

1605: Outline of the duty reduction system for re-importing processed goods

The duty reduction system for re-importing processed goods, as stipulated by Article 8 of the Temporary Tariff Measures Law, intends to reduce customs duty for those import goods containing a certain material originally exported from Japan for the purpose of processing or assembly at a foreign country, which re-enter Japan in the form of a specific product within one year from the date of issue of the export permit for the said made-in-Japan material. The tariff on the portion pertaining to the said material used in the product shall be abated from the tariff on the product.

(1) Import goods to which this duty reduction system is applicable

Products containing materials exported from Japan, regardless of whether other materials procured at an exporting (foreign) country are also included or not.

A. Leather products

- Leather bags and wallets, etc. (Tariff Schedule Heading 4202 (Only those products with leather exteriors, composition leather or patent leather))
- Apparel and clothing accessories made of leather or composition leather (Tariff Schedule Heading 4203 (Excluding baseball gloves and mitts))

B. Textile products

- Carpets (Tariff Schedule Chapter 57)
- Knitted or crocheted apparel (Tariff Schedule Chapter 61)
- Woven apparel (Tariff Schedule Chapter 62)
- Interior articles (Tariff Schedule Chapter 63)

C. Uppers of leather footwear (Tariff Schedule Heading 6406.10-1)

D. Parts of leather car seats (Tariff Schedule Heading 9401.90-1)

(2) Export materials to which this duty reduction system is applicable

A. Leather products

- a Clothing accessories made of plastics (Tariff Schedule Heading 3926.20)
- b Plastic eyelet, etc. (including hangers) (Tariff Schedule Heading 3926.90)
- c Clothing accessories made of rubber (Tariff Schedule Heading 4015)
- d Tanned hides and skins of bovine and equine animals (Tariff Schedule Heading 4104)
- e Tanned hides and skins of sheep or lambs (Tariff Schedule Heading 4105)
- f Tanned hides and skins of other animals (Tariff Schedule Heading 4106)
- g Leather of bovine and equine animals (Tariff Schedule Heading 4107)
- h Leather of sheep or lambs (Tariff Schedule Heading 4112)
- i Leather of other animals (Tariff Schedule Heading 4113)
- j Chamois leather, patent leather, patent laminated leather and metallised leather (Tariff Schedule Heading 4114)
- k Apparel and clothing accessories made of leather or composition leather (Tariff Schedule Heading 4203 (Excluding baseball gloves and mitts))
- l Leather strings and tassels (other articles of leather or composition leather) (Tariff Schedule Heading 4205.00-2)
- m Artificial fur, etc. (Tariff Schedule Heading 4304)

- n Transfers (decalcomania) (Tariff Schedule Heading 4908.90)
- o Sewing thread of silk yarn (Tariff Schedule Heading 5004 (Sewing thread only))
- p Woven fabrics of silk (Tariff Schedule Heading 5007)
- q Woven fabrics of wool (Tariff Schedule Headings 5111 to 5113)
- r Cotton sewing thread (Tariff Schedule Heading 5204)
- s Woven fabrics of cotton (Tariff Schedule Headings 5208 to 5212)
- t Woven fabrics of flax (Tariff Schedule Headings 5309 to 5311)
- u Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- v Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5407 and 5408)
- w Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)
- x Woven fabrics of synthetic or artificial stable fibers (Tariff Schedule Headings 5512 to 5516)
- y Unwoven fabrics, etc. (Tariff Schedule Chapter 56)
- z Woven fabrics of pile, embroidered fabrics, etc. (Tariff Schedule Chapter 58)
- aa Coated, covered or laminated textile fabrics (Tariff Schedule Chapter 59)
- bb Knitted or crocheted fabrics (Tariff Schedule Chapter 60)
- cc Knitted or crocheted apparel and clothing accessories (Tariff Schedule Chapter 61)
- dd Woven apparel and clothing accessories (Tariff Schedule Chapter 62)
- ee Safety pins of iron or steel (Tariff Schedule Heading 7319.20)
- ff Wire of brassiere (Tariff Schedule Heading 7326.20)
- gg Safety pins of copper (Tariff Schedule Heading 7419.99)
- hh Clothing accessories of base metal (Tariff Schedule Heading 8308)
- ii Buttons and fasteners (Tariff Schedule Headings 9606 and 9607)
- jj Sacks and bags for packing (of polyethylene or vinyl chloride), paper labels for commodities, and paperboard for outerwear (cut in a specific shape) (Only those to be used for packing or packaging listed up in Tariff Schedule Headings 3923.21, 3923.29, 4821.10 or 4823.90.)

