Japanese Desk Regulatory Update(2-1/1)

KPMG Hungary
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Deadline for submitting customs duty suspension applications approaching

Affected businesses may submit customs duty suspension applications until 2 March 2026



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1. What is EU Duty Suspension?

To support the productivity and competitiveness of the EU manufacturing industry, the EU allows affected economic operators, through autonomous customs suspensions, to apply for a reduction (even to 0%) of import duties on raw materials, components and parts necessary for their production activities.
The aim of this legal instrument is to ensure the availability of raw materials, components and parts that are not available on the EU market by reducing the financial burden associated with their procurement.

2. What is Tariff Quota?

For products that are available on the EU market but not in sufficient quantities, a tariff quota may be requested, which also provides for a reduced duty rate for a specified quantity.

3. How we can enjoy EU Duty Suspension and/or Tariff Quota?

In order to achieve liquidity and cost-side benefits through customs duty suspensions or tariff quotas, affected parties must submit a well-founded application, which should include:

- a precise description of the product concerned and its intended use
- information demonstrating that the product is not available on the EU market or is available only in limited quantities

In the event of a successful application, the customs duty suspension is granted for a period of five years, while individual tariff quotas are subject to formal annual review. The authorization process is complex and requires extensive consultation with the Ministry of Foreign Affairs and Trade as well as with the European Commission. Nevertheless, in light of the financial benefits and the mitigation of supply chain pressures, affected parties are strongly encouraged to take advantage of this opportunity by the 2 March 2026 deadline.

4. How KPMG can help you?

KPMG's experts are available to assess the eligibility for customs suspensions or tariff quotas and to support you in communications with the authorities.

Japanese practice in Hungary

KPMG Hungary Japanese Desk Webpage:
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