(nn) customs duties on originating goods provided for in the items in staging category TRQ-n shall be governed by the terms of tariff rate quota ("TRQ") applicable to that item, as set out in Sub-Section 3.

3. The annual stages referred to in paragraph 2 for the elimination or reduction of customs duties shall be equal annual stages, except as otherwise provided in paragraph 2.

Sub-Section 3
Tariff Rate Quotas

1. In this Sub-Section, the descriptions of product or products in the title of each TRQ are not necessarily exhaustive. These descriptions are included solely to assist users in understanding this Sub-Section and shall not alter or supersede the coverage for each TRQ established by reference to the relevant tariff items.

2. During the first year that this Agreement is in force, if less than 12 months remain in the year on the date of entry into force of this Agreement, Japan shall make available to quota applicants, the quota quantity established in the provisions of this Sub-Section, multiplied by a fraction the numerator of which shall be a whole number consisting of the number of months remaining in the year on the date of entry into force of this Agreement, including the entirety of the month in which this Agreement enters into force, and the denominator of which shall be 12. For the purposes of this paragraph, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

3. TRQ-JP1 Mixes and Doughs and Cake Mixes

(a) The aggregate quota quantity of originating goods provided for in the tariff items set out in subparagraph (c) from the United States that shall be duty-free in a particular year is specified below:

Year	Aggregate quota quantity (Metric Tons)
1	10,800
2	11,100
3	11,400
4	11,700
5	12,000

For Year 6 and for each subsequent year, the aggregate quota quantity shall remain at 12,000 Metric Tons.

(b) The rate of customs duty on originating goods provided for in the tariff items set out in subparagraph (c) from the United States imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be determined at the most-favored-nation rate of customs duty in effect at the time of import of those goods.

(c) Subparagraphs (a) and (b) shall apply to the originating goods provided for in the tariff items 190120.222, 190120.232, 190120.235, and 190120.243.

(d) TRQ-JP1 shall be administered by Japan through a first-come, first-served import licensing procedure pursuant to which a certificate of tariff rate quota shall be issued by Japan.

4. TRQ-JP2 Wheat

(a) The aggregate quota quantity of originating goods provided for in the tariff items set out in subparagraph (d) from the United States that shall be duty-free in a particular year, subject to an import mark-up applied by Japan as provided in subparagraphs (f) and (g), and the maximum import mark-up to set the minimum selling price for each year for those goods, are specified below:

Year	Aggregate quota quantity (Metric Tons)	Maximum import mark-up to set the minimum selling price (Group1) (yen/kg)	Maximum import mark-up to set the minimum selling price (Group2) (yen/kg)
1	120,000	15.3	15.1
2	126,000	14.5	14.2
3	132,000	13.6	13.2
4	138,000	12.8	12.3
5	144,000	11.9	11.3
6	150,000	11.1	10.4
7	150,000	10.2	9.4
8	150,000	9.4	8.5

For Year 9 and for each subsequent year, the aggregate quota quantity shall remain at 150,000 Metric Tons. For Year 9 and for each subsequent year, the maximum import mark-up to set the minimum selling price shall remain at 9.4 yen per kilogram for the originating goods classified under Group 1 and 8.5 yen per kilogram for the originating goods classified under Group 2.

(b) For the purposes of TRQ-JP2: