Law and Compliance in Japan

Standards in Japan

U.S. Commercial Service Japan

Overview

Many domestic and imported products alike are subject to product testing and cannot be sold in Japan without certification of compliance with prescribed standards. Knowledge of, and adherence to, these standards and their testing procedures can be the key to making or breaking a sale.

Product requirements in Japan fall into two categories: technical regulations (or mandatory standards) and non-mandatory voluntary standards. Compliance with regulations and standards is also governed by a certification system in which inspection results determine whether or not approval (certification/quality mark) is granted.

Approval is generally required before a product can be sold in the market or even displayed at a trade show; unapproved medical equipment may be displayed at a trade show if accompanied by a sign indicating that the product is not yet approved for sale. To affix a mandatory quality mark or a voluntary quality mark requires prior product type approval and possibly factory inspections for quality control assessment. Regulated products must bear the appropriate mandatory mark when shipped to Japan in order to clear Japanese Customs. Regulations may apply not only to the product itself, but also to packaging, marking or labeling requirements, testing, transportation and storage, and installation. Compliance with "voluntary" standards and obtaining "voluntary" marks of approval can greatly enhance a product's sales potential and help win Japanese consumer acceptance.

There are two ongoing trends in Japan regarding standards. One is a move toward reform of such standards, and the other is a move toward harmonizing them with prevailing international standards. While reform is underway, there are numerous laws containing Japan-specific mandatory standards and most have not been translated into English. Therefore, it is important that a Japanese agent or partner be fully aware of the wide variety of standards in effect that could impact the sale of the exported product. Major laws stipulating standards that apply to products in Japan include the following:

Electrical Appliance and Material Control Law

Consumer Product Safety Law

Gas Utility Industry Law

Food Sanitation Law

Pharmaceutical Affairs Law

More information at www.globaltrade.net
Road Vehicles Law

Building Standards Law

Product Liability Insurance

Japanese business entities are subject to various laws and product safety standards, which vary depending upon the industry or product segment. Japanese importers/distributers of foreign products, in general, cover product liability risk through the product liability clause in their own liability insurance. The covered items and exemptions may vary from underwriter to underwriter and among industry segments. Whether the U.S. exporter will be required to buy product liability insurance to cover worldwide or specific overseas markets for their exports will be subject to negotiation with the firm’s Japanese business partner and the advice of legal counsel.

Standards Organizations

The Japan Industrial Standards Committee (JISC) plays a central role in standards activities in Japan. Its mission consists of four elements: 1) establishment and maintenance of Japan Industrial Standards (JIS); 2) administration of accreditation and certification; 3) participation in international standards activities, and 4) development of measurement standards and technical infrastructure for standardization.

Existing JIS standards are reviewed and revised every 5 years. Once a new or revised draft JIS standard has been prepared, JISC posts these draft standards for a sixty-day public comment period. The JISC website also provides information regarding how foreign entities may participate in the JIS drafting process.

Product Certification

With the revision of the Industrial Standardization Law in October 2005, the Japanese Industrial Standards (JIS) was renewed and a new scheme was implemented in September 2008. Under the new JIS mark scheme, product certification bodies accredited by the Ministry of Economy, Trade and Industry (METI) conduct a series of tests to verify compliance of products with JIS and audit the quality management system of facilities at which the products are manufactured. Any products manufactured a factory that successfully passes such an audit will be authorized to affix the JIS mark.

Accreditation

The Japan Accreditation System for Product Certification Bodies of JIS Mark (JASC) is an accreditation program defined by the Japanese Industrial Standards (JIS) Law, and operated by the
JASC office in METI. JASC accredits product certification bodies in the private sector and allows them to certify companies so that they may place the JIS Mark on their products.

The two major non-governmental accreditation bodies in Japan are the Incorporated Administrative Agency (IAJapan—within the quasi-governmental National Institute of Technology and Evaluation) and the Japan Accreditation Board for Conformity Assessment (JAB). IAJapan operates several accreditation programs including the Japan National Laboratory Accreditation System (JNLA) and the Japan Calibration Service System (JCSS).

A limited number of testing laboratories in the United States not listed on the websites noted above have also been designated by various Japanese government agencies to test and approve U.S. products for compliance with Japanese mandatory certification systems and laws. Products not covered by these arrangements must be tested and approved by Japanese testing labs before these products can be sold in Japan.

**Publication of Technical Regulations**

Each Japanese ministry posts draft regulations for public comment on their respective websites. These draft regulations can also be found in a consolidated list, available in Japanese on the e-Gov web portal. The website was designed to help facilitate public participation in Japan’s regulatory process by improving the public’s ability to find, view, and comment on regulatory actions.

It should be noted that although U.S. entities may submit comments on draft regulations, the amount of time given for submissions varies widely and all comments must be submitted in Japanese. To assist U.S. entities that wish to participate in the Japanese regulatory process, Commercial Service staff at the U.S. Embassy in Tokyo prepares a weekly summary translation in English of public comment announcements by Japanese government agencies.

National Institute of Standards and Technology “Notify U.S. Service:” Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets.

**Labeling and Marking**

The "voluntary" Japan Industrial Standards (JIS) mark, administered by the Ministry of Economy, Trade and Industry (METI), applies to nearly 600 different industrial products and consists of over 8,500 standards. Adherence to JIS is also an important determinant for companies competing on bids in the Japanese government procurement process. Products that comply with these standards will be given preferential treatment in procurement decisions under Japan's Industrial Standardization Law. JIS covers industrial and mineral products with the exception of 1)
medicines, 2) agricultural chemicals, 3) chemical fertilizers, 4) silk yarn, and 5) foodstuffs, agricultural and forest products designated under the Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products.

The Japan Agricultural Standards (JAS) mark is another "voluntary" but widely used product quality labeling mark administered by the Ministry of Forestry, Agriculture and Fisheries (MAFF). JAS applies to beverages, processed foods, forest products, agricultural commodities, livestock products, oils and fats, products of the fishing industry, and processed goods made from agricultural, forestry, and fishing industry raw materials. In addition, specific JAS marks exist for various types of wood products including plywood, paneling, flooring boards, lumber, and timber. JAS certification can be extremely difficult for U.S. companies and must be approved by a Registered (Overseas) Certified Body.

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