

## **2.1 FY2023 Activity Plan**

**Japan Automobile Importers Association**

## FY2023 Activity Plan

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## **FY2023 Activity Plan**

In order to promote the common interests of all members, JAIA will follow the policies below, and while complying with Japanese laws and regulations and in close communication with related ministries and organizations, seek greater efficiency and effectiveness of its business and execute the budget.

### **A. Basic Direction**

JAIA aims at ensuring fair access to the Japanese market for its members and their OEMs. In order to achieve this aim, JAIA plans to carry out the following activities in compliance with the legal and customary framework of Japan.

#### **I. Activities for Market Revitalization**

- Aiming at ensuring fair market conditions, JAIA will further carry out its external affairs activities to request for fairer, more reasonable and more simplified automobile-related tax systems and appropriate subsidy system for imported vehicle users.
- Provide reliable statistics as well as updated handbooks/information on changes in distribution-related laws as well as technical and environmental regulations in a timely manner and in the most convenient formats.

#### **II. Activities in Environment/Energy Areas (Carbon Neutral Era)**

- Toward “Realization of Carbon Neutral Society”, continue to focus on electrification-related activities by promoting the common interest of the JAIA member companies and requesting METI, MLIT as well as other relevant ministries, regional governments and organizations to review the related policies and work on developing the necessary infrastructure, especially in order to increase the awareness of electrically driven vehicles over grasping the users’ needs while working on challenges (voltage limitation, etc.) including technical issues to shorten charging time, etc.  
Also, JAIA will support the members to achieve 2020/2030 Fuel Efficiency Standards for Passenger Cars.

#### **III. Activities for Safety and Harmonization of Regulations**

- JAIA will further carry out its external affairs activities for promoting international harmonization of vehicle’s safety, environment and other relevant regulations including vehicle in use, standards and certification procedures in cooperation with METI, MLIT as well as other relevant ministries and organizations.

#### **IV. Activities for Automobile Fair Trade/After-sales, etc.**

- Aiming at ensuring fair trade, JAIA will further participate in relevant working groups of Automobile Fair Trade Council (AFTC). In addition, JAIA will appropriately respond to the consumers in cooperation with Automobile Dispute Resolution Center (ADRC).
- In the fields of after-sales, recycling, improving environment for overcoming the mechanic human resources issue, etc., we support the activities of members, participate in the activities of related organizations, and engage in external activities as necessary.

## **V. Activities for Motorcycles**

-Continues in FY2023 activities for market revitalization including test drive and exhibition event, etc., streamlining the certification system through external affairs activities to MLIT, etc. and activities for international harmonization of technical standards and environmental regulations.

## **VI. Others**

-JAIA will further collaborate with automobile-related organizations, etc. in other countries (e.g. ACEA) and in Japan (e.g. JAMA, ACCJ, EBC) to exchange views/information on various issues, considering globally changing circumstances.

-JAIA will further improve member services by deploying additional IT systems, and streamlining business activities by developing infrastructure.

## **B. Overview**

### **<Priority Areas>**

#### **I. Activities for Market Revitalization**

##### **(i) Request activities for tax reform and subsidies**

For the FY 2024 Tax Revisions aiming at ensuring fair market conditions, in order to realize the auto-related taxes that are fair, reasonable and streamlined, external affairs activities will be further promoted, also for the purpose of making subsidies appropriate for the users of imported vehicles.

##### **(ii) PR activities for disseminating attractiveness of imported vehicles**

- (a) The JAIA Chairman Press Conference will be held in July 2023 and January 2024.
- (b) Imported vehicle new registrations will be announced every month and information will be disseminated via the JAIA website and the PR pamphlet, "Imported Automobile Market of Japan 2023".
- (c) JAIA Imported Car Test Ride for the Media (Feb. 2024) will be organized.
- (d) Support will be provided for various events related to imported vehicles including Imported Car Shows that will be held in various parts of the country.
- (e) JAIA will participate in the "JAPAN MOBILITY SHOW" scheduled to be held from October 25 to November 5, 2023 as a co-organizer, and will consider specific details of participation.

