the opportunity has been lost for advance approval of the authority, 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) Scattering Interpretation and Implementation of Environment Rules, WEEE, RoHS, REACH, etc.	- It is not easy for the concerned industries to deal with the legislative requirement if its interpretation and implementation vary by each Member State. For example, there is a move in Denmark to legalise independent legislative control on phthalic acid outside the scope of REACH Regulation.	- It is requested that the EU Member States in unison build up the common framework based on the objective scientific knowledge.	- Environmental Legislation such as WEEE, RoHS, REACH, etc.
		(2) Differences in Energy Saving Regulation and Labeling System between Japan and EU	- 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.	- 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.	- International ENERGY STAR Program, IEC/TC108, IEC/TC100, IEC/TC113, etc.

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	(3)	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
	(4)	REACH Regulation	- 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. There are cases where external manufacturers must abandon the project for distributing New Chemical Compounds 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 ( <a href="http://www.env.go.jp/chemi/ghs/index.html">http://www.env.go.jp/chemi/ghs/index.html</a> )), nevertheless, it introduces EU's own unique classification standard, 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 the time-consuming workload each time for compliance.	- It is requested that EU unifies the contents of REACH Regulation with those of the United Nations Globally Harmonised System (GHS).	
	(5)	Duplicated Control under Different Legislations	- The differences in the judgement basis of content/non-content between RoHS Directive and REACH Regulation require different managements between them. There are cases where 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.	- Where existing legislation applies (on RoHS Exemption), it is requested that EU avoids dual application with different contents.	- The RoHS Directive - REACH Regulation
	(6)	Nanomaterial Control	- The likelihood of legislative introduction, without sufficient discussion among the stakeholders, is a matter of concern on the Definition and the Toxic Quality of "Nanomaterials".	- If EU is to implement Legislation on Control of Nanomaterials, it is requested that EU first confirms: -- such control is justifiable based on the objective scientific knowledge, and -- 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)
	(7)	Carbon Footprint Scheme	- For the proper implementation of Carbon Footprint Scheme, it is necessary to establish reasonable means of measurements.	- It is requested that GOJ and EU move toward international harmonisation of the Carbon Footprint Scheme.	
	(8)	Application of RoHS Directive, etc. to Maintenance Parts for Production Equipment, etc.	- Under Energy-related Products (ErP) (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.	- 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.	

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23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Directive on the Protection of Personal Information	<p>- EU Directive 95/46/EC "On the protection of individuals with regard to the processing of personal data" directs the Member States to permit the transfer of personal data to a third country only when an adequate level of protection is ensured, with the exception of special circumstances. However, since the current level of protection under the Japanese scheme is not considered an adequate level of protection, enterprises globally operating both in Japan and EU must choose between the 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>- The going Directive 95/46/EC on Protection of Personal Data heavily burdens enterprises by its requirement, among others, for signature on the Contract for Data Disposal when carrying out externally personal information.</p>	<p>- It is requested that Japan and EU first of all work together expeditiously to confirm if the Japanese "Act 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>- It is requested that EU streamlines the requirement concerning the Directive on Protection of Personal Data.</p>	<p>- EU Directive 95/46/EC</p> <p>- Directive 95/46/EC</p>
		(2)	Anxiety over Excessive Protection of Individuals with regard to the Processing of Personal Data	<p>- 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 impact on their business activity.</p>	<p>- It is requested that EU makes the proposed amendment of the 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.</p>	<p>- A Proposal on General Data Protection Regulation</p>
24	Indigested Legislation, Abrupt Changes	(1)	Procedures for Cross-Border Mergers	<p>- 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 in U.K.).</p>	<p>- It is requested that EU streamlines the procedures.</p>	<p>- EU Cross-border Directive</p>
25	Government Procurement	(1)	Stringent Green Public Procurement (GPP)	<p>- The requirements under the domestic law of each Member State exceed the Harmonised EU Legislation for Green Public Procurement Scheme.</p>	<p>- It is requested that EU promulgates new standard for Green Public Procurement Scheme.</p>	
		(2)	Paucity of Information	<p>- Information is insufficient concerning Proposed EU Regulation On Public Procurement.</p>	<p>- It is requested that EU confirms and provides the latest information concerning Regulation on EU's Public Procurement.</p>	



Category	No	Issue	Issue Details	Requests	Governing Laws
			- For the purpose of restricting the number of foreign workers entry annually into U.K., GOU exercises restrictions on the total number of work visas issued per annum. It is envisaged that an Enterprise may face shortage of the requisite staff. The number of Tier-2 Visa (the bulk of expatriates from Japan fall under this category) issued annually is 27,000 (April 2013-April 2014). Advance application is necessary for Certificate of Sponsorship. Otherwise, the receipt of work visa is difficult. Upon reaching the cap of 27,000 applicants, applicants satisfying special requirements (as specified in the List of Shortage Occupations) shall be given priority. Otherwise, Visa receipt will become difficult. Furthermore, maximum stay period under Tier 2 is 5-years (9-years for annual income exceeding GBP50,000). This is a cause for concern, lest the projected plan gets aborted before completion of the Project Plan.	- It is requested that GOU takes steps to deregulate the Work Visa issuance requirements for employees of Multi-National Enterprises.	- UK Border Agency
	(4)	Frequent Changes in Immigration Scheme	- Due to the frequent changes in the U.K. Immigration Scheme, Enterprises must expend much time and effort to obtain visa and keep up with its changes.	- It is requested that GOU maintains the going scheme for a longer period.	- Immigration Rules - UK Immigration Act

