

1602: Outline of Systems for Reduction, Exemption and Repayment of Customs Duty except Exemption under International Conventions and Agreement

1. Customs Tariff Law

System name	Article	Purpose of the system and its outline
Reduction or refund for deterioration and damage	Art. 10	For the imported goods whose economic merit was reduced by deterioration or damage in the hozei area after import declaration, it is inappropriate to impose a duty equal to the goods which have not deteriorated or not been damaged. Therefore, an amount equal to the duty of the goods which have deteriorated or damaged may be reduced or refunded to correct the difference.
Reduction for goods exported for processing or repair	Art. 11	For the goods which were exported from Japan for processing (only such processing as is recognized to be difficult in Japan) or repair abroad and which are subsequently imported into Japan within one year from the date of their export permit, an amount equal to the duty of goods imported with the same nature and form at the time of export permission may be reduced.
Reduction and exemption for commodities, pork, sugar, etc.	Art. 12	The duty of goods may be reduced or exempted in cases where the prices of imported daily necessities have increased to prevent price increase of daily necessities such as food and clothing, for the purpose of maintaining stability in people's everyday lives.
Reduction and exemption for raw materials for manufacturing use*	Art. 13	The duty of imported raw materials (corn, etc.) may be reduced or exempted to develop domestic industries manufacturing specific products (formula feed, etc.) or to maintain stability in people's everyday lives.
Unconditional exemption	Art. 14	The duty of the following articles may be exempted: 1) articles for the use of the Imperial House, 2) articles belonging to the head of any foreign country, etc. 3) articles under the state monopoly, and 4) re-imported articles.

System name	Article	Purpose of the system and its outline
Reduction and exemption for re-importation	Art. 14-2	In cases where the amount of customs duty chargeable upon any goods as provided for in any of the following products, which are re-imported without changes in quality and shape after exportation, exceeds the following amount of customs duty, the customs duty shall be reduced by an amount equal to the difference between the previous and the current amounts: 1) Products carried out under hozei work: the amount of customs duty chargeable upon said products which was not actually levied under hozei work; 2) Products reduced, exempted, refunded or deducted previously: the amount of customs duty reduction / exemption / refund newly chargeable upon said product
Reduction and exemption for marine products, etc., collected or caught in foreign countries	Art. 14-3	The duty of marine products, which were caught or gathered in any foreign country by any Japanese vessel, and products obtained by processing of the said marine products, may be reduced or exempted to promote fishery and to secure the fishery resources.
Exemption for special use	Art. 15	The duty of special goods (articles used for scientific research or education, etc.) may be exempted conditionally in terms of promotion of science in Japan.
Exemption for goods for diplomats	Art. 16	The duty of articles for the official use of any foreign embassy and imported articles for personal use of any foreign ambassador may be exempted based on a traditional international customs and obligations under international laws.
Exemption for re-exportation*	Art. 17	In terms of the promotion of processing trade and the advancement of cultural / academic levels, the duty of the goods which do not have an influence on domestic industries and are not consumed in Japan may be exempted when the said goods will be re-exported within a year of the date of import permit.
Reduction for re-exportation*	Art. 18	With regard to those goods which can be used for long periods of time and are imported for the purpose of being used temporarily in Japan, normally in accordance with a lease contract, and are re-exported, the duty of said goods chargeable in re-exporting (excluding the value when the goods was used) may be reduced.

System name	Article	Purpose of the system and its outline
Reduction and exemption on raw materials for use in production of export goods*	Art. 19	The duty of raw materials used in the production of special export goods may be reduced, exempted or refunded to sustain global competitiveness of export goods abroad and to promote exports.
Refund and exemption for exportation of goods manufactured from duty-paid raw materials	Art. 19-2	In cases where foreign raw materials, which are of the same type as domestic raw materials are used by force of circumstance in manufacturing, the products at a bonded manufacturing warehouse, the duty of the said raw materials may exempted or refunded.
Refund on export of goods whose nature and form are unchanged the times of their importation	Art. 19-3	When the goods which have been imported with payment of customs duty are re-exported from Japan without any change in nature and form at the time of their importation, the customs duty paid thereon may be refunded within one year from the date of their import permit.
Refund for claimed merchandise	Art. 20	In cases where claimed merchandise is re-exported or destroyed, the customs duty paid may be refunded to help the importers who do not realize any economic benefits.

* Provision of collateral equivalent to amounts of customs duty reduction, exemption, and refund can be needed.

2. Temporary Tariff Measures Law

System name	Article	Purpose of the system and its outline
Exemption for parts of aircrafts, etc.	Art. 4	The customs duty of parts of aircrafts, which are difficult to manufacture in Japan, may be exempted because the advancement of aircraft transport, aircraft manufacturing, space development and their technology contributes to the development of industrial economies.
Reduction for products manufactured from goods exported for processing or assembling	Art. 8	With regard to specific import goods which are made from goods exported from Japan for processing or assembling and returned to Japan within one year from the date of export, the customs duty of the goods exported may be reduced.

System name	Article	Purpose of the system and its outline
Exemption for goods exported for processing or repair under Economic Partnership Agreement	Art. 8-7	For goods being exported from Japan to the parties of Economic Partnership Agreement for processing or repair and returned to Japan within one year from the date of export, the customs duty of the goods may be exempted.