##### **(iii) Provision of latest information relating to statistics and the vehicle market**

- (a) Data related to new registrations will be provided to the members on a daily/monthly/annual basis. Further, for the "JAIA Statistics Data System, software will be upgraded as required for the provision of accurate and timely statistics to the members.
- (b) Through the JAIA ON-LINE, JAIA Market Report, etc., latest information will be provided to the members on changes in the vehicle market/legal schemes, JAIA activities, etc.
- (c) "Guide on Tax Revisions" will be distributed to the members.
- (d) Support will be provided to help the members with seamless acquisition of statistics/recall-related information.

##### **(iv) Provision of information relating to laws and regulations/legal schemes relating to distribution of imported vehicles**

- (a) Latest information will be provided to the members concerning laws/regulations/legal schemes relating to the distribution of imported vehicles (CEV Subsidy, etc.)
- (b) "List of Automobile Tax Performance Levy Amounts" will be updated to further support accurate and efficient tax payment service operations by dealers.

## **II. Activities related to the environment and energy field (carbon neutral era)**

### **(i) Electrification**

As a platform for the promotion of electrification of imported vehicles, JAIA will continue carrying out the activities listed below in coordination with the ministries and institutions concerned:

- (a) Regarding subsidies for electrification, we will collect information related to electrification in Japan and overseas, and request METI, local governments including the Tokyo Metropolitan Government and related organizations to expand support and systems that will lead to the spread of electric vehicles.

Specifically, we will ask the relevant ministries to continue providing subsidies for the purchase of electric vehicles in a seamless manner, and will take actions according to the situation with regard to charging infrastructure with the following seven pillars in mind.

- (1) Since currently, the basic charging is not yet sufficient, enhance basic charging facilities including apartment houses, and public charging facilities around residential areas to supplement them.
- (2) In the suburbs, although residents of detached houses are the main users, since there is currently no support for installing ordinary chargers, upgrade subsidies for basic charging facilities including detached houses.
- (3) Currently, only ordinary chargers of 6 kW or less are subsidized, relax requirements, such as expanding subsidies to cover ordinary chargers of over 6 kW.
- (4) Further enhancement of support measures for charger subsidies installed in commercial facilities
- (5) Support and promote the installation of chargers in public roads
- (6) Eliminate the congestion for (en - route) charging, etc. on expressways, etc.
- (7) Install charging infrastructure for parking lots such as mechanical parking lots including tower parking in the city center, which is still an urgent issue.

- (b) As a platform for promoting the spread of electrification, we strive to understand user needs, and while cooperating with charging companies, conduct promotional activities to raise awareness of electrified vehicles led by the Test Ride and PR committee. In implementing the event, we will devise venues and methods, while seeking cooperation of relevant ministries, local governments and related organizations (including those related to SDGs) with the awareness of electrification issues in mind.

- (c) Upon understanding the needs of JAIA member companies, and while taking into account the moves in other countries and exchanging views with other organizations concerned, led by the EV Technology Task Force, JAIA will solve issues for improved

quality of electrification (higher capacities of onboard batteries and charging) including technological issues (voltage restrictions unique to Japan). Before implementations, information will be obtained from the CHAdeMO Association, etc.

- (d) For battery reuse and recycling, which are essential elements for the promotion of electrification, while keeping in mind the moves in other countries (Draft of European Battery Regulations, etc.), JAIA will take appropriate actions for battery life cycle assessment in coordination with the ministries concerned and business operators.

Lib RR TF (Task Force on Reuse and Recycling of End-of-life Lithium-ion Batteries) which was set up under the Recycling Committee will start consideration to reduce burden on users.

JAIA will continue to support so that JAIA members so that they will be able to appropriately address LiB recovery including the participation in the LiB recovery scheme.

For Carbon Footprint (CFP) of LiB, JAIA will address that it will be appropriate system for member companies.

