2. Each Party shall ensure consistency in applying its laws and regulations on tariff classification of originating goods of the other Party.

ARTICLE 2.7

National treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994. To that end, Article III of GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 2.8

Reduction and elimination of customs duties on imports

1. Unless otherwise provided for in this Agreement, each Party shall reduce or eliminate customs duties on originating goods of the other Party in accordance with Annex 2-A.

2. Where a Party reduces its most-favoured-nation applied rate of customs duty, that duty rate shall apply to an originating good of the other Party if, and for as long as, it is lower than the customs duty rate on the same good calculated in accordance with Annex 2-A.

3. The treatment of originating goods of a Party classified under the tariff lines indicated with "S" in the Column "Note" in the Schedule of the European Union in Section B of Part 2 of Annex 2-A and in the Schedule of Japan in Section D of Part 3 of Annex 2-A, shall be subject to review by the Parties in the fifth year following the date of entry into force of this Agreement or in a year on which the Parties otherwise agree, whichever comes first. The review shall proceed with a view to improving market access conditions through, for example, measures such as faster reduction or elimination of customs duties, streamlining of tendering processes and increasing of quota quantities, as well as addressing issues related to levies.

4. Where a Party grants a larger or faster tariff reduction, higher quota or any other more favourable treatment than that provided for under this Agreement to a third country based on an international agreement for goods covered by paragraph 3 which affects the balance in the European Union's or Japan's market of such goods, the Parties shall, with a view to ensuring that the other Party obtains at least the same preference, commence such a review within three months of the date of entry into force of the international agreement between the European Union and that third country or between Japan and that third country, and will conduct the review with the aim of concluding it within six months of the same date.