Issues and requests relating to foreign trade and investment - France

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- Export licence is required in Japan under CITES to export to France Crocodile-Skin Watchband (CSW). In addition, importers must obtain import licence. It takes much time and work to export CSW to France.	- It is requested that GOF: -- repeals the requirement for Import Licence in France. For import of CSW, so that Export Licence issued in Japan suffices, and -- dispenses with Export/Import Licence Requirement for samples under ATA Carnets.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
12	Exchange Controls	(1)	Exchange Loss arisen from Rapid and Radical Changes in the Foreign Exchange Rate	- Non-operating loss has grown large due to the foreign exchange loss resulting from rapid and radical changes in the Foreign Exchange Rate.	- It is requested that the Governments stabilise the Foreign Exchange Rate in parallel with the Economic Stimulating Policy.	
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 promulgated, will increase cost to enterprises in concern.	- Recycling Law Bill (not yet promulgated)
16	Employment	(1)	Difficulty in Acquisition of Work Visa, etc.	- 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. - The Visa Validity remains only for one year for the accompanying family members.  - In general, Visa Acquisition procedures are severe, time consuming, and complex.	- It is requested that GOF simplifies and expedites acquisition of Work/Stay Permit.  - It is requested that GOF takes steps to extend the validity of Visa for the accompanying family members. - It is requested that GOF takes steps to facilitate Visa Acquisition Terms for enterprises with past performance.	- Immigration Act of France  - Immigration Act of France - Immigration Act of France, etc.
		(2)	Stringent Restrictions of Labour Law	- Labour Law permits the term employment contract only on work of a seasonal or a temporary nature.	- It is requested that GOF establishes the scheme that allows a flexible adjustment of workforce.	
		(3)	Stringent Control on Dismissals	- In reviewing retrenchment of employees in France, an Enterprise must submit to the Competent Authority 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 review itself.	- It is requested that GOF, in attracting foreign investment, takes steps to: -- draw up a Clear-Cut Framework Plan up to Retrenchment of Business for Doing Business in France, and -- fairly implement such Framework Plan.	- Law to Stabilise Employment
		(4)	Excessive Labour Protection	- Excessively Labour Protective Regulations abound, 35-Hour Per Week Work/Restricted Work during Weekends/Substantive Difficulty in Dismissals/Excessive Privacy Protection (Authorised Private Use of Company's E-mail, Prohibited employers' check of the employees' E-mail contents = This leaves a possibility for the company information leakage). It is difficult to operate company's business flexibly.	- It is requested that GOF takes steps to afford the management a little more freedom in workers' management.	- Labour Law - Protection of Personal Information Act

	Category	No	Issue	Issue Details	Requests	Governing Laws
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. Business operators must plan and sell the products in concern in the absence of the legal fairness and stability, besides paying 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)
26	Others	(1)	Shortage of tour guides / interpreters	- Resident Japanese Tour Guides in Paris are aging. However, due to French government's discontinuation of Tour Guide Test, these guides are now in short supply. If nothing were done now, in a few years, there would be no Japanese-speaking guides.	- It is requested that GOF takes steps to have the France Tourism Development Agency revive "The Test for Guide Licence in Japanese/French".	
		(2)	Aggravated Public Security	- Pickpockets, luggage thieves, bag-snatchers, etc. targeting Japanese tourists are increasing.	- It is requested that the competent French authority (Paris Metropolitan Police) tightens its patrol.	

Issues and requests relating to foreign trade and investment - Germany

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- Export Licence is required in Japan under CITES to export to Germany Crocodile-Skin Watchband (CSW). In addition, importers must obtain Import Licence. It takes much time and work to export CSW to Germany.	- It is requested that GOG: -- repeals the requirement for Import Licence in Germany for import of CSW, so that Export Licence issued in Japan suffices, and -- dispenses with Export/Import Licence Requirement for samples under ATA Carnets.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
		(2)	Existence of Products subject to Export Restrictions	- Certain products manufactured or held in stock in F.R. Germany purchased for export may not be exported, depending upon the destination country. (Case) Member Firm's subsidiary (MFS) purchased in Germany certain chemicals required for aircraft maintenance. However, the item in concern was prohibited for export from FRG to Taiwan. MFS had to withdraw the goods from the warehouse in the U.S., delaying the delivery date.	- It is requested that GOG takes steps to deregulate export restrictions from FRG after the fashion of the U.S. Regulations.	
14	Taxation Systems	(1)	High Corporate Income Tax	- While tax rates vary by married or single, or the income level, all in all, income tax levels are high. Relative to expatriates' net wages, the tax burden upon enterprises is high. - German Income Tax is high at 40%, while Fringe Benefits are also taxable. Tax Burden is heavy upon enterprises. * Fringe Benefit: -- Economic benefits such as benefit package, and welfare programme that enterprises grant to employment income earner.	- It is requested that that GOG reduces the income tax rates for expatriates.  - It is requested that GOG: -- reduces income tax rate, and -- excludes fringe benefits from taxable income.	- Income Tax Act  - Personal Income Tax Act
		(2)	Necessity for amending Japan-FRG Tax Treaty	- External remittance of dividends from FRG to Japan is subject to 15% withholding tax levy. Since December 2011, FRG-Japan negotiation on revision of Tax Treaty has been underway, however, without much progress. Japanese Chamber of Industry and Commerce Deusseldorf in FRG plays the central roll in the Lobbying Activity toward the culmination of the Tax Treaty Amendment (TTA).  - FRG Tax Law provides for Withholding Tax (Capital Gain Tax) so that 15% Withholding Tax Levy applies, even if the going Japan- U.S. Tax Treaty were applied.  - Under the going Japan-FRG Tax Treaty Withholding Tax of 15% is levied on dividends Member Firm receives from MFS in FRG. In Japan, with the introduction of "Dividend Tax Exemption Scheme", withholding tax levied on dividends received from overseas subsidiary (MFS) is excluded from the revenue. In the end, Member Firm, MFS's shareholder, must absorb the amount corresponding to the withholding tax.	- As it stands, TTA negotiation continues on and off between the governments of Japan and FRG. It is requested that GOG and GOJ take steps for culmination of TTA as soon as possible in order to improve the environment for investing further into business in FRG. - While Member Firm is aware of the going negotiation for Amendment of Japan-FRG Tax Treaty, It is requested that GOJ and GOB expedite the negotiation to reduce to zero Withholding Tax (Capital Gain Tax). - It is requested that GOG and GOJ take steps to repeal Withholding Tax by amending Japan-FRG Tax Treaty.	- Japan-Germany Tax Treaty  - Japan-FRG Tax Treaty, Article 10(2)

