

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

The duty reduction system for re-importing processed goods 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))
- Apparel and clothing accessories made of leather or composition leather, etc. (Tariff Schedule Heading 4203 (Excluding baseball gloves and mitts))

B. Textile products

- Carpets and other textile floor coverings (Tariff Schedule Chapter 57)
- Knitted or crocheted apparel and clothing accessories (Tariff Schedule Chapter 61)
- Woven apparel and clothing accessories (Tariff Schedule Chapter 62)
- Curtains and other textile articles (Tariff Schedule Chapter 63)

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

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

A. Import goods processed or assembled at a foreign country are Leather products of (1) A mentioned above.

- a Plastic hangers (Tariff Schedule Heading 3924.90)
- b Clothing accessories made of plastics (Tariff Schedule Heading 3926.20)
- c Plastic eyelet, etc. (Tariff Schedule Heading 3926.90)
- d Clothing accessories made of rubber (Tariff Schedule Heading 4015)
- e Tanned hides and skins of bovine and equine animals (Tariff Schedule Heading 4104)
- f Tanned hides and skins of sheep or lambs (Tariff Schedule Heading 4105)
- g Tanned hides and skins of other animals (Tariff Schedule Heading 4106)
- h Leather of bovine and equine animals (Tariff Schedule Heading 4107)
- i Leather of sheep or lambs (Tariff Schedule Heading 4112)
- j Leather of other animals (Tariff Schedule Heading 4113)
- k Chamois leather, patent leather, patent laminated leather and metallised leather (Tariff Schedule Heading 4114)
- l Apparel and clothing accessories made of leather or composition leather (Tariff Schedule Heading 4203)
- m Other articles of leather or composition leather (Tariff Schedule Heading 4205.00-2)
- n Artificial fur and articles thereof. (Tariff Schedule Heading 4304)

- o Decalcomania (Tariff Schedule Heading 4908.90)
- p Silk yarn (Tariff Schedule Heading 5004)
- q Woven fabrics of silk (Tariff Schedule Heading 5007)
- r Woven fabrics of wool (Tariff Schedule Headings 5111 to 5113)
- s Cotton sewing thread (Tariff Schedule Heading 5204)
- t Woven fabrics of cotton (Tariff Schedule Headings 5208 to 5212)
- u Woven fabrics of flax (Tariff Schedule Headings 5309 to 5311)
- v Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- w Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5407 and 5408)
- x Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)
- y Woven fabrics of synthetic or artificial stable fibers (Tariff Schedule Headings 5512 to 5516)
- z Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof. (Tariff Schedule Chapter 56)
- aa Woven fabrics of pile, embroidered fabrics, etc. (Tariff Schedule Chapter 58)
- ab Coated, covered or laminated textile fabrics (Tariff Schedule Chapter 59)
- ac Knitted or crocheted fabrics (Tariff Schedule Chapter 60)
- ad Knitted or crocheted apparel and clothing accessories (Tariff Schedule Chapter 61)
- ae Woven apparel and clothing accessories (Tariff Schedule Chapter 62)
- af Safety pins of iron or steel (Tariff Schedule Heading 7319.40)
- ag Steel wire, etc. (Tariff Schedule Heading 7326.20)
- ah Safety pins of copper (Tariff Schedule Heading 7419.80 Other than cloth (including endless bands), grill and netting, of iron wire, expanded metal and springs of iron)
- ai Clasps, frames with clasps, buckles, hooks, eyes of base metal, etc. (Tariff Schedule Heading 8308)
- aj Buttons and fasteners, etc. (Tariff Schedule Headings 9606 and 9607)
- ak Sacks and bags for packing (of polyethylene, vinyl chloride or paper), 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.)