## **(ii) Passenger Car Fuel Efficiency Standard**

### **(a) FY2020 Fuel Efficiency Standard**

- JAIA will follow the members' achievement status for the standard including the progress of vehicle electrification, and support the them if necessary.

### **(b) FY2030 Fuel Efficiency Standard**

- Based on the activities of FE and Emission WG, JAIA will take the necessary action for the METI/MLIT joint meeting which will deliberate the off-cycle credit system, and ask ministries that the system should be the adequate one for JAIA members.

## **(iii) Exhaust Emission**

- In October 2021, the MOE Expert Committee on Motor Vehicle Emissions started to discuss the 15th recommendation, which will be finalized by the end of FY 2023.
- MOE is planning to have 2<sup>nd</sup> hearing (1<sup>st</sup> hearing was August 2022) for industries which is mainly focused on the proposal of European future emission standards (Euro7/VII), and JAIA will work for the hearing in collaboration with ACEA.
- JAIA will take necessary action for the introduction of adequate standard, considering the issues such as standard harmonization and enough lead time based on the European trend of emission standard.

**(iv) Life Cycle Assessment (LCA)**

- Last year, automotive LCA-IWG was established under UN-GRPE. Globally harmonized guideline of automotive LCA evaluation method has been discussed, aiming to the adoption at the WP29 in November, 2025.
- JAIA will, through the JASIC activities, gather the information regarding LCA-related moves both for domestic and international, and share them with members. JAIA will also take necessary action as necessary.



### **III. Activities for Safety and Harmonization of Regulations**

#### **(i) International Harmonization on regulations and certification**

- (a) Aiming at achievement of full-IWVTA and complete harmonization of regulations via WP.29, JAIA will continue its request activities.
- (b) JAIA will request elimination of remaining Japan-unique regulations by streamlining them or international harmonization.
- (c) In the domestic application of new or revised UN-Regulations, JAIA will support its members for smooth implementations and request some flexibility to the relevant authorities such as the MLIT if necessary. In addition, JAIA updates convenient tools or manuals such as lists of application time of the vehicle regulations appropriately.
- (d) Based on the MLIT Study group's report in 2022, which is consist of the introduction of automatic completion inspection, rationalization of conformity of products procedures and streamlining Type Designation System (TDS) audit procedures, JAIA will request further streamlining of TDS audit using the result of other Contracting Party's Conformity of Products (COP) on individual Type Approval of UN-Rs.
- (e) JAIA will continue to engage in external activities to reflect JAIA members' requests for PHP.
- (f) JAIA will continue the external affairs activities with MLIT or NTSEL (National Traffic Safety and Environment Laboratory) to improve the efficiency of certification operations (e.g. simplification of submission documents and streamlining examination). Specifically, like IWVTA application based on UN-R0, JAIA will continue external affairs activities for simplification and rationalization of application documents of TDS such as rationalized procedure of omission of submission of Type Approval certificates of the individual lamps, if Type Approval certificate of UN-R48 is submitted.
- (g) International harmonization activities on vehicle in use  
Through consultations with MLIT, JAIA will work to ensure that the permit system for specific modifications, which is a requirement of on-board software update of vehicle in use for improving the functions, and the OBD inspection system are internationally consistent and rational, while referring to the status of legal application overseas.
  - 1) Activities on specific modification permit, etc.  
"Foreign MS-COC utilization TF" plays a key role to decide not to require Japanese MS-COC at the time of application of specific modification permit, etc. such as the vehicle having effective type approvals certificate of the cyber security (UN-R155) and the software update (UN-R156) according to the statement from MLIT in April, 2022 and will perform the activity for taking a step forward in Japan's legislation.  
At the same time, JAIA will continue external affairs activities for the further rationalization of the operation about the permit system while taking the situation of the operation in Europe of UN-R155/156 into account.
  - 2) Activities on OBD inspection(electronic periodical technical inspection system in Japan)  
JAIA will continue external affairs activities to replace JAPAN's OBD inspection by e-

PTI based on ISO20730 if ISO20730 is installed into European PTI legislation and vehicles in future. Because, current Japanese OBD inspection system requires specific choosing work of Registered DTC only for a Japanese market.

