

# 36. Antiques

## 1. Definition of Category

This report employs a broad definition of antiques as used by antique dealers and distributors, which includes all furniture, eating utensils, watches, ceramic implements, decorative items, music boxes, books, textile products, musical instruments, iron implements or other items which value derives from their antiquity and rarity. This section does not address paintings, prints, sculptures, stamps or specimens. However, items must have been made more than 100 years ago in order to be classified as an antique for import statistical purposes.

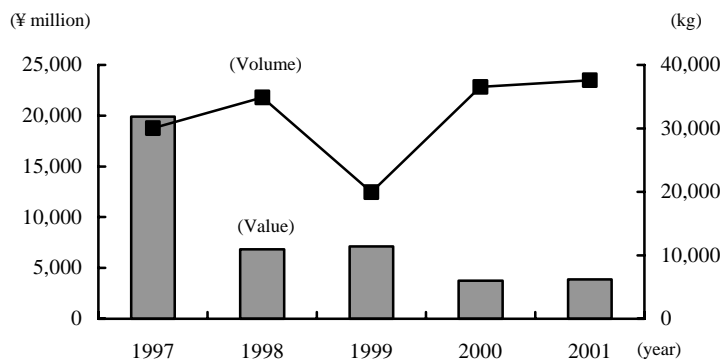
HS Number	Commodity
9706	Antiques

## 2. Import Trends

### (1) Recent Trends in Antique Imports

Antiques vary greatly in price from one item to another, so value-basis imports fluctuate greatly from one year to another. Even so, the decade-long recession in Japan has hurt sales of all big-ticket items and has depressed demand for antiques as an investment. Imports of antiques are down overall. 2001 saw almost flat in antique imports on a value basis, as imports posted ¥3.9 billion (up 2.7% from the year before).

**Fig. 1 Japan's antique imports**



	1997		1998		1999		2000		2001	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Antiques	30,021	19,901	34,878	6,821	19,942	7,114	36,521	3,756	37,563	3,857

Units: kg, ¥ million

Source: Japan Exports and Imports

### (2) Imports by Place of Origin

The high unit prices of antiques contribute to marked fluctuations in ranking of antique exporter countries and in value-basis import totals. The leading exporter of antiques to Japan was China. However, tightened Chinese government controls on the export of antiques, combined with a limitation on the granting of export permits to less expensive items, have caused a substantial drop in China's import share. Nearly all old and expensive articles that were made in China are actually purchased from Hong Kong.

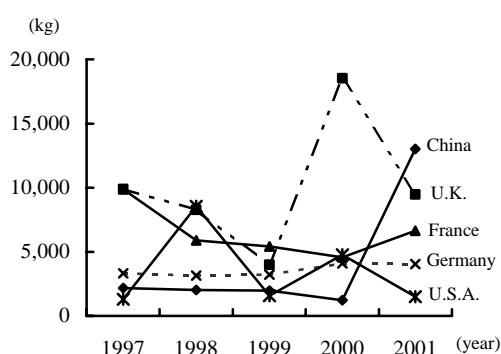
Typical imports from various countries are as follows:

- China ..... Ceramics, books
- Republic of Korea..... Ceramics
- Other Asian countries ..... Dyed weavings
- Germany ..... Ceramics
- United Kingdom..... Furniture, ceramics
- France ..... Decorative items, paintings

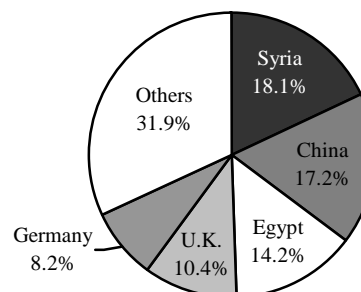
In 2001, Japan imported a large quantity of antiques from China that were priced on a weight basis, but on a value basis the leading exporters were Syria (18.1%), China (17.2%), Egypt (14.2%), and the United Kingdom (10.4%).

