

# Japan: Inbound Tax Alert

## The 6<sup>th</sup> NACCS Renewal

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### In Brief

The Nippon Automated Cargo and Port Consolidated System (NACCS), which is the trade processing platform in Japan, will be renewed for the sixth time in October 2017. The renewal will focus on procedures covering the liberalization of customs declaration policy, online tariff quota application, and vessel booking. The renewal is expected to contribute to increased efficiency of trade operations and create cost savings for importers and exporters.

### What is NACCS?

NACCS is used by various trade related parties (i.e. Japan Customs, customs agents, shipping companies, importers and exporters), performing online processing of administrative procedures such as ship and aircraft arrival/departure procedures, import/export declarations, and various quarantine procedures. Nippon Automated Cargo And Port Consolidated System, Inc. (NACCS Center) is responsible for the development, management and operation of the NACCS.

NACCS Center was established in 1977 as an independent administrative agency. Since a portion of the company was sold to the private sector in 2016, 50.01% of the company's shares are held by the finance minister, which is the majority shareholder, 19.90% by Nippon Express Co., Ltd, and 5.0% by NTT DATA Corporation.

### Main objectives of the 6<sup>th</sup> NACCS renewal

Since its inception the NACCS has been renewed five times and has expanded the number of industries that use the system. It has also expanded functionality through the automation of procedures dealing with Japan Customs and related ministries. In October 2017, the NACCS will be renewed for the sixth time with three main objectives:

1. Realize a stable and reliable public-private shared system
2. Improve efficiency and economy of public infrastructure
3. Establish new functions to transform NACCS into a more comprehensive logistics information platform

### Details of new operations and impact for importers and exporters

There will be three kinds of new operations which will impact importers and exporters:

1. The NACCS will cover the liberalization of customs declaration policy. Currently importers and exporters must declare goods at the customs office with jurisdiction over the bonded area where goods are stored. After the renewal, goods may be declared at any customs office by AEO importers/exporters and AEO customs brokers.
2. An administrative system dealing with tariff quotas will be established. Information on tariff quotas will be controlled within the NACCS after the renewal, a change from the current use of paper documentation.
3. The vessel booking system will be centralized within the NACCS in order to improve on trade operations. Currently vessels are booked using various methods by companies, such as facsimile, telephone, or other methods.



### Deloitte's View

The new operations introduced by the sixth NACCS renewal should have a positive impact overall on importers and exporters of goods to and from Japan.

First, the liberalization of customs declaration policy should result in more efficient and cost effective operations for importers and exporters through the centralization of customs declaration procedures

Also, the move to an information system of tariff quotas means that importers will no longer have the same risks and burden associated with having to maintain physical records.

Finally, the new centralized vessel booking system should simplify and unify the various methods currently being employed by industry.

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