B. Textile products.

- a Clothing accessories made of plastics (Tariff Schedule Heading 3926.20)
- b Plastic eyelet, etc. (including hangers) (Tariff Schedule Heading 3926.90)
- c Clothing accessories made of rubber (Tariff Schedule Heading 4015)
- d Other clothing accessories made of leather (including leather patches) (Tariff Schedule Heading 4203.40)
- e Paper hangers (Tariff Schedule Heading 4823.90-2)
- f Transfers (decalcomania) (Tariff Schedule Heading 4908.90)
- g Sewing thread of silk yarn (Tariff Schedule Heading 5004 (Sewing thread only))
- h Woven fabrics of silk (Tariff Schedule Heading 5007)
- i Woven fabrics of wool (Tariff Schedule Headings 5111 to 5113)
- j Cotton sewing thread (Tariff Schedule Heading 5204)
- k Woven fabrics of cotton (Tariff Schedule Headings 5208 to 5212)
- l Woven fabrics of flax (Tariff Schedule Headings 5309 to 5311)
- m Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- n Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5407 and 5408)
- o Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)
- p Woven fabrics of synthetic or artificial stable fibers (Tariff Schedule Headings 5512 to 5516)
- q Unwoven fabrics, etc. (Tariff Schedule Chapter 56)

- r Carpets (Tariff Schedule Chapter 57)
- s Woven fabrics of pile, embroidered fabrics, etc. (Tariff Schedule Chapter 58)
- t Coated, covered or laminated textile fabrics (Tariff Schedule Chapter 59)
- u Knitted or crocheted fabrics (Tariff Schedule Chapter 60)
- v Knitted or crocheted apparel and clothing accessories (Tariff Schedule Chapter 61)
- w Woven apparel and clothing accessories (Tariff Schedule Chapter 62)
- x Interior articles, linens, etc. (Tariff Schedule Chapter 63)
- y Safety pins of iron or steel (Tariff Schedule Heading 7319.20)
- z Wire of brassiere (Tariff Schedule Heading 7326.20)
- aa Safety pins of copper (Tariff Schedule Heading 7419.99)
- bb Clothing accessories of base metal (Tariff Schedule Heading 8308)
- cc Buttons and fasteners (Tariff Schedule Headings 9606 and 9607)
- dd Sacks and bags for packing (of polyethylene or vinyl chloride), paper labels for commodities, and paperboard for outerwear (cut in a specific shape) (Only those to be used for packing or packaging listed up in Tariff Schedule Headings 3923.21, 3923.29, 4819.40, 4821.10 or 4823.90.)

C. Uppers of leather footwear

- a Synthetic hides and skins (Tariff Schedule Heading 3921)
- b Leather of bovine and equine animals (Tariff Schedule Heading 4107)
- c Leather of sheep or lambs (Tariff Schedule Heading 4112)
- d Leather of other animals (Tariff Schedule Heading 4113)
- e Chamois leather, patent leather, patent laminated leather and metallised leather (Tariff Schedule Heading 4114)
- f Leather strings and tassels (other articles of leather or composition leather) (Tariff Schedule Heading 4205.00-2)
- g Tanned or dressed fur skins (excluding apparel, clothing accessories and other fur skin products) (Tariff Schedule Heading 4302)
- h Artificial fur, etc. (Tariff Schedule Heading 4304)
- i Sewing thread of silk yarn (Tariff Schedule Heading 5004 (Sewing thread only))
- j Woven fabrics of wool (Tariff Schedule Headings 5111 to 5113)
- k Woven fabrics of cotton (Tariff Schedule Headings 5208 to 5212)
- l Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- m Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5507 and 5408)
- n Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)
- o Woven fabrics of synthetic or artificial stable fibers (Tariff Schedule Headings 5512 to 5516)
- p Unwoven fabrics, etc. (Tariff Schedule Headings 5601 to 5603)
- q Shoe strings (Tariff Schedule Heading 5609)
- r Parts of uppers of footwear (cut leather) (Tariff Schedule Heading 6406.10)
- s In-soles and lasts for footwear (cushions, functional materials, toe puff, etc.) (Tariff Schedule Headings 6406.91 and 6406.99)
- t Clasps, etc. of base metal (Tariff Schedule Heading 8308)
- u Buttons, fasteners, etc. (Tariff Schedule Headings 9606 and 9607)