**Fig. 2 Principal exporters of antiques to Japan**

**Trends in import volume by leading exporters**



**Shares of antique imports in 2001 (value basis)**



	1997	1998	1999	2000		2001	
	Volume	Volume	Volume	Volume	Value	Volume	Value
China	2,182	2,019	1,975	1,225	666	13,023	34.7%
U.K.	9,897	8,267	3,991	18,523	373	9,464	25.2%
France	9,868	5,894	5,423	4,567	202	6,632	17.7%
Germany	3,310	3,137	3,205	4,093	281	4,036	10.7%
U.S.A.	1,293	8,554	1,583	4,751	133	1,502	4.0%
Other	3,471	7,007	3,765	3,362	2,103	2,906	7.7%
<b>TOTAL</b>	<b>30,021</b>	<b>34,878</b>	<b>19,942</b>	<b>36,521</b>	<b>3,756</b>	<b>37,563</b>	<b>100.0%</b>
(E U)	24,123	21,726	15,097	29,602	1,992	21,492	57.2%
						1,307	33.9%

Units: kg, ¥ million

Source: Japan Exports and Imports

### (3) Imports' Market Share in Japan

Because the delineation between antiques and used merchandise is often vague, because the category includes such a diversity of product items, and because there are no organizations of antique dealers, there are no accurate statistics on the size of the Japanese antique market. People in the business say that imports' share of the market has fallen dramatically in the past several years, particularly that of merchandise in higher price ranges, which has fallen to only 10-20% of the Japanese market because of persistent sluggishness in the Japanese economy.

## 3. Key Considerations related to Importing

### (1) Regulations and Procedural Requirements at the Time of Importation

Antiques using ivory, tortoise shell, and the like are subject to the provisions of the Foreign Exchange and Foreign Trade Law under terms of the Washington Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora, so-called CITES). Firearms and swords are subject to the provisions of the Firearms and Swords Possessive Control Law (Firearms and Swords Law), and chinaware to the Food Sanitation Law.

#### 1) Foreign Exchange and Foreign Trade Law (Import Trade Control Order)

The Foreign Exchange and Foreign Trade Law regulates importing of species of wild fauna and flora listed in the Appendix to the Convention. It covers not only the animals and plants themselves but also antiques made wholly or partially from ivory, tortoise shell, and the like. For more information on the specific content and applicability of these classifications, please contact the Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry.

#### 2) Firearms and Swords Possessive Control Law

The import of handguns, pistols, machine guns, air guns, and other contemporary guns (note) and their parts, etc. is in principle prohibited under the Law. Possession of artistic swords and old-fashioned firearms <sup>(Note)</sup> in Japan is prohibited, but exceptions are made when persons register under the Law.

*Note: Under the Firearms and Swords Law, antique firearms are roughly divided into contemporary firearms and archaic firearms according to the era of manufacture, etc.*

Imported artistic swords and archaic firearms may not be registered after landing in Japan. Their import is therefore only allowed if registered. The procedures for application for registration and customs clearance are as follows:

- a) When landing in Japan as international mail or imported cargo
  1. First, the receiver applies for registration to the education committee of the prefecture of residence.
  2. The education committee receiving the application notifies the education committee of the prefecture where the item is to clear customs. The education committee receiving the notification dispatches an examiner to appraise the item.
  3. When the item is judged by the appraisal to have value as a work of art or antique, a Certificate of Registrability is issued. This Certificate of Registrability is attached to customs clearance documents.
  4. After customs clearance procedures are ended, the item is handed over.
  5. The receiver then notifies the education committee of the prefecture of residence attaching the Certificate of Registrability to the actual item.
  
- b) When landing in Japan as hand baggage
  1. At the time of customs clearance procedures, under a directive from the customs authorities, airport police take a "provisional measure," i.e. mandatory temporary storage by use of official authority, under the Firearms and Swords Law.
  2. The owner then requests return from the chief of the police station taking the provisional measure based on the Prime Minister's Office Ordinance.
  3. After return, the owner applies for registration to the education committee of the prefecture of residence.

### 3) Food Sanitation Law

Import of chinaware requires that procedures under the Food Sanitation Law be cleared. This is not, however, necessary when the chinaware is to be sold and used not for actual use, but for decoration. Sometimes a "confirmatory notice" clearly indicating sale and use as "decoration" must be submitted to the section in charge of monitoring imported food and related products in the Quarantine Station of the customs authority.

