



Recommendations to the Leaders of the EU and Japan

Working Party 1

Trade Relations; Investment and Regulatory Cooperation;
Financial Services, Accounting and Taxation

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JOINT RECOMMENDATIONS

■ WP-1/#01/EJ *Strengthen the EU-Japan Economic Relationship*

- ✓ Focus on addressing the remaining obstacles to the conclusion of a comprehensive, ambitious, high-level and mutually beneficial FTA/EPA as early as possible
- ✓ 2016 represents the best window of opportunity to conclude the negotiation
- ✓ Political leaders at the highest level should intervene to resolve the deadlocks and bring the negotiations to an ambitious conclusion



JOINT RECOMMENDATIONS

WP-1/#02/EJ Call for effective and quick implementation of WTO 'Bali Package' and work on a future WTO work program based on Nairobi Ministerial Conference Declaration

- ✓ The BRT expects further progress in WTO's DDA negotiation to reach a new stage in negotiation, which should result in mutually beneficial outcome for both developed and developing countries

WP-1/#03/EJ Applying international standards and enhancing regulatory cooperation

- ✓ The BRT supports the joint development and application of internationally harmonised technical requirements and procedures for the testing and approval of products
- ✓ Enhance regulatory cooperation to eliminate barriers to trade and investment and to disseminate the experience of EU and Japan to the rest of the world



JOINT RECOMMENDATIONS

■ WP-1/#04/EJ *Support the timely development of business*

- ✓ Make further efforts to expand the number of bilateral Social Security Agreements, and also
- ✓ Liberalise the movement of intra-corporate transferees within the framework of an EPA/FTA

■ WP-1/#05/EJ *Support for SMEs*

- ✓ Develop measures that will promote and assist each other's SMEs within their own jurisdictions as well as cross-support measures
- ✓ Examples: Tax breaks & incentives - tax deduction for total research expenses, income tax breaks for foreign experts, tax exemption for doctoral students, tax relief for R&D, tax deduction for joint & entrusted industry-academic-government cooperative research



JOINT RECOMMENDATIONS

■ WP-1/#06/EJ *Recommendation on BEPS Action Plan and Other Tax Issues*

- ✓ Implementation of BEPS (Base Erosion and Profit Shifting) Actions should not create additional administrative burden on business
- ✓ Pursue simpler, lighter and sensible tax systems
- ✓ Modernise the tax treaties between EU Member States and Japan to eliminate double taxation

■ WP-1/#07/E *Recommendation on Financial Transaction Tax*

- ✓ Serious concern over the EC's proposed Financial Transaction Tax, taking into account the impact on liquidity, funding costs and hedging costs



RECOMMENDATIONS TO JAPAN

- *Harmonisation and better recognition of standards and product certifications*
- *Kei cars and other vehicles should be put on the same fiscal and regulatory footing*
- *Hydrogen Fuel Cell Vehicles*
- *Ensuring free and open competition in services*
- *Introducing more benefits for AEO holders*
- *Promoting a better regulatory environment to improve FDI*
- *Improving the procurement environment*



RECOMMENDATIONS TO EU

- *The importance of the Single Market*
- *Revision of high customs tariffs on audio-visual products and passenger cars*
- *Chemical Regulations*
- *Resource Efficiency Policy*
- *Taxation*
- *Company Law / Corporate social responsibility*
- *Product Safety / Market Surveillance*
- *Access of third countries goods and services to the EU's Procurement Market*