ARTICLE 5.3

Conditions and limitations

1. No bilateral safeguard measure shall be maintained except to the extent and for such period of time as may be necessary to prevent or remedy serious injury and to facilitate the adjustment of the domestic industry, provided that such period of time does not exceed a period of two years. However, a bilateral safeguard measure may be extended, provided that the total duration of the bilateral safeguard measure, including such extensions, does not exceed four years.

2. Bilateral safeguard measures may only be applied during the transition period.

3. In order to facilitate adjustment in a situation where the expected duration of a bilateral safeguard measure exceeds one year, the Party maintaining the bilateral safeguard measure shall progressively liberalise the bilateral safeguard measure at regular intervals during the period of application.

4. No bilateral safeguard measure shall be applied to the import of a particular originating good which has already been subject to such a bilateral safeguard measure for a period of time equal to the duration of the previous bilateral safeguard measure or one year, whichever is longer.

5. Upon the termination of a bilateral safeguard measure, the rate of customs duty for the originating good subject to the measure shall be the rate which would have been in effect but for the bilateral safeguard measure.

ARTICLE 5.4

Investigation

1. A Party may apply a bilateral safeguard measure only after an investigation has been carried out by its competent authority[1] in accordance with the same procedures as those provided for in Article 3 and subparagraph 2(c) of Article 4 of the Agreement on Safeguards.

2. The investigation shall in all cases be completed within one year following its date of initiation.

[1] For the purposes of this Section, for Japan, competent authority includes its relevant authorities.