**(ii) Other safety-related**

- (a) JAIA will continue to participate in the MLIT's Study Group for 7th ASV Promotion Project and its Subcommittee to monitor the Japan's development trends of safety technologies such as the realization of automated/autonomous vehicles.
- (b) JAIA will monitor the status of vehicle safety measures to be implemented, in particular the impact on imported vehicles, through participation in the MLIT's Vehicle Safety Measures Study Group.
- (c) In order to introduce fair, objective and reasonable test procedures for JNCAP (Japan New Car Assessment Program), JAIA will carry out related requesting activities.

**(iii) Automated driving**

JAIA will gather and share the information with members on the government meeting (METI-MLIT Study Group for Automated Driving Business), and projects (such as METI-MLIT RoAD to the L4 Project, Cabinet Office's Construction of Smart Mobility Platform=successor project of SIP-adus, and starts from FY2023) for automated driving.

**(iv) Connected**

**(a) Communication-related activities**

Through the Safety Parts/Communication WG, relating to automobile-related matters including automated driving, JAIA will work on international harmonization, etc. of frequencies, communication systems, etc.

**(b) Information gathering activities**

For the above activities, information will be gathered centering on the moves of domestic and overseas OEMs and suppliers related to connected (CES, etc.), and also, from the mid-to-long range perspective, the moves related to mobility societies (SDGs, Expo 2025 Osaka, Kansai, Japan, etc.)

#### **IV. Activities for Automobile Fair Trade/After-sales, etc.**

##### **(i) After-sales and recall**

JAIA will attend the meetings such as the study group meetings of the advanced automobile maintenance technology of MLIT and grasps the MLIT's latest situation of vehicle maintenance, and inspection technology and plans to share the latest information with members and will perform following activities.

##### **(a) OBD inspection system**

Concerning the TDS vehicles after 2022 Oct., those vehicles shall be required OBD(On-Board Diagnostics) inspection. Therefore, JAIA will support its members for appropriate handling on Japanese e-PTI (electronic Periodical Technical Inspection) using R-DTC (Registered Diagnostic Trouble Cord).

##### **(b) Motor Vehicle Specific Repair Business System**

JAIA will support its members for new movement such as providing repair and maintenance information to users and certified garages and acquiring the garage certification for maintenance of electronic control units by the time of the end of transitional period, which is the end of FY2023, appropriately.

##### **(c) Electronic PTI(Periodical Technical Inspection) certificate**

As vehicle inspection certificates were computerized in January 2023, in order to be able to renew expire date of PTI certificate appropriately by member's affiliate dealers, JAIA will provide necessary information to members.

##### **(d) Recall related systems**

To ensure common understanding of recall related laws and regulations, JAIA will continue to exchange information on recall issues between JAIA and MLIT. Particularly, taking into account OTA (Over The Air update) technologies, JAIA will consider recall issues related to the Specific Modification Permit etc. and those streamlining operation. In addition, if a concrete request on recall issues with OTA is identified by JAIA, JAIA will make a request or consultation on this to MLIT.

##### **(ii) Activities to the issue of securing automobile maintenance personnel**

In both areas of 4-wheelers and motorcycles, JAIA will push forward the following five pillar activities of the information liaison meeting related to securing human resources for automobile maintenance.

- (1) Encouraging the government to establish systems for facilitation of human resource issues of automobile mechanics.
- (2) Strengthened the relationship between each importers and automobile mechanic training schools

- (3) Shared best practices and other examples that can be used as a reference to members
- (4) Consideration of utilizing foreign workers
- (5) Promotion activities centered on the utilization of existing public support systems such as tax incentives and subsidies.