Category	No	Issue	Issue Details	Requests	Governing Laws	
	(3)	Harmonisation within the Member States of VAT Taxation System	- Under the EU Directive, the EU Member States have been implementing the Value Added Tax System (VAT) at similar Tax Rates and in the similar Tax Levy Methods, despite the fact that the taxation system is a matter within the Sovereign Power of each Member State. However, complexity remains on the VAT Tax Return such as Reverse Charge. This is quite a burden indeed to the taxpaying enterprises.	- It is requested that EU takes the leadership 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	
	(4)	Discriminatory Treatment on Withholding Tax between Domestic and Foreign Enterprises	- Withholding tax levied upon Dividends received by a Domestic Corporate Shareholders in Germany is subject to tax deduction so that almost the total amount of tax paid is refunded to the Domestic Corporate Shareholders in Germany. On the other hand, if the total amount of the German withholding tax is not deducted, that portion is payable by the foreign shareholder in the end.	- It is requested that GOG takes steps to dissolve its discriminatory treatment between the Domestic German Enterprises and Foreign Funded Enterprises in favour of the former, relative to Withholding Tax.	- The Principle of Free Movement of Capital (Case Ref. C-284/09 Commission, Germany)	
	(5)	Double Taxation of Income Tax	- Income tax is levied both in Japan and Germany upon a German trainee who got transferred to Japan (restricted to Branch Office) to receive training.	- Japanese Tax Office holds that the German working in Japan is taxable in Japan, while German Tax Office holds the German is taxable in Germany as the German works for the benefit of Germany.		
16	Employment	(1)	Excessively Protected Labour	- The German Labour Policy places an excessive importance to Worker Protection and Maintenance of Employment. It impedes formation of the proper age distribution and employees' adaptation to new work. Furthermore, the long-term employment and the aging of workers frustrate suppression of wage increase, impacting soundness of the corporate finance. In addition, sickness leave is legally permitted. Workers taking sickness leave as a matter of routine negatively affects efficiency in business operation. (Workers are entitled to payment of 100% wage for sickness leave).	- It is requested that GOG: -- deregulates the inflexible employment terms and the high pay institutional predisposition, and -- reviews legislative provisions to grant a greater power to management.	- Collective Labour Agreement by Occupation - The Protection Against Dismissals Act - The Working Time Act - Laws relating to Protection of Workers
		(2)	Restrictions on Dismissals	- Labour Standard Act (LSA) severely restricts wage reduction and dismissal, obstructing substantively justified assessment of employees, and frustrating adjustment of labour cost, commensurate with the economic environment.  - The employment under the Term Contract is limited to 2-years, non-renewable.	- It is requested that GOG takes steps to overhaul legislation in such a way that flexible measures are available to employers as regards dismissal and wage reduction. - It is requested that GOG removes restrictions on employment contract without the fixed term provisions.	- Labour Standard Act (LSA) - The Protection Against Dismissals Act
		(3)	Difficulty in Reducing Salaries and Wages	- The powerful influence of Trade Unions such as IG Metall makes it difficult to set the wage raise rate flexibly, commensurate with the operational health of individual enterprises.	- It is requested that GOG recovers flexibility in the system implementation.	- Labour Standard Act - Tariff Regulation, etc