B. Import goods processed or assembled at a foreign country are textile products of (1) B mentioned above.

- a Plastic hangers (Tariff Schedule Heading 3924.90)
- b Clothing accessories made of plastics (Tariff Schedule Heading 3926.20)
- c Plastic eyelet, etc. (Tariff Schedule Heading 3926.90)
- d Clothing accessories made of rubber (Tariff Schedule Heading 4015)
- e Other clothing accessories made of leather (including leather patches) (Tariff Schedule Heading 4203.40)
- f Paper hangers (Tariff Schedule Heading 4823.90-2)
- g Decalcomania (Tariff Schedule Heading 4908.90)
- h Sewing thread of silk yarn (Tariff Schedule Heading 5004)
- i Woven fabrics of silk (Tariff Schedule Heading 5007)
- j Woven fabrics of wool (Tariff Schedule Headings 5111 to 5113)
- k Cotton sewing thread (Tariff Schedule Heading 5204)
- l Woven fabrics of cotton (Tariff Schedule Headings 5208 to 5212)
- m Woven fabrics of flax (Tariff Schedule Headings 5309 to 5311)
- n Sewing thread of man-made filaments (Tariff Schedule Heading 5401)
- o Woven fabrics of synthetic or artificial filaments (Tariff Schedule Headings 5407 and 5408)
- p Sewing thread of man-made staple fibers (Tariff Schedule Heading 5508)

- q Woven fabrics of synthetic or artificial staple fibers (Tariff Schedule Headings 5512 to 5516)
- r Unwoven fabrics, etc. (Tariff Schedule Chapter 56)
- s Carpets (Tariff Schedule Chapter 57)
- t Woven fabrics of pile, embroidered fabrics, etc. (Tariff Schedule Chapter 58)
- u Coated, covered or laminated textile fabrics (Tariff Schedule Chapter 59)
- v Knitted or crocheted fabrics (Tariff Schedule Chapter 60)
- w Knitted or crocheted apparel and clothing accessories (Tariff Schedule Chapter 61)
- x Woven apparel and clothing accessories (Tariff Schedule Chapter 62)
- y Other textile articles. (Tariff Schedule Chapter 63)
- z Safety pins of iron or steel (Tariff Schedule Heading 7319.40)
- aa Steel wire, etc. (Tariff Schedule Heading 7326.20)
- ab Safety pins of copper (Tariff Schedule Heading 7419.80 Other than cloth (including endless bands), grill and netting, of iron wire, expanded metal and springs of iron)
- ac Clasps, frames with clasps, buckles, hooks, eyes of base metal, etc. (Tariff Schedule Heading 8308)
- ad Buttons and fasteners, etc. (Tariff Schedule Headings 9606 and 9607)
- ae Sacks and bags for packing (of polyethylene, vinyl chloride or paper), 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. Import goods processed or assembled at a foreign country are uppers of leather footwear of (1) C mentioned above.

- a Other plates, sheets, film, foil and strip, of plastics, etc. (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 Other articles of leather or composition leather (Tariff Schedule Heading 4205.00-2)
- g Tanned or dressed fur skins (Tariff Schedule Heading 4302)
- h Artificial fur and articles thereof. (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 staple fibers (Tariff Schedule Headings 5512 to 5516)
- p Wadding of textile materials and articles thereof (Tariff Schedule Heading 5601)
- q Felt (Tariff Schedule Heading 5602)
- r Nonwovens (Tariff Schedule Headings 5603)
- s Articles of yarn, twine, rope or cables (Tariff Schedule Heading 5609)
- t Uppers and parts thereof of leather footwear (Tariff Schedule Heading 6406.10)

- u Other parts of footwear (not outer soles and heels); (Tariff Schedule Headings 6406.90)
- v Clasps, frames with clasps, buckles, hooks, eyes of base metal, etc. (Tariff Schedule Heading 8308)
- w Buttons, press-fasteners, etc. (Tariff Schedule Headings 9606 and 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. Import goods processed or assembled at a foreign country are Leather products of (1) A mentioned above.

- 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. Import goods processed or assembled at a foreign country are Textile products of (1) B mentioned above.

- 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. Import goods processed or assembled at a foreign country are uppers of leather footwear of (1) C mentioned above.

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.