

Appropriate and Fair Collection of Duties and Taxes collect customs duty, consumption, imported goods.

Appropriate and Fair Collection of  
**Duties and Taxes**

Customs collects duties and domestic consumption tax on import cargoes and makes sure the collection is appropriate and fair.



chapter  
**2**  
guide customs



contents

ADVANCE RULING P20



POST CLEARANCE AUDIT P21



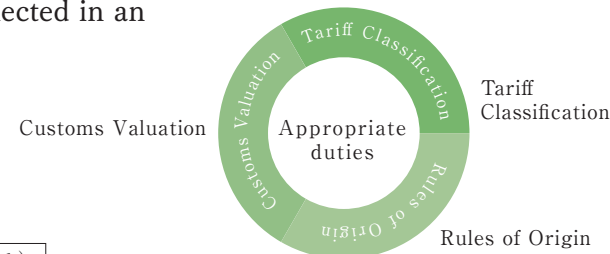
INVESTIGATION P21





## Contributing to Growth of National Economy Through Appropriate and Fair Collection of Duties and Taxes

Customs collects duties and domestic consumption tax on import cargoes and travelers' hand-carry baggages brought into Japan. These duties and consumption tax totaled around ¥13.1 trillion in FY 2023, which is nearly equivalent to 16.9% of tax and stamp revenues. Customs ensures that duties and taxes are collected in an appropriate and fair manner.



Customs revenue in recent fiscal years (April through March)

|   | 2019    |               | 2020    |               | 2021    |               | 2022    |               | 2023    |               |
|---|---------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|---------------|
|   | Amount  | Difference(%) | Amount  | Difference(%) | Amount  | Difference(%) | Amount  | Difference(%) | Amount  | Difference(%) |
| Customs Duty                              | 9,412   | 87.9%         | 8,195   | 87.1%         | 8,934   | 109.0%        | 10,084  | 112.9%        | 9,103   | 90.3%         |
| Consumption tax and local consumption tax | 69,110  | 104.4%        | 70,062  | 101.4%        | 88,831  | 126.8%        | 116,684 | 131.4%        | 108,006 | 92.6%         |
| Other domestics consumption taxes         | 13,678  | 99.0%         | 12,845  | 93.9%         | 13,685  | 106.5%        | 14,529  | 106.2%        | 13,843  | 95.3%         |
| Tonnage due and special tonnage due       | 229     | 99.1%         | 207     | 90.4%         | 211     | 101.9%        | 216     | 102.4%        | 206     | 95.4%         |
| Customs revenue                           | 92,429  | 101.6%        | 91,309  | 98.8%         | 111,661 | 122.3%        | 141,513 | 126.7%        | 131,159 | 92.7%         |
| Total tax and stamp revenues              | 621,751 | 96.8%         | 649,330 | 104.4%        | 718,811 | 110.7%        | 763,377 | 106.2%        | 773,872 | 101.4%        |

(In hundred millions of yen)

### ADVANCE RULING For correct import declaration

Advance ruling system allows importers and other related parties to make an inquiry to Customs for tariff classification (tariff numbers), tariff rates, rules of origin, customs valuation and customs duty exemption and reduction on goods before their importation, and Customs provides its views on the inquiry. Advance rulings allow the inquirers to know tariff rates, rules of origin, customs valuation and customs duty exemption and reduction on their goods before their actual importation, thus enabling them to have more accurate cost accounting and easier planning for selling and marketing. Since Customs and inquirers already know the tariff classification,

tariff rates, etc., when the inquired goods are imported, they can be more properly declared and, thus cleared faster.



### POST CLEARANCE AUDIT

For appropriate and fair duty taxation

Under the self-assessment system, importers (taxpayers) are expected to calculate customs value and amount of taxes correctly, make appropriate import declarations and pay taxes. Import declarations, however, are not always correct.

Customs verifies import declarations after customs clearance(i.e. importation of goods), usually at the premises of importers. Customs corrects inappropriate declarations and provides importers with guidance on proper declarations to ensure appropriate and fair taxation. There has been growing requests for faster customs clearance as import cargoes

are increasing in recent years. As forms of transactions and international trade are getting more complicated and more EPAs with provisions of trade facilitation are concluded, the importance of post clearance audit has been growing year by year.



Note The tax collected through PCA from July 2023 to June 2024 totaled about 13.5 billion yen.

### INVESTIGATION

For tracking down violations of customs laws

Customs investigates offences against customs-related laws in accordance with the provisions under the Customs Law which allows customs officials to investigate using methods similar to criminal investigations (Note). Customs investigations explore the facts on offences and pursues responsibilities of the offenders. Offences include smuggling

of illicit drugs, firearms, IPR infringing goods, and counterfeit securities, as well as illegal export of stolen vehicles or materials related to weapons of mass destruction, and tax evasion. Customs is recognized as a primary organization to investigate offences against customs laws and regulations.

Note: Under the provisions of the Customs Law, Customs officers have the authority to request any suspects or witnesses to appear at Customs offices, inquire them and examine their belongings and other articles. Customs can also conduct compulsory investigations, including search and seizure with warrants issued by the court.