	Category	No	Issue	Issue Details	Requests	Governing Laws
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Private Copying Compensation Scheme	<p>- While remuneration for private recording should not be collected retroactively, Society for Administration of Remuneration insists on retroactive collection, jeopardising the legal stability on copyright issues.</p> <p>- The Amended Copyright Act (ACRA) provides that Remuneration Administration Body (RAB) and the Industrial Association decide by Comprehensive Agreement (CA) the amount of Private Data Copying Remuneration. However, ACRA fails to provide for the contingencies where Plural Industrial Associations exist, Enterprises not Members of any Industrial Associations, Matters that may be included in CA, etc. Confusions have arisen. For example, RAB without CA has unilaterally released Remuneration Tariff Schedule, etc.</p> <p>- Consumers are compelled to absorb the increased burden of so called "Copy Levy", which is levied in each country on the main unit of the multi-function peripheral equipment (MFP) and the single-function peripheral equipment (SFP), creating the gaps in ultimate price among the same EU Euro territories.</p>	<p>- It is requested that GOG makes it clear that remuneration for private copying will not be collected retroactively, excepting the case where comprehensive agreement is reached between remuneration administration association and industrial association.</p> <p>- It is requested that GOG makes CA amended so that:</p> <ul style="list-style-type: none"> <li>-- it expressly stipulates clearly treatment of the case where plural associations exist, treatment of the case where an enterprise does not belong to any industrial association, and that</li> <li>-- inclusion in CA is guaranteed by improvement of the system so that only the amount of remuneration is individually treated under the amended CA.</li> </ul> <p>- It is requested that GOG cuts down the levy rate and ultimately reduces the Copy Levy.</p>	<p>- German Copyright Regulations Article 13 and Article 13a.</p> <p>- German Copyright Regulations Article 13 and Article 13a.</p> <p>- Copy Levy</p>
		(2)	Insufficient Patent Examination Scheme	<p>- Patent examination standard is ambiguous. Especially, the European Patent Office (EPO) has pointed out that judgement base of Inventive Step is ambiguous.</p> <p>- While Patent Prosecution Highway Programme has been introduced between Japan and FRG, there is no clear-cut Early Examination Scheme in the German Domestic Patent System. Especially, compared to EPO, DPMA tends to take more time for examination of the Domestic Patent Application. Therefore, Early Examination Scheme that assures acquisition of the needed right at the needed time is all the more necessary.</p>	<p>- It is requested that German Patent and Trade Mark Office (DPMA) takes steps to clarify the Examination Standard.</p> <p>- It is requested that DPMA takes steps to stipulate into the Domestic Law a clear-cut Early Examination Scheme.</p>	
		(3)	Restrictions on the Used Languages	<p>- It is possible to secure the filing date on a patent application filed in a language (English) other than German. However, submission of German translation is necessary within 15-months of the Priority Date. In addition, if a German patent application is filed under the Patent Cooperation Treaty (PCT), there is no opportunity to submit the patent specification to DPMA, leaving the applicant in the dark for possible mistranslations.</p>	<p>- It is requested that DPMA takes steps to:</p> <ul style="list-style-type: none"> <li>-- accept extension of the submission deadline for the German translation, after filing patent application in English, and</li> <li>-- accept use of English for the patent application follow-up of the procedures filed under PCT.</li> </ul>	

	Category	No	Issue	Issue Details	Requests	Governing Laws
19	Industrial Standards, Approval of Safety Standards	(1)	Delays in Notification of Amendment in Product Safety Act	- Amended General Product Safety Directive (GPSD) compels listing of importers' addresses within the EU Member States. Notification reached an enterprise only at the beginning of February 2012, while 1st December 2011 is shown as the effective date in the implementing details.	- It is requested that GOG provides a sufficient preparatory period or a grace period on issues requiring product design changes.	- General Product Safety Directive (GPSD), amended on 1 December 2011
		(2)	Variation in standards under the respective domestic laws of individual Member States	- Quasi-domestic individually separate laws or local government's regulations have emerged in part relative to General Product Safety Directive (GPSD), to meet the needs for model specifications concerning construction machineries and equipment. Such individual legislation has brought up the cost for product development, sales materials, certification work, and the secondary distribution of construction machineries and equipment. Example: -- Germany: Maximum Speed Limit of Construction Machineries and Equipment. -- Italy: Restricted Vehicle Size Class / Crawler Width (Transport Restrictions).	- It is requested that EU establishes the uniform standard all across the EU.	

Issues and requests relating to foreign trade and investment - Italy

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- Export licence is required in Japan under CITES to export to Italy Crocodile-Skin Watchband (CSW). In addition, importers must obtain import licence. It takes much time and work to export CSW to Italy.	- It is requested that GOI: -- repeals the requirement for Import Licence in Italy for import of CSW, and -- dispenses with Export/Import Licence Requirement for samples under ATA Carnet.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
		(2)	Delayed Customs Clearance	- An enterprise has experienced that Customs Clearance Procedures of high priced items (costing more than USD 10,000 per unit) for repair at a repair service company takes 2-3 days for acquisition of Import Licence, affecting the delivery date. Nevertheless, the customs clearance in the same circumstances goes smoothly in the rest of the EU Member States. It seems it is a problem unique to the Italian Customs.	- It is requested that GOJ approaches the GOI to rectify the problems so that the Competent Authority promptly issues import licence requisite for import.	
14	Taxation Systems	(1)	Complexity of the Taxation System	- Tax calculation is extremely complex. Two kinds of Corporate Income Tax exist on different taxable items, IRES (Corporate Income Tax) and IRAP (Regional Income Tax), which make tax calculation difficult. IVA (VAT) system is also extremely complicated. The taxation system is nebulous and risky, as competent taxation authority brings out unexpected issues. The <i>Agenzia delle Entrate</i> (Inland Revenue) maintains extremely rigid stance. The lost judgements at the Court of the 1st Instance and Appellate Court would not prevent it from bringing the case, as usual, up to the Supreme Court. It spoils the business environment as it takes a long time for completing court proceedings. Moreover, Inland Revenue's of paucity of appreciation in international Transfer Price Taxation System (TPTS) frustrates application of international standard in dealing with TPTS issues.	- It is requested that GOI takes steps to simplify and streamline the Taxation System in Italy.	
16	Employment	(1)	Acquisition of Visa, Stay Permit, and Resident Registration	- It takes much time for acquisition of Family Visas before departure, and after entering Italy, it takes just as much time and trouble for acquisition of Resident Registration at Police Office.	- It is requested that expedites the both procedures.	
		(2)	Application of Irrational Immigration Law	- Agreement for Integration of Immigrants and Indigenous Italians (ITSL) applies so that attainment of certain level of Italian Language proficiency is necessary for Intra-company transferees and their family members (over 16-years). Persons who have failed to attain the proficiency level (Common European Framework of Reference A2 Speaking) within 2 or 3-years will be expelled from Italy by law. The full 2-year period is yet to lapse as the law came into effect on 10 March 2012. The practical application remains unknown such as the method of testing the Italian proficiency level. In the case of an enterprise, it has not decided what to do with its staff and family members who have not yet attained the required language proficiency.	- It is requested that GOI takes steps to exclude Intra-Company Transferees ( <i>Distaccato</i> ) and their family members (to whom the regular visa issuance cap does not apply) from application of the ITSL requirements.	- DPR 179/2011 <i>Accordo Di Integrazione Tra Lo Straniero E Lo Stato</i> (Agreement for Integration of Immigrants And Indigenous Italians) (ITSL) - Laws concerning Application of Intra-Company Transferee