## (2) Regulations and Procedural Requirements at the Time of Sale

When selling antiques, they are sometime subject to provisions of the Used Article Business Law.

### 1) Used Article Business Law

The followings are required under the Law in order to deal in antiques:

- 1) Antique dealer's license  
When dealing in antiques as a business, it is necessary to apply to the crime prevention section of the local police station and obtain a dealer's license.
- 2) Entry in antique ledger  
The date, item involved, quantity, features of the item, and name and address of the other party of all transactions must be entered into a ledger.
- 3) Auction license  
An auction license must be obtained from the local police station each time an auction is to be performed. This assumes an antique dealer's license has already been obtained.

### 2) Law for Conservation of Endangered Species of Wild Fauna and Flora

The Law established a comprehensive legal framework of protection for species considered to be in danger of extinction. Ivory and *bekko*, which are designated as species specially identified for protection, may not be sold or transferred in Japan. However, species that are being raised for commercial purposes may be distributed in Japan, provided that proper registration procedures with the Minister of the Environment are completed. Registration procedures are with the Natural Environment Research Center, a registration organization officially designated by the Ministry of the Environment. For more details, please consult the Wildlife Division, Nature Conservation Bureau, Ministry of the Environment.

### (3) Competent Agencies

- Foreign Exchange and Foreign Trade Law (Washington Convention)  
Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry  
TEL: 03-3501-1511 <http://www.meti.go.jp>
- Firearms and Swords Possessive Control Law  
Firearms Control Division, Community Safety Bureau, National Police Agency, National Public Safety Commission  
TEL: 03-3581-0141 <http://www.npa.go.jp>  
Fine Arts Division, Cultural Properties Department, Agency For Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology  
TEL: 03-3581-4211 <http://www.bunka.go.jp>
- Food Sanitation Law  
Policy Planning Division, Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare  
TEL: 03-5253-1111 <http://www.mhlw.go.jp>
- Used Article Business Law  
Community Safety Planning Division, Community Safety Bureau, National Police Agency, National Public Safety Commission  
TEL: 03-3581-0141 <http://www.npa.go.jp>
- Law for Conservation of Endangered Species of Wild Fauna and Flora  
Wildlife Division, Nature Conservation Bureau, Ministry of the Environment  
TEL: 03-3581-3351 <http://www.env.go.jp>

### 4. Labeling

There are no labeling requirements - either mandatory or voluntary.

### 5. Taxes

#### (1) Customs Duties

Imports of antiques determined to be at least 100 years old are duty free. Imports of items that do not qualify as antiques under this definition are subject to the applicable tariff for the particular product category. Customs inspectors use the following criteria to determine that a particular item was made at least 100 years ago:

- 1) Current condition of the article (material used, presence of date stamp, etc.)
- 2) Presence of a certificate of antiquity issued by a public entity (government agency, museum, university, etc.), a private appraiser or appraisal organization in the exporter country
- 3) Evidence of antiquity based on written sources
- 4) Evidence of antiquity based on a multiple copy catalog issued in the exporter country

If the above criteria do not provide a satisfactory basis, the determination will be based on one or the other of the following certificates:

- 5) Certificate issued by a Japanese museum or university
- 6) Certificate issued by an appraiser or appraisal organization in Japan

For more complete information, please consult the Code of Customs Regulations published by the Japan Tariff Association. Nevertheless, since it can be difficult to obtain one of the aforementioned certificates, antiques are often imported without certification with the importer paying the usual customs duties on the particular product category. In addition, antiques that are not at least 100 years old are assessed the same tariff rates as ordinary items in the same product category.

#### (2) Consumption Tax

(CIF + Customs duty) x 5%

### 6. Product Characteristics

Virtually all of the articles sold in Japan as antiques today were in or after 1900. Only a small percentage meets the customs classification criterion of 100 years of antiquity. Quite a number of so-called antiques are more properly classified as used merchandise, that is, relatively close in time and manner of workmanship to contemporary merchandise. In popular usage almost anything that dates from the 1940s or 1950s or earlier is considered an antique.

