

JBCE AND JP4EE FEEDBACK ON THIRD-COUNTRY EQUIVALENCE FOR RECYCLED CONTENT

INTRODUCTION

JBCE and the Japanese 4EE industrial associations (JP4EE) support the European Commission's objective of ensuring the credibility, traceability, and transparency of recycled content placed on the EU market. Maintaining confidence in recycled content claims is essential to support the effective implementation of the Packaging and Packaging Waste Regulation (PPWR)¹ and the development of a circular economy.

At the same time, Japan and other third countries play an important role in the global supply of recycled materials and packaging used in the EU market. Achieving the recycled content targets established under the PPWR will require not only developing recycling capacity within the EU, but also continued access to reliable sources of recycled materials from international supply chains.

In developing the third-country equivalence framework, it is important to ensure a high level of environmental protection and regulatory confidence while avoiding unnecessary barriers to trade and supply. The framework should recognise that different regulatory, certification and traceability systems can provide the same level of assurance, even when their procedures are not identical to those used in the EU.

JBCE and JP4EE therefore recommend equivalence based on comparable assurance. The Commission should assess whether a third-country system provides reliable information, traceability and effective fraud prevention through documented procedures and auditable records. Operators should be able to demonstrate compliance directly, without mandatory third-party certification or verification.

This approach would protect the credibility of recycled content claims, avoid unnecessary duplication and preserve access to the materials needed to meet the PPWR's recycled-content and circular economy objectives.

¹ [Regulation \(EU\) 2025/40 on packaging and packaging waste \(PPWR\).](#)

KEY MESSAGES**❖ Equivalence Based on Outcomes**

Assess third-country equivalence based on outcomes rather than formal alignment with EU systems. Assessment should focus on reliable information, traceability and effective fraud-prevention controls rather than identical procedures or mandatory third-party verification.

❖ A Flexible and Efficient Compliance Framework

Allow operators to demonstrate compliance through existing records, recognised documentation and traceability systems, requiring only targeted supplementary evidence where a specific gap remains.

❖ Support for International Supply Chains and Fair Competition

Apply objective and non-discriminatory criteria to EU and non-EU operators alike. Compliance requirements should remain practical, proportionate and workable for SMEs while preserving diverse and reliable sources of recycled materials.

1. Equivalence Based on Outcomes

Third-country recycled materials should be subject to appropriate requirements to ensure credibility, traceability, and regulatory confidence. At the same time, certification, audit, and traceability systems established in third countries do not necessarily mirror those applied within the EU. Where documented procedures and auditable records provide comparable assurance, differences in regulatory or administrative structures should not prevent recognition.

Third-country equivalence should therefore be assessed on the basis of outcomes rather than formal alignment with EU rules and procedures. The assessment should focus on whether reliable information on recycled content, traceability across the chain of custody, and effective controls to prevent and detect fraud are achieved.

Compliance should not depend on mandatory third-party certification or verification. Requiring third-country systems to reproduce EU structures or obtain additional third-party certification could impose unnecessary costs and administrative burdens on international supply chains without delivering corresponding environmental benefits.

In practice, this approach would allow the Commission to recognise systems that provide comparable assurance even where their administrative design differs from the EU model.

Operators should be able to substantiate compliance through documented procedures and auditable records that can be made available to competent authorities upon request.

An outcome-based approach would maintain confidence in recycled content claims while helping to preserve access to diverse and reliable sources of recycled materials needed to support the achievement of the PPWR's recycled content targets.

2. A Flexible and Efficient Compliance Framework

Japan and other third countries already use documented traceability and compliance systems for recycled content. Their records can provide credible evidence without requiring operators to undergo a separate EU-only certification or verification process.

The framework should accept different forms of reliable evidence rather than prescribe certification by a third party. Relevant evidence may include chain-of-custody records, mass-balance documentation, transaction records, production data and internal control procedures, provided that these records are auditable and available to competent authorities. Existing certification schemes, including ISCC PLUS and equivalent schemes, and audit systems, may also be used where appropriate as part of such evidence.

Where the available documentation does not fully cover an EU requirement, a targeted document request or clarification should replace a new certification cycle or mandatory third-party audit.

Requiring economic operators to undergo additional audits, including on-site audits, or certification for matters that have already been verified under reliable systems would create unnecessary costs and administrative burdens for both operators and certification bodies.

A gap-based approach should therefore accept reliable evidence already available, identify any missing EU requirement, and request only the information necessary to address that gap.

In applying this gap-based approach, recognition should not be limited to any single specific standard or certification scheme; other mechanisms providing an equivalent level of assurance should also be appropriately recognised.

Third-country certification or assurance systems that can demonstrate an equivalent level of reliability and assurance should be capable of being recognised as equivalent to demonstrate compliance.

Operators should retain the evidence supporting their recycled-content claims and make it available to competent authorities on request. Checks should focus on the quality and consistency of that evidence, not on whether a private certification body has endorsed it.

This approach would maintain regulatory confidence while avoiding unnecessary certification costs, duplicate audits and delays for operators.