	Category	No	Issue	Issue Details	Requests	Governing Laws
				(Full details of ITSL) <a href="http://www.interno.gov.it/mininterno/export/sites/default/it/assets/files/22/0184_Accordo_brochureINGLESE.pdf">http://www.interno.gov.it/mininterno/export/sites/default/it/assets/files/22/0184_Accordo_brochureINGLESE.pdf</a> (Reference on the Language Proficiency Level) <a href="http://en.wikipedia.org/wiki/Common%20European%20Framework%20of%20Reference%20for%20Languages">http://en.wikipedia.org/wiki/Common%20European%20Framework%20of%20Reference%20for%20Languages</a>	- It is requested that GOI takes steps to exclude Intra-Company Transferees ( <i>Distaccato</i> ) and their family members (to whom the regular visa issuance cap does not apply) from application of the ITSL requirements.	Visa outside the Limit: Italian D.Lgs. n. 286 of 25 July 1998, Article 27 Lett.a; T.U e art. 40 c.22 del Dpr 394/99, and DPR n.334 del 18.10.2004
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Complex Acquisition Procedures for Licences and Approvals	- Along with Increase in Organizational Hierarchy, (Central=>Regional=>Provincial=Communal=>Territorial Associations), licences and approvals related to Commerce and Industries have gone up in number.	- It is requested that GOI streamlines acquisition procedures for the Licences and Approvals.	

Issues and requests relating to foreign trade and investment - Netherlands

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- Export licence is required in Japan under CITES to export to the Netherlands Crocodile-Skin Watchband (CSW). In addition, importers must obtain import licence. It takes much time and work to export CSW to the Netherlands.	- It is requested that GON: -- repeals the requirement for import licence in Netherland for import of CSW, and -- dispenses with export/import licence requirement for samples under the ATA Carnets.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
		(2)	Arbitrary Implementation of HS Code Classification	- The Construction Equipment Manufacturing Business is classified into Finished Products, Semi-Finished Products and Parts for Sales. Especially noteworthy is the requirement for parts by parts evidence on semi-finished products employed for manufacturing finished products. While articulate distinction is difficult to make, an enterprise has obtained approval on duty free import from the competent authority, subject to submission of monthly report, which however, requires substantial workload and time for preparation.	- It is requested that GON improves the tariff exemption measures.	

Issues and requests relating to foreign trade and investment - Spain

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Licence	- Export licence is required in Japan under CITES to export to Spain crocodile-skin watchband (CSW). In addition, importers must obtain Import Licence. It takes much time and work to export CSW to Spain.	- It is requested that GOS: -- repeals the requirement for Import Licence in Spain for import of CSW, and -- dispenses with Export/Import Licence Requirement for samples under ATA Carnet.	- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
16	Employment	(1)	Heavy Social Security Cost Upon Employers	- Social Security Cost rate is higher upon employers.	- It is requested that GOS reduces the employer's contribution rate of Social Security Cost.	- Labour law of Spain
		(2)	Compulsory Accompaniment of Local Licenced Tourist Guide	- Tour guides accompanying tourists from Japan are unable to provide explanation in the Sightseeing Spots classified in the Monuments (including Museums, etc.), unless also accompanied by a Local Licenced Tour Guide (LLTG). It means additional cost to the tourists.	- It is requested that GOS repeals the LLTG requirement in the principle of reciprocity as such requirement is unheard of in Japan.	- Regulations promulgated at the level of each Autonomous Body, Municipal, Town, and Village.
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Private Copying Remuneration System	- Consumers are compelled to absorb the increased burden of so called "Copy Levy", which is levied in each country on the main unit of the multi-function peripheral equipment (MFP) and the single-function peripheral equipment (SFP), creating the gaps in ultimate price among the same EU Euro territories.	- It is requested that GOS cuts down the levy rate and ultimately reduces the Copy Levy.	- Copy Levy
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Inconvenience from Marking in Catalan Language	- Notices from Catalonia Autonomous Community Government are frequently written in the Catalanian Language only, defying foreigners' comprehension. It is an excessive burden for foreigners to study languages not widely used internationally.	- It is requested that GOS takes steps to use dual languages in Castilla or English in parallel with Catalolian.	
24	Indigested Legislation, Abrupt Changes	(1)	Retroactive Application of the Feed-in Tariff (FiT) Scheme Review	- GOS's Unilateral Review of the Feed-in Tariff (FiT) Scheme (including its Effective Retroactive Application) results in loss of legal stability and credibility of Spain as a Candidate Country for Foreign Investment.	- It is requested that GOS takes steps to compensate the initially expected Return on Investment (ROI).	- GOS is currently reviewing the method for calculating the adequate profit level.