In any case, the primary qualification to be considered an antique is the type of workmanship. Mass-produced products from modern-day factories are uniform in workmanship. Hand-made articles, on the other hand, derive their value from their intrinsic rarity as the unique product of a working craftsman, as well as from the skill used by the craftsman in making the article. In addition, hand-made articles always have some minor deviations or flaws in workmanship, and the sense of beauty from imperfection confers greater value on some objects. For example, most furniture sold nowadays is made from plywood or composite material. Genuine antiques, on the other hand, are almost always made from real wood, and they tend to bring out the inherent beauty of the wood for our enjoyment. Moreover, as furniture ages the unique traits of particular woods become more and more apparent. Hand-made furniture also features technically complex designs that cannot be mass-produced.

One of the main qualifications of antique lamps and lighting fixtures is softness of lighting. Antique lamps do not produce the bright lighting of workplace or spot lighting. Rather, their softer, dimmer candle-like light produces an artistry all its own that more people are coming to enjoy. Eating utensils and other types of ceramics typically are prized more for their visual beauty than for their practicality. Sets of china often have very colorful and highly decorative designs. Many are imprinted with the name of the designer and the year of production, and many feature rather complex shapes. Articles imported from countries with little seismic activity are often very fragile. One of the main qualifications for antique watches and other precision instruments is their structural characteristics. Unlike modern quartz crystal watches, antique watches have spring driven gear mechanisms that confer value as an antique based on this structural characteristic alone. Thus, antiques acquire their special value from unique characteristics of workmanship, parts, materials, artistic value and craftsman's skill, not necessarily merely from their age.

The following section discusses special circumstances that apply to certain imported products.

(1) Export controls by exporter country

Some governments restrict or even prohibit the export of antiques that have unique cultural value or that are particularly expensive. International sales or transfers are difficult when the items involved have not complied with regulations of exporter country (place of origin). China and other socialist countries impose strict regulations on the export of antiques over 100 years old, and exporting these items is extremely difficult. The Republic of Korea also has strict export controls. Passengers departing from international airports are subject to close scrutiny, and many have had merchandise confiscated at outbound customs. France has export controls on fine art objects known as Louvre Check. Other countries that check departing passengers closely at outbound customs include Greece and Italy.

(2) Appraisals

There is no specified format for certificates submitted as part of the appraisal process at customs. Any certificate issued by a government agency, organization or individual may be used provided that it clearly indicates the date of manufacture (including month and day if known). There are no stipulated qualifications that must be met to act as an appraiser, but that person or organization must be one who does not stand to benefit or lose as a result of the appraisal. Normally the appraiser is a university professor, a museum curator or other official, a registered inspector with the Agency for Cultural Affairs, or a member of a prefectural education committee.

(3) Auctions

In Japan auctions are mainly held for retailers and galleries, although much less often than in Europe and the United States. Only rarely do auctions attract ordinary consumers except when the items involved are very expensive or well known. The recent market tailspin has cut the number of auctions held in Japan even further, and sellers are often unable to find buyers at the asked-for price.

## 7. Domestic Distribution System and Business Practices

### (1) Domestic Market Conditions

The Japanese antique market currently is in a slump. Necessities and practical use are less vulnerable to economic downturns than are hobby and fashion items and expensive merchandise like antiques. Statistics show that on a value basis antique imports grew dramatically during the 1980s only to tumble when the economy went sour in the early 1990s. There are no statistics that allow us to judge the size or direction of the Japanese antique market, but antique dealers and antique magazine editors say that Japanese antique sales have fallen at roughly the same rate as sales of imports, or even more so. These sources indicate that the slump is especially pronounced for higher-priced antiques.

