



# Ten key benefits of the UK – Japan Comprehensive Economic Partnership Agreement (CEPA)



## 1. Cutting-edge digital & data provisions

that go far beyond the EU-Japan deal, including enabling free flow of data, a commitment to uphold the principles of net neutrality and a ban on data localisation that will prevent British businesses from having the extra cost of setting up servers in Japan. This will help UK fintech firms operating in Japan – like Revolut and Transferwise – to innovate and grow, attract greater investment into the UK from Japan's leading digital industry, and make it easier for UK tech and digitally-savvy firms to export to Japan. The EU takes a more protectionist stance on data so does not have these provisions in its agreement with Japan.

## 2. Improved market access for UK financial services

– including greater transparency and streamlined application processes for UK firms seeking licences to operate in Japan. The deal creates an annual dialogue between Her Majesty's Treasury, UK financial regulators, and the Japanese FSA that will explore ways to further reduce regulatory friction – something that would be impossible were the UK still in the EU. Financial services are our biggest export to Japan, accounting for 28% of all UK exports.

## 3. Tariff-free access for more UK goods

– new and more liberal Rules of Origin will allow producers of coats, knitwear and biscuits to source inputs from around the world for their exports to Japan, making it easier and cheaper for them to sell to the Japanese market.

## 4. New protection for more iconic UK goods

– increasing geographical indications (GIs) from just seven under the terms of the EU-Japan deal to potentially over 70 under our new agreement, covering goods including English sparkling wine, Yorkshire Wensleydale and Welsh lamb. This would lead to improved recognition of key UK brands in the Japanese market.

## 5. New protections for UK creative industries

– British businesses can now be confident that their brands and innovations will be protected. We have gone beyond the EU on provisions that tackle online infringement of IP rights, such as film and music piracy.

## 6. Improved mobility for business people

– securing more flexibility for Japanese and British companies to move talent into each country, covering a range of UK skilled workers to enter Japan, from computer services to construction. This includes commitments that go beyond the EU-Japan deal, for investors, spouses and dependents, and a wider range of intra-company transfers. Requirements for visas will be clear, transparent, and with an aim that they be processed in 90 days. A worker transferring from their UK HQ to the Tokyo office will be able to bring their spouse and dependents and stay for up to five years.

## 7. Paves the way for UK accession to the Trans-Pacific Partnership (CPTPP)

– we have secured a strong commitment from Japan to support UK membership of CPTPP, which will open up 11 key pacific markets for exporters, reducing tariffs for UK business (95% of goods traded between members are tariff-free).

## 8. Supporting UK car and rail manufacturing

– supporting jobs at major investors in the UK like Nissan and Hitachi through reduced tariffs on parts coming from Japan, streamlined regulatory procedures and greater legal certainty for their operations.

## 9. More generous market access for malt producers

– Japan has guaranteed market access for UK malt exports under an existing quota which is more generous and easier to access than the EU quota. The UK is the second biggest exporter of malt to Japan, with UK producers exporting £37m there each year.

## 10. Strong tariff reductions for pork and beef exports

– we have negotiated a deal that sees tariffs fall on pork, beef, salmon and a range of other agricultural exports. We will continue to benefit from access to the low tariffs for key food and drink products covered by quotas, such as Stilton cheese, tea extracts and bread mixes. This forms a pathway to further market access under CPTPP, which has been committed to by Japan as part of our agreement.