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Unification of Japan's Food Labeling Laws

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On April 5, 2013, Japan's Cabinet Office approved a new food labeling bill which is being raised in the National Diet (Diet) at this year's session. If the bill (to be known as the *Food Labeling Act* once adopted by the Diet) clears the Diet this year, Japanese food labeling regulations will be unified under one set of laws by 2015.

Currently, food labeling requirements are determined primarily by the *Food Sanitation Act*, but are also regulated by the *Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products* (the "JAS Act") and the *Health Promotion Act*. As a result, labeling regulations of the three Acts overlap, and, depending on the product, some labels may require compliance with two or more different Acts.

For example, dried fruits are classified as "fresh food" under the *Food Sanitation Act* but as "processed food" under the JAS Act. Therefore, companies which sell dried fruits have to review the regulations for fresh food under the *Food Sanitation Act* and also refer to the regulations for processed food under the JAS Act.

The new *Food Labeling Act* will unify the current regulations under the three existing Acts to provide a single comprehensive framework for food labeling. This unification should make it easier for companies to determine whether their labels comply with the relevant regulations and provide one government agency (the Consumer Affairs Agency) to address any labeling issues.

Although the new Act will not substantially change the scope of the food labeling requirements, one key difference is that it may provide for stricter administrative orders and sanctions for non-compliance with administrative orders issued by the Consumer Affairs Agency. For example, mislabeling of expiration dates may lead to more serious administrative orders such as broad recalls and/or business suspensions. Further, if the company does not comply with an administrative order, the company may be liable for a fine up to JPY 300 million (currently JPY 100 million under the existing Acts) and an individual fine and/or imprisonment for the person in charge of the labeling.

The bill was approved by the House of Representatives of the Diet on May 31, 2013 and is now being discussed at the House of Councilors. Since the detailed regulations will be drafted after approval of the bill by the House of Councilors, continuous monitoring of this new Act will be necessary.

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