Issues and requests relating to foreign trade and investment - Turkey

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Duty	- Government of Turkey (GOT) levies Bandroll Tax of 30% in addition to the Regular EU Duty on DVD Players, CD Players, Blu-ray Players and Products incorporating Radio, making prices of these products extraordinarily expensive. - GOT levies 20% Turkish Duty called OTV on Amplifiers and Speakers.	- It is requested that GOT improves its taxation system.  - It is requested that GOT improves its taxation system.	
		(2)	Compulsory Payment of Extra Duty (SUS Fund) for Settlement of Account with Usance	- On 29 September 1995, as part of the Credit Squeeze Policy, GOT levied KKDF equal to 6% on CIF price of goods, if imported by Letter of Credit with usance terms. Since the KKDF reduction from 6% to 3% in 1998, GOT applied the reduced rate of 3% also in FY2007.	- It is requested that GOT repeals the KKDF system.	
		(3)	Import Quota System	- Since 24 July 1998, in order to suppress import, GOT has applied the Tax Exemption Quota (TEQ) on Hot Rolled Coil, for 45 tons each, respectively, for Thick and Intermediate plates (HRC-T/M), and on Cold Rolled Coil Sheet (CRC/SHEET) for 10 tons. Users must file applications to Ministry of Commerce based on the past performance and capacity in order to obtain allocation for TEQ. Imports from EU outside TEQ were 22.5% on HRC-T/M and 30% on CRC/SHEET. Due to the soaring prices and tightening of demand, TEQ system has not been applied in recent years. In 2006, Erdemir (Semi-State Mill) was completely privatised. It is most likely that the quota system will not be applied in future, either.		
		(4)	Raised Import Duty	- In January 2009, GOT raised tariff rates on Thick medium plate, Cold rolled/Hot rolled plates, and Tin, Zinc, and Surface-treated steel plates.		
		(5)	Issues on Customs Clearance by the Production Year	- Under the going scheme, Customs Clearance is possible only during the Production Year for the Construction Machineries and Equipment (the Products). On the other hand, VAT 8% Refund is available for the Products on sales, made from the Free Zone to a Lease Company located outside the Free Zones (the Lease Company). Consequently, to receive the VAT 8% Refund, it is necessary to transport the Products from the Free Zone and complete the customs clearance before the end of the production year of the Products to the Lease Company. Then, the problem arises in receiving the VAT Refund of 8%, as the regulatory deadline has lapsed.	- It is requested that GOT takes steps to repeal the going scheme based on the Production Year, or to enable retroactive import of the Products up to two-years to resolve the problems over the year-end stock adjustment of the VAT 8% Refund.	
		(6)	Irrational Import Duty	- Additional Bandroll Duty of 30% is levied on the total cost of the Hydraulic Excavator, not for just the Radio Receiver, when the latter is mounted on the Hydraulic Excavator. It compels exporter to remove the Radio Receiver and ship it separately.	- It is requested that GOT and GOJ conclude FTA to remove the Customs Duty.	
12	Exchange Controls	(1)	Restricted Forward Booking of Foreign Exchange	- Enterprises operating in Turkey may not make Forward Booking of Foreign Exchange with banks outside Turkey.	- It is requested that GOT deregulates Foreign Exchange Control.	

	Category	No	Issue	Issue Details	Requests	Governing Laws
14	Taxation Systems	(1)	Complex Taxation System	- An enterprise in Turkey has been compelled to pay a huge amount of additional tax levy, penalty and arrears after Tax Auditing for several times. Nebulous Taxation System, the total denial of vouchers, documentary evidence, etc. in each case have aggravated, by a large margin, the budgeted profit and loss of its operation.	- It is requested that GOT takes steps to: -- clarify both the tax laws and their implementation, and simultaneously -- identify clearly the responsibility for the tax examination and the contents of the Tax Report.	- General Tax Laws
		(2)	Disapproval of Credit Note	- GOT disapproves issuance of Credit Note for correction of the Invoice Amount, or Sales Returns so that the recipient of the goods or the party returning the goods must issue invoice separately. It complicates the bookkeeping, requiring a complex procedure.	- It is requested that GOT streamlines the Taxation System.	
		(3)	Compulsion on use of Sequential Numbering upon Invoices	- GOT compels the use of sequential numbering on all Invoices that an enterprise issues, inclusive of print errors the numbers of which an enterprise must retain until the book is closed at the fiscal term end. Moreover, all print errors must be reported within 2-weeks to the competent taxation authority. It complicates the operation.	- It is requested that GOT streamlines the Taxation System.	
16	Employment	(1)	Amended Requirements for Issuance of Work Permits to Foreigners	- Under Circular of 2 August 2010, the Ministry of Labour and Social Security requires FFEs to employ "Minimum 5 Turkish workers per alien worker", failing which visa acquisition of new expatriates could become impossible, unless this new requirement is deregulated or repealed.	- It is requested that this requirement is repealed or deregulated.	- Circular of 2 August 2010, The Ministry of Labour and Social Security
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Inadequate Protection of Intellectual Property Right	- Legislative overhauls on IPRs protection have come a long way in each country. However, Patent Applications have grown in number both domestic and abroad, causing delays in examination. The variances in examination, reflecting differences in the examiners' quality levels, have surfaced as an issue, which also affects the applicants' effort to maintain a stable protection of IPRs.  - It is impossible to grasp precisely the patent risk of other firms, due to the inefficiency in the overhaul of the statistical data and information, such as the number of patent applications filed and the application database in the developing countries, where the needs are rising for patent applications.	- It is requested that GOT goes forward with Inter-Governmental Cooperation such as prompting the use of Patent Prosecution Highway (PPH) and ASEAN Patent Examination Co-operation (ASPEC) to resolve the backlog of patent examination and to promote educating patent examiners as well. - It is requested that GOT: -- advances collaboration with patent offices of developed countries and -- overhauls as soon as possible the data base for Intellectual Property Rights.	
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Inefficient Administrative Procedures	- To satisfy an article in the business performance contract concerning acquisition of GOT's approval, it takes a few months (even in a formal kind, such as transfer of the shares to a subsidiary), affecting, from time to time, business performance and budget/accounts control.	- It is requested that GOT takes steps to enhance its operational efficiency, through delegation of responsibility, etc., in as much as trivial matters require Minister's Approval, from time to time.	

