PART 3

Tariff elimination and reduction - Japan

SECTION A

Notes for the Schedule of Japan

1. For the purposes of Article 2.8, the following categories indicated in Column "Category" in the Schedule of Japan in Section D apply:

(a) in addition to customs duties on originating goods classified under the tariff lines which are not listed in the Schedule of Japan, customs duties on originating goods classified under the tariff lines indicated with "A" shall be eliminated entirely, and these goods shall be duty-free as from the date of entry into force of this Agreement;

(b) customs duties on originating goods classified under the tariff lines indicated with "B3" shall be eliminated in four equal annual instalments, and these goods shall be duty-free as from 1 April of the fourth year;

(c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated in six equal annual instalments, and these goods shall be duty-free as from 1 April of the sixth year;

(d) customs duties on originating goods classified under the tariff lines indicated with "B5*" shall be eliminated as follows:

(i) the customs duties shall be reduced by 20 per cent of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level set out in subparagraph (i) in five equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the sixth year;

(e) customs duties on originating goods classified under the tariff lines indicated with "B5**" shall be eliminated as follows:

(i) the customs duties shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement; and