### **(iii) Recycling**

- (a) For the system of charging actual recycling cost\*, contained in the recommendation from the 15th year review of the Auto Recycling Law, which has impacts on the JAIA members, and the introduction of resource recovery incentives\*\*, etc., JAIA will participate in the meetings of the parties concerned and identify issues through the Recycling Committee, aiming at creating an appropriate mechanism that can avoid excessive burdens on the members.
  - System of charging actual recycling cost\*: in the case of positive balance of payment of recycling fees at a vehicle manufacturers, importers, etc., charge the Japan Automobile Recycling Center (JARC) actual recycling cost only. This will be implemented in the new system after the major modification mentioned below. Appropriateness of fee setting after implementation is strongly expected.
  - Resource recovery incentives\*\*: System to spend incentives from ASR fee for the dismantlers who recovered resources (glasses and plastics) from ELV. Demonstration experiments have been scheduled in FY2023 and FY2024 and it will be implemented in the new system after the major modification mentioned below.
- (b) For the major modification of the auto recycling data system, to be put into operation in January 2026, JAIA will make sure an appropriate mechanism will be adopted that will avoid excessive burdens on the members.

### **(iv) Automobile fair trade and consumer consultation**

- (a) By participating in various activities of the Automobile Fair Trade Council (AFTC), the JAIA secretariat will provide in a timely manner all the JAIA members with the information on compliance with the AFTC rules. Also, seminars for the members and meetings of the “persons in charge of fair trade” at the member importers will be held to ensure thorough practice of fair trade and appropriate representation.
- (b) In cooperation with other automotive organizations (Automobile Dispute Resolution Center (ADRC), Automobile Fair Trade Council (AFTC), etc.), JAIA will handle consumer inquiries properly.

## **V.Activities for Motorcycles**

### **(i) Activities for revitalization of the imported motorcycle market**

- (a) The 8th JAIA Motorcycle Test Ride for the Media will be held.
- (b) By participating in the 11th Bike Love Forum (BLF\*), JAIA will highlight the attractiveness of both imported and Japanese motorcycles and compile the measures for market revitalization. (\*Bike Love Forum [BLF]: Activities started in 2013 led by JAIA and other motorcycle organizations, local governments, METI, etc. to recover motorcycle sales in Japan)
- (c) JAIA will support imported motorcycle-related events to be held in various parts of the country (Nagoya Motorcycle Show, etc.).
- (d) JAIA will announce results of imported motorcycles (251cc+) monthly and disseminate information via the JAIA website.
- (e) In cooperation with JAMA, AJ (Autobike Japan) and other organizations concerned through BLF, JAIA will request to (1) lower the expressway tolls, (2) expand motorcycle parking spaces, (3) review the motorcycle driving license system, among others.

### **(ii) Provision of statistics and latest information on the motor vehicle market**

- (a) JAIA will provide the members with the data relating to new registrations on a daily, monthly and annual basis in a timely manner.
- (b) JAIA will provide support to the members so that they can obtain recall-related information and statistic data without problems.
- (c) For the increased number of (1) electric and (2) gasoline powered mini-sized two-wheeled motorcycles (over 125cc to 250 cc or less), JAIA will address it with the cooperation of member companies together with related organization (to see the sales by obtaining the notified information, etc.). ※Large electric motorcycles are categorized in light motorcycles.

### **(iii) Activities for being thorough about automobile fair trade and consumer consultation**

- (a) JAIA will participate in various activities of the Automobile Fair Trade Council (AFTC) to be thorough about fair trade and appropriate representation, and hold seminars as necessary.
- (b) JAIA will appropriately handle inquiries from consumers in cooperation with other automotive organizations (ADRC: [Automotive Dispute Resolution Center], AFTC, etc.).

### **(iv) Activities for international harmonization of technical and environmental regulations, and greater efficiency of certification systems**

- (a) For noise regulations, JAIA will provide the members with the detail information of the revision of the Japanese law related to the acceleration noise regulation (UN R41-05

series) which will be applied to imported motorcycles from September, 2024 so that the system will be seamlessly applied.

