

9203 Outline of the Customs Bonded System

In order to pick up a cargo that has arrived from overseas, the cargo must undergo customs inspection and obtain an import permit from the Director General of Customs, after payment of duties and excise taxes. (The cargo prior to receiving the import permit from the Director General of Customs is called "foreign goods.")

It is not only convenient for commercial purposes, but also extremely useful in the promotion of trade and international cultural exchanges that keeping such goods as foreign goods (i.e., without payment of duties and taxes) while kept in storage at a warehouse, manufactured and processed at a factory or plant, put on display at an exhibition, transported domestically, etc.

The schemes in which such foreign goods may be stored, processed or manufactured, displayed, transported, etc. are the "Bonded Area System" and the "Customs Transportation System."

The Bonded Area System is a system in which storage, processing or manufacturing or display, etc. is allowed for foreign goods at designated locations or facilities. Such designated locations and facilities are called bonded areas. Bonded areas are classified into bonded area designated by the Minister of Finance (port facility, etc.) and Customs Warehouses authorized by the Director General of Customs(private warehouse, etc.).

The Customs Transportation System enables foreign goods to be transported as is between bonded areas, ports and airports, with the approval of the Director General of Customs.

<The features of the types of Bonded Areas>

Types	Principal features	Length of storage
(1) Designated Bonded Areas	Loading/unloading, transport and temporary storage of foreign goods	1 month
(2) Customs Warehouses	Loading/unloading, transport and long-term storage of foreign goods	2 years (may be extended)
(3) Customs Factories	Processing and manufacturing using foreign goods as material	2 years (may be extended)
(4) Customs Display Areas	Display and use of foreign goods	Length of time designated by the Director General of Customs
(5) Integrated Bonded Areas	Loading/unloading, transport long-term storage, processing & manufacturing and display of foreign goods	2 years (may be extended)

(Reference) Japan Customs website (Overview of Customs Areas , list of customs areas)
9204 Overview of Customs Areas (FAQ)

(Articles 29, 37, 42, 50, 56, 61-5, 62-2, 62-8 and 63 of the Customs Law)