3. Supporting International Supply Chains and Fair Competition

International supply chains for recycled materials and packaging include a wide range of suppliers, including many small and medium-sized enterprises (SMEs). These suppliers play an important role in maintaining the diversity, resilience, and availability of recycled materials used in packaging placed on the EU market.

EU-specific documentation, translation requirements, overseas inspections and new traceability tools can create substantial costs for non-EU suppliers. Mandatory third-party certification would add a further burden, especially for SMEs, and could discourage reliable suppliers from serving the EU market.

The framework should therefore be workable in practice. It should allow commonly used documentation formats, rely primarily on documentary evidence, and reserve inspections or additional checks for cases where they are justified by an identified risk.

The third-country equivalence framework should therefore take into account the practical operability of international supply chains and avoid creating disproportionate barriers to participation in the EU market.

If the compliance burden becomes excessive, some suppliers may conclude that participation in the EU market is no longer commercially viable. This could reduce the diversity of supply sources, increase supply-chain concentration, and make it more difficult to secure recycled materials needed to achieve the PPWR's recycled content targets.

Requirements should therefore be based on risk and evidence, rather than on the location of suppliers or the origin of materials. Non-EU operators should not face additional checks solely because materials originate outside the EU.

At the same time, the framework should ensure fair and non-discriminatory treatment of economic operators both within and outside the EU. The assessment of third-country systems should be based on objective criteria relating to reliability, traceability, verifiability, and compliance assurance.

The third-country equivalence framework should therefore be implemented in a flexible and practical manner that supports international participation while maintaining regulatory confidence.

Fair competitive conditions are essential to support international trade, maintain diverse sources of recycled materials, and ensure a level playing field for economic operators.

CONCLUSION

JBCE and JP4EE recognise that the third-country equivalence framework under Article 7 of the PPWR has an important role to play in ensuring the credibility, traceability, and transparency of recycled content placed on the EU market.

Article 7 of the PPWR should therefore create a credible route for recognising recycled content substantiated in third countries. The framework must protect traceability and transparency without requiring non-EU systems to replicate EU procedures or obtain mandatory third-party verification.

The practical test is straightforward: can the operator provide reliable information, trace the material and demonstrate effective fraud-prevention controls through documented procedures and auditable records? When the answer is yes, the system should be recognised. Where a limited gap remains, the Commission should request only the information necessary to address that gap.

Achieving the PPWR's recycled content targets will require continued access to diverse and reliable sources of recycled materials through international supply chains. The framework should therefore support environmental protection and regulatory confidence while remaining practical, proportionate, and workable for economic operators both within and outside the EU.

JBCE and JP4EE call on the European Commission to define equivalence through clear criteria based on comparable assurance, adopt an outcome-based approach to third-country equivalence, allow operators to demonstrate compliance through reliable and auditable evidence, avoid mandatory third-party certification or verification, apply targeted and risk-based checks only where justified, and implement the framework in a practical, proportionate and non-discriminatory manner that supports international supply chains.

Such an approach would help maintain confidence in recycled content claims, while keeping international supply chains open, diverse and capable of supplying the recycled materials needed to achieve the PPWR's recycled content and circular economy objectives.

ABOUT JBCE

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of over 110 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceuticals, textiles, and glass products.

For more information: <https://www.jbce.org/> / E-mail: info@jbce.org

EU Transparency Register: [68368571120-55](#)

ABOUT JP4EE

JEMA (The Japan Electrical Manufacturers' Association)

The Japan Electrical Manufacturers' Association (JEMA) consists of major Japanese companies in the electrical industry including power & industrial systems, home appliances and related industries. JEMA will contribute to sustainable global development through improvement and enhancement of social and living infrastructures by strengthening international competitiveness of Japanese electrical machinery equipment industry.

<https://www.jema-net.or.jp/>

<http://www.jema-net.or.jp/English/>

EU Transparency Register: [871347495386-10](#)

JEITA (Japan Electronics and Information Technology Industries Association)

JEITA aims to create digital technologies, improve the business environment, enhance industrial competitiveness, and, of course, to realize Society 5.0. To that end, we urgently need to accelerate society's digital transformation (DX). JEITA will work closely with member companies, the government, and related organizations to solve social issues and energize the Japanese economy, contributing to the society and lifestyles of the future.

<https://www.jeita.or.jp/japanese/>

<https://www.jeita.or.jp/english/>

JBMIA (Japan Business Machine and Information System Industries Association)

Japan Business Machine and Information System Industries Association (JBMIA) is the industry organization which aims to contribute the development of the Japanese economy and the improvement of the office environment through the comprehensive development of the Japanese business machine and information system industries and rationalization thereof.

<https://www.jbmia.or.jp/index.php>

<https://www.jbmia.or.jp/english/index.php>

CIAJ (Communications and Information Network Association of Japan)

With the cooperation of member companies, CIAJ is committed to the healthy development of info-communication network industries through the promotion of info-communication technologies (ICT), and contributes to the realization of more enriched lives in Japan as well as the global community by supporting widespread and advanced uses of information in socio-economic and cultural activities.

<https://www.ciaj.or.jp/>

<https://www.ciaj.or.jp/en/>