PART 3

Section 1

Notes for Schedule of Japan

1. For the purposes of Article 2.4 (Trade in Goods - Elimination or Reduction of Customs Duties), the following categories indicated in Column 4 of Section 2 (Schedule of Japan) 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 "A*" shall be eliminated entirely and shall be as provided for in the terms and conditions set out in the note indicated in Column 5 of Section 2 (Schedule of Japan), and such goods shall be duty free on the date of entry into force of this Agreement;

(c) 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 instalments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on 1 April of the fourth year;

(d) customs duties on originating goods classified under the tariff lines indicated with "B4" shall be eliminated, from the Base Rate to free, in five equal annual instalments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on 1 April of the fifth year;

(e) 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 instalments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on 1 April of the sixth year;

(f) 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 instalments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on 1 April of the eighth year;

(g) customs duties on originating goods classified under the tariff lines indicated with "B7*" shall be eliminated in the terms and conditions set out in the note indicated in Column 5 of Section 2 (Schedule of Japan);

(h) 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 instalments beginning on the date of entry into force of this Agreement, and such goods shall be duty free, effective on 1 April of the 11