	Category	No	Issue	Issue Details	Requests	Governing Laws
		(2)	Emission Control	- Substantive contents remain undisclosed concerning the Turkish Type Approval on engines for implementation beginning 2014. An enterprise is anxious about what to do, being unable to file its application.	- It is requested that GOT takes steps to: -- make the new type approval known to everyone without exception, and -- assure that the benefits under the new emission control are shared without bias, equally, without particular favouritism afforded to a particular engine manufacturer, while deregulating the measures to the remaining manufacturers.	
24	Indigested Legislation, Abrupt Changes	(1)	Unrealistic Legislative Amendments	- While legislative amendments and enactments of new legislations are frequent, in some cases, not enough thought is given to the impact such amendments and new laws give in their implementation, or more often than not, conflicting laws and schemes have been introduced. A couple of past examples: In order to promote privatisation, there was a law amendment that restricted BOTAS activity, which resulted in the mass gas shortage across the nation. In another case, the Accounting Standard Change took place without advance preparation, causing much confusions and consternations.	- It is requested that GOT: -- puts sufficient study, such as appointing an external consultant service, and at the same time, -- holds public hearing, etc. for participation by Foreign Funded Enterprises and interested parties.	
26	Others	(1)	Shipping Back of a Cargo due to Non Arrival	- An enterprise experienced cargo returns for a few times, shipped as small cargoes by EMS (International Courier Service by Japan Post Co., Ltd.) to its customers in India and Turkey. Member Firm has switched to DHL and TNT (Private International Express Delivery Service) capable of solving non-arrival problems at increased cost, but it wishes to avoid the switch, as it results in increased cost to end users.		

Issues and requests relating to foreign trade and investment - Czech

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Repealed Application of GSP	- An enterprise has begun import of goods from Asia (Thai, Indonesia) subject to Generalised System of Preferences (GSP). However, the EU has discontinued grant of GSP to Thai and Indonesia, according to their economic growth.	- It is requested that the EU takes steps to continue grant of GSP, which An enterprise considers one of the merits of shifting production to Czech, as the going yen devaluation has lessened Czech's competitive edge.	
14	Taxation Systems	(1)	Frequently Changed and Strengthened Taxation System	- Changes are frequent in various Regulations (procedures) in relation to Taxation Matters.		
16	Employment	(1)	Difficulty in Acquisition of Work Permit and Visa	- It takes much time to apply for issuance of visa locally in Czech Republic (sometimes taking 3-months). Recently, on visa application filed in Japan, GOC requires submission of Certificate for Coverage under Social Security Agreement (CCSSA Certificate), the procedures of which are quite time consuming, delaying the visa acquisition. - It takes complex procedures for Acquisition and Renewal of Work Permits and Visas for Expatriates and their Accompanying Family Members.	- It is requested that GOC: -- obviates the need for CCSSA Certificate, as before, and -- expedites the visa issuance procedures.  - It is requested that GOC streamlines and expedites the procedures.	
		(2)	Frequent changes/strengthening of Regulations related to Labour Matters	- Medical Certificates (for certificate of sickness, certificate for patient requiring rest for recuperation, etc. readily issued by Doctors) are the source of problems. Doctors are willing to issue Medical Certificates for a slightest injury or sickness, stating "Rest and recuperation are necessary." - Frequent changes/toughening of Labour Related Rules and Regulations interfere with business activities. (Example) Frequent change of the contract period, Making Compulsory Health Check of their employees (including short-term employees) at Employers' expense, etc.	- It is requested that Government of Czech (GOC) takes steps to penalize or monitor issuance of inadequate Medical Certificate.	
		(3)	Double Payment of Social Insurance Premium	- 5-years have lapsed since ratification of Japan-Czech Social Security Agreement. It is expected that further social security coverage beyond this would not be possible. Where an expatriate stays in Czech for more than 5-years, and if no further agreement is reached between Czech and Japan by filing application, double payment of social security premium results in Japan and Czech.	- It is requested that Governments of Czech and Japan extend the exemption period. As it stands, expatriates from Japan can stay in Czech for less than 5-years. It diminishing the expatriates' contribution to the company's business.	
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Complex Procedures for acquisition of Licences and Approvals	- Upon construction of new premises, introduction of equipment, etc., it takes a long lead-time in filing application for acquisition of Licences and Approvals of the plural Ministries and Agencies and starting up the business. For introduction of machineries and equipment, after acceptance of application, one year trial operation takes place. The licence is issued after completion of the successful trial operation.	- It is requested that GOC takes steps to streamline and expedite the procedures for Licences and Approvals.	
		(2)	Inefficiency at Administrative Institutions	- Apart from legislative issues, it simply takes too much time for processing Licences and Approvals at the domestic Administrative Institutions (for land acquisition, business licence, work permit, stay permit, etc.).	- It is requested that all Ministries (Ministry of Economic and Trade, Welfare and Labour, of the Interior) and their subordinate agencies streamline and enhance efficiency in their operation.	

	Category	No	Issue	Issue Details	Requests	Governing Laws
24	Indigested Legislation, Abrupt Changes	(1)	Complex Procedures for Effecting Changes in the Articles of Association	- Due to the complexity in the Procedures for Change in the Articles of Association of a Company in Czech, under the revised Czech Private Law, the Company must devote substantial time for its compliance.	- It is requested that GOC takes steps to disclose as soon as possible the details of the law amendment and the required preparation.	