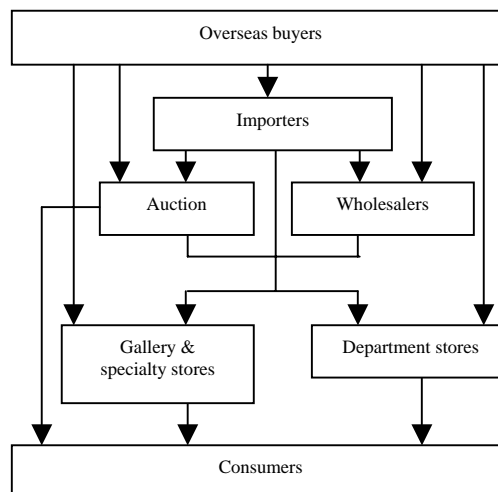
## (2) Distribution Channels

There are many different distribution channels for both imported and domestic antiques. This section discusses only the most typically used channels.

### 1) Imported Antiques

Imported antiques are usually distributed and sold by antique dealers, department stores and galleries. Merchandise is usually procured by overseas buyers, who take the place in the channel flowchart occupied by the manufacturer in the case of mass-market products. Buyers often bring the antiques they purchase abroad with them on the airplane as carry-on luggage. There are no wholesalers as such in the antique business. Larger galleries and dealers often fulfill the functions of wholesalers.

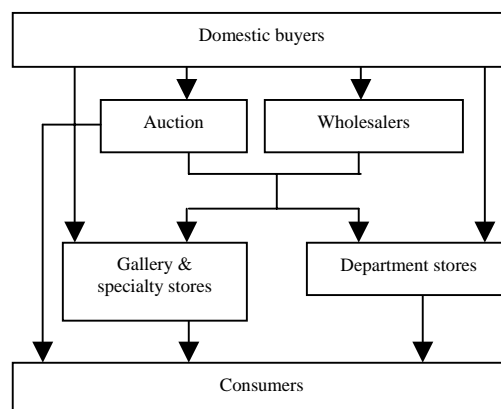
**Fig. 3** Distribution channels for imported antiques



### 2) Domestic Antiques

As is the case with imports, antique buyers commonly sell domestic antiques direct to specialty stores and galleries without going through wholesalers or auction houses.

**Fig. 4** Distribution channels for domestic antiques



### (3) Key Considerations for entering the Japanese Market

The antique market is depressed not only in Japan but in other countries as well. Moreover, the supply of high quality antiques is small, and this makes the overseas buying more problematic. Many people in Japan attach no special value to things that are old, and there are also great variances in individual taste. These factors complicate the process of antique appraisal. As might be expected, care must be taken to ensure that imported antiques are wrapped and packed securely enough to keep them from being damaged. Insurance is an absolute necessity. Some buyers and importers will take special measures, such as hand-carrying merchandise as carry-on luggage, to guard against damage for one-of-a-kind articles and items that are especially fragile.

## **8. After-Sales Service**

There is no standardized after-sale service for antiques. The type of after-sales service provided differs from dealer to dealer. Common types include guarantees of repurchase at or near the purchase price and repair warranties on watches, music boxes and other mechanical devices (normally one year). Actual repairs are performed either by the dealer or by a repair shop under contract with the dealer. In addition, sometimes dealers will perform a certain amount of cosmetic work on articles prior to sale if their appearance is unappealing.

## **9. Related Product Categories**

Product categories that receive treatment similar to antiques include ink paintings, collages, prints, sculptures, statues, stamps, collectibles and specimens. Each of these products, however, must meet separate conditions in order to receive duty free treatment without certification as antiques by customs, even if they were made more than 100 years ago. For example, sculptures that do not bear the sculptor's imprint or name are sometimes subject to customs duties.

## **10. Direct Imports by Individuals**

Individuals are relatively free to import antiques they bring back on airplanes with personal belongings, as well as antiques they purchase from foreign catalogs or at overseas auctions. As discussed previously, individual importers should make sure the article is adequately wrapped and packed and that they obtain insurance against damage or loss. It is possible to buy from foreign catalogs or auctions while physically in Japan, but given the nature of antiques most purchasers prefer to inspect the item personally before buying. In addition, individual importers must understand that if customs inspectors determine that the item is not at least 100 years old, customs duties will be assessed.

## **11. Related Organizations**

None.