Part 2

Section 1
Notes for Schedule of Japan

1. For the purposes of Article 21, the following categories indicated in Column 4 in the Schedule of Japan in Section 2 shall apply:

(a) customs duties on originating goods classified under the tariff lines indicated with "A" shall be eliminated entirely, and such goods shall be duty free on 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, from the base rate to free, in four equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the fourth year;

(c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated, from the base rate to free, in six equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the sixth year;

(d) customs duties on originating goods classified under the tariff lines indicated with "B7" shall be eliminated, from the base rate to free, in eight equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the eighth year;

(e) customs duties on originating goods classified under the tariff lines indicated with "B10" shall be eliminated, from the base rate to free, in 11 equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the 11th year;

(f) customs duties on originating goods classified under the tariff lines indicated with "B15" shall be eliminated, from the base rate to free, in 16 equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the 16th year;

(g) customs duties on originating goods classified under the tariff lines indicated with "B16" shall be eliminated, from the base rate to free, in 17 equal annual installments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on April 1 of the 17th year;

(h) customs duties on originating goods classified under the tariff lines indicated with "P" shall be reduced in accordance with the terms and conditions set out in note 2(a) through 2(e) as indicated in Column 5 in the Schedule of Japan in Section 2;

(i) customs duties on originating goods classified under the tariff lines indicated with "Q" shall be as provided for in the terms and conditions set out in note 2(f) through 2(k) as indicated in Column 5 in the Schedule of Japan in Section 2;

(j) customs duties on originating goods classified under the tariff lines indicated with "R" shall be excluded from any tariff commitment referred to in subparagraphs (a) through (i), and be subject to negotiation between the Parties in the fifth year from the date of entry into force of this Agreement; and

(k) the originating goods classified under the tariff lines indicated with "X" shall be excluded from any tariff commitment referred to in subparagraphs (a) through (j).

2. The terms and conditions in the following notes indicated with (a) to (k) shall apply to originating goods specified with the corresponding letter in Column 5 of the Schedule of Japan in Section 2.

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