Issues and requests relating to foreign trade and investment - Hungary

	Category	No	Issue	Issue Details	Requests	Governing Laws
14	Taxation Systems	(1)	Frequent Changes in Taxation System	- Government of Hungary (GOH) introduces new taxes such as Tax on Financial Transactions (0.6%), VAT (27%), as if being swung to and fro by the National Budget. Enterprises are unable to secure the budgeted profits on their operations.	- Upon introduction of new taxation system or effectuation of new laws and regulations, it is requested that GOH takes steps to: -- provide opportunities for exchange of dialogues with FFEs, and -- secure Foreign Funded Enterprises (FFE) opportunities for exchange of dialogues and provide adequate and sufficiently appropriate explanation.	
16	Employment	(1)	Overly Protected Workers	- Workers are entitled to sickness leave (SL) in addition to the regular annual paid leave. Workers in Japanese affiliated enterprises recognise SL as their vested right so that it is said, it has become customary for them to take SL in full, bringing down the labour productivity.	- It is requested that GOH fundamentally reviews the paid sickness leave system.	
26	Others	(1)	Inadequate Infrastructure	- While the overhaul on motorway has made a fare progress, as regards general roads, not only in local areas but also in metropolitan areas, many of them are one-way-one-lane in poor repair. Traffic congestions and safety in driving in the general roads are the issues that require prompt attention.	- It is requested that GOH overhauls the general roads.	
		(2)	Poor Means of Access to Airport	- In the Capital City Budapest, the only available public transport connecting to the airport is taxi. It is both inconvenient and unfavourable for attracting business travelers and sightseeing tourists.	- It is requested that GOH takes steps to make available a limousine bus transport between Airport and Budapest City.	

Issues and requests relating to foreign trade and investment - Poland

	Category	No	Issue	Issue Details	Requests	Governing Laws
14	Taxation Systems	(1)	VAT related to Private Copying Remuneration System	- GOP requires increase in the range of 22 to 23% upon payment of Personal Copying Compensation Levy System (PCLS). A Firm Subsidiary was given to understand that sales price for calculation of PCLS is exclusive of VAT (22 to 23%). However, without notice, GOP begins to insist that it should include VAT.)	- It is requested that Ministry of Culture (MOC) will amend the Decree that the sales price is exclusive of VAT for the purpose of calculating PCLS.	- MOC Decree No. 2003.6.2, etc.
		(2)	Changed Rules related to the Timing of VAT Levy	- Due to the changed rule for the Timing of VAT Levy enforced since 2014, the tax liability accrues not on the Invoice Issuing Date, but upon completion of the service provision. For transporting business, etc., it is difficult to confirm instantly the completion of the service provided. The changed rules have complicated the business operations.	- It is requested that Government of Poland (GOP) simplifies the rules.	- Tax Laws
		(3)	Irrational Procedures and Implementation of VAT Taxation System Amendment	- During the Interim Period (January through February 2014) of Amended VAT Taxation System (scheduled for enforcement after March 2014), GOP released Notification that VAT 23% (after enforcement half of the VAT 23% is deductible) would be exempted in full to Purchasers under Fleet Contract (PFC), subject to Acquisition of Licence for Commercial Use of Passenger Vehicles affixed with Partitions. However, there remain problems concerning the timeline for the process and the disclosure requirements, pending announcement of the Interim Measures. In addition, after enforcement of the New Taxation System, VAT reduction becomes available on vehicles having the same costs in fuel and maintenance, not just the vehicles destined to PFC. However, the substantive detailed requisite terms and conditions are incomprehensible so that proper explanation is hoped for. While the Interim Period pending implementation of the new VAT taxation system is proper, as it is shorter than expected, the question remains if it is really practicable as regards the nailing down of the details for the various terms and conditions, and the executability of the implementation itself. * Fleet Contract: Contract in which a purchaser of the Car Insurance Policy "Owns or Uses more than 10-Cars."	- It is requested that GOP gives, in advance, a Clear-Cut, and Easy-To-Understand Written Notification, when introducing and implementing the New Taxation System.	- VAT Taxation System
16	Employment	(1)	Difficulty in Acquisition and Extension of Work Permit and Visa	- The procedures are complex for acquisition of Work Permit and Visa. It is frequently time consuming in many cases. In addition, it is nebulous in its implementation as its handling differs from case to case.	- It is requested that GOP -- streamlines and clearly defines the procedures, and -- cuts down the time required for acquisition of Work Permit and Visa.	

Category	No	Issue	Issue Details	Requests	Governing Laws
	(2)	Excessive Workers' Protection	- When a managerial staff (MGS) takes leave, employers, under customary practice, must secure the same post for MGS, when MGS resumes assumption of his/her job responsibility. As it stands, it has become extremely difficult to maintain employment of backup staff for employees, who take maternity leave, or infant-care leave. Furthermore, the job separation rate has recently become higher of employees just before promotion to managerial position. Cases have increased after the managerial staff's resumption of job responsibility, while problems abound on fostering human resources. Managerial staffs tend to resist being transferred to other sections, after resumption of their job responsibility.	- It is requested that GOP takes steps to correct the customs of the excessive labour protection from the Socialist Administration Days.	- Labour Act
26 Others	(1)	Overhaul of Expressway	<b>(Improvement)</b> - The Overhaul of the Expressway has made a fair progress, in conjunction with the convening of the 2012 Soccer EURO Championship.		

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New Issues and Requests for Improvements on Trade and Investment

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