- (b) For lamp regulations, JAIA will collect information through JASIC on the matters discussed at WP29 for the members to be able to smoothly switch into the new regulation in the future.
- (c) For PHP notification system, based on requests of the members, JAIA will provide further support to the members, such as holding a seminar inviting officials of the National Traffic Safety and Environment Laboratory which administers PHP examinations, etc.
- (d) JAIA will provide the motorcycle members with the latest information relating to certification, including the noise regulations for electric motorcycles.

## **VI. Others**

### **(i) Cooperation with domestic/overseas automotive associations, etc.**

#### **(a) ACEA**

JAIA continues to exchange views/information with ACEA. At least once a year, conferences are held among parties concerned including JAIA Executive Director and ACEA Director General. (Agenda is (i) market/policy trends; (ii) key association activities; and (iii) key issues (fuel efficiency standards, automated driving, LCA, battery recycling, etc.)). Regular conferences are held among JAIA secretariat director level to exchange views/information on technical issues or the like.

#### **(b) Domestic related organizations such as Japan Automobile Manufacturers Association (JAMA), Japan Automobile Dealers Association (JADA) and Automobile Business Association of Japan (ABAJ), etc.**

In cooperation with JAMA for co-hosting JAPAN MOBILITY SHOW etc. and with Automobile Business Association of Japan for the request on automobile related tax revisions, etc., JAIA will exchange views/information in a timely manner. Also, JAIA will appropriately cooperate with local governments.

#### **(c) Trade investment related organizations, etc. including foreign embassies in Japan and EU delegation**

Exchange views/information on various issues with foreign embassies in Japan, Delegation of European Union to Japan, and trade investment related organizations, etc. including SDGs related organization (including the secretariat of Expo 2025 Osaka, Kansai, Japan, etc.) and further develop cooperation.

### **(ii) Introduction of IT system and developing infrastructure**

To provide further improved services for members, JAIA will introduce additional IT systems and streamline operations by developing infrastructure.

(a) JAIA's conferences and meetings will continue to be held in a hybrid format, incorporating online participation.

(b) JAIA will continue to consider the introduction of new tools and develop infrastructure, etc. to enable us to respond immediately to member services.

(c) With the renewal of the JAIA website, we are considering to improve the quality of the content of the website, to develop tools for increasing awareness of imported vehicles with greater security.

## **C. Secretariat administration, etc.**

### **I. Secretariat administration**

For the activities of the greatest efficiency and effectiveness in line with the needs of the members and enhancement of member services, JAIA will improve its operational systems including digitalization by optimized assignment and developing HR within the restriction of the budget and staffing, while addressing advanced and complex activities.

### **II. Committee activities, etc.**

JAIA will hold meetings of the Planning and Steering Committee (PSC), Next Generation Vehicles Committee (NGVC), Standards and Certification Committee, Recycling Committee, After-sales Committee and Motorcycle Committee, among others.

In FY2023, JAIA will update the following handbooks and guide books if necessary.

#### **I. Activities for Market Revitalization**

Imported Automobile Market of Japan 2023

Description of FY2024 Tax Revision

#### **II. Activities in Environment/Energy Areas (Carbon Neutral Era)**

Fuel efficiency Requirement Handbook

Handbook for Electrified Vehicles

#### **III. Activities for Safety and Harmonization of Regulations**

CNG/LNG Vehicle Introduction Handbook

List of Safety Regulations Application Dates

Standard and certification request items

Safety Regulation Compliance Study Sheet

List of Safety Regulations applicable within a few years

Technical Regulation Compliance Certificate

Technical Guideline Handbook

Information & Communication Handbook

#### **IV. Activities for Automobile Fair Trade/After-sales, etc.**

Recall Handbook

List of Service Campaigns

Tool for better understanding of recycling

#### **V. Activities for Motorcycles**

Key laws and regulations of Japan and date of application