D. Parts of leather car seats

- a. Plastic accessories (Tariff Schedule Headings 3916, 3921, 3926.30 and 3926.90)
- b. Leather of bovine and equine animals (Tariff Schedule Heading 4107)
- c. Leather of sheep or lambs (Tariff Schedule Heading 4112)
- d. Leather of other animals (Tariff Schedule Headings 4113.10 and 4113.20)
- e. Composition leather (Tariff Schedule Heading 4205.00-2)

- f. Transfers (decalcomania) (Tariff Schedule Heading 4908.90)
- g. Labels (Tariff Schedule Heading 4911.99)
- h. Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- i. Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5507 and 5408)
- j. Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)
- k. Woven fabrics of synthetic or artificial stable fibers (Tariff Schedule Headings 5512 to 5516)
- l. Unwoven fabrics, etc. (Tariff Schedule Chapter 56)
- m. Special woven fabrics (Tariff Schedule Headings 5806 and 5807)
- n. Embroidered fabrics (Tariff Schedule Heading 5810)
- o. Coated, covered or laminated textile fabrics (Tariff Schedule Heading 5903)
- p. Knitted fabrics of pile (Tariff Schedule Heading 6001)
- q. Warp knit fabrics (Tariff Schedule Heading 6005)
- r. Accessories made of fiber (Tariff Schedule Heading 6307.90)
- s. Accessories made of base metal (Tariff Schedule Heading 8302.30)
- t. Other parts of automobiles (Tariff Schedule Heading 8708.99)
- u. Fasteners, etc. (Tariff Schedule Heading 9607)

(3) “Processing or assembly” works to which this duty reduction system is not applicable.

When any of the following work is done in a foreign country, this system shall not be applicable.

A. Leather products.

- ① Tanning the raw material concerned
- ② Impregnating dyestuffs, oils, plastics, rubbers or other substances into the raw material concerned, and coating, covering or laminating it (except for those minimum-level processing works allowing the raw material to be easily identified at the time of import of the product)
- ③ Imprinting, filing or other physical work that makes a change to the surface of the raw material concerned (except for minimum-level processing work allowing the raw material to be easily identified at the time of import of the product)
 - Here, the “minimum-level processing work allowing the raw material to be easily identified at the time of import of the product” is defined to be either:
 - a) Processing such as water-repellent coating, ironing, etc. which is not visible to the naked eye.
 - b) Partial processing such as coating or ironing with a limited portion of the product, allowing the material to be identified from the remaining non-processed part
 - The “physical work” mentioned above is defined to be the work of adding heat, pressure or other force, including imprinting, filing, glossing, wrinkling, etc.
- ④ Using the composition leather made of the raw material concerned as an ingredient or a material of the product
- ⑤ Using fur skin (excluding artificial fur) as an ingredient or a material of the product

B. Textile products

Impregnating plastics, rubbers or other substances into the raw material concerned, and coating, covering or laminating it (except for minimum-level processing work allowing the raw material to be easily identified at the time of import of the product)

- Here, the “minimum-level processing works allowing the raw material to be easily identified at the time of import of the product” is defined to be either:

- a) Processing such as wrinkle-proofing, shrinkage-proof, fire-proofing, water-repellence, germ-proofing, deodorizing or form-stabilizing coatings, etc. which is not visible to the naked eye.
- b) Partial processing such as coating with a limited portion of the product, allowing the material to be identified from the remaining non-processed part
- c) Processing for combining base fabrics of carpet with pile

C. Uppers of leather footwear

- ① Same as A. ① above
- ② Same as A. ② above
- ③ Same as A. ③ above
- ④ Same as A. ④ above

D. Parts of leather car seats

- ① Same as A. ① above
- ② Same as A. ② above
- ③ Same as A. ③ above
- ④ Same as A. ④ above

For details about procedures, etc. concerning this duty reduction system, please contact the customs clearance division of the nearest regional Customs office.