ANNEX I
TARIFFS AND TARIFF-RELATED PROVISIONS OF JAPAN

Section A
General Provisions

1. For the purposes of this Annex:

(a) "chapter" means a chapter of the Harmonized System;

(b) "Harmonized System" or "HS" means the *Harmonized Commodity Description and Coding System*, including its General Rules of Interpretation, Section Notes, Chapter Notes and Subheading Notes as adopted and implemented by Japan in its laws;

(c) "heading" means the first four digits of the tariff classification number under the Harmonized System;

(d) "subheading" means the first six digits of the tariff classification number under the Harmonized System; and

(e) "year" means, with respect to Year 1, the period from the date of entry into force of this Agreement until the following March 31 and, with respect to each subsequent year, the 12-month period starting on April 1 of that year.

2. The nine-digit codes of the tariff classification number of Japan referred to in this Annex are based on the national nomenclature of Japan (Statistical Code List for Imports as of April 1, 2019). For greater certainty, they are subject to change in accordance with the laws, regulations or public notifications of Japan, and shall be referred to together with the correlation tables published in case of any change of national nomenclature of Japan. This Annex is made based on the Harmonized System, as amended on January 1, 2017.

3. Japan shall designate or maintain one or more inquiry points to address inquiries from interested persons concerning any matter with respect to the implementation or application of this Annex, and shall make information concerning the procedures for making such inquiries publicly available online.

Section B
Tariff Commitments of Japan

Sub-Section 1
General Notes

1. For the purposes of implementing annual stages of tariff elimination or reduction pursuant to paragraph 1 of Article 5, the following applies:

(a) the reduction for Year 1 shall take place on the date of entry into force of this Agreement; and

(b) the subsequent annual reductions shall take place on April 1 of each following year.

2. For the purposes of this Section, "base rate" means the initial rate of customs duty from which the elimination or reduction of customs duties will be implemented.

3. Unless otherwise provided for in this Section, for the purposes of the elimination or reduction of customs duties in accordance with this Section:

(a) in the case of *ad valorem* duties any fraction less than 0.1 of a percentage point shall be rounded down at least to the nearest one decimal place (in the case of 0.15 percent, the fraction shall be rounded down to 0.1 percent); and

(b) in the case of specific duties any fraction smaller than 0.01 of the official monetary unit of Japan shall be rounded to the nearest two decimal places (in the case of 0.005, the fraction shall be rounded to 0.01).

4. Notwithstanding paragraph 1, and paragraph 1(e) of Section A, if this Agreement enters into force after March 31, 2020, Japan shall apply this Section as if this Agreement had entered into force between the date of signature of this Agreement and March 31, 2020.

5. In future negotiations, the United States will be seeking preferential treatment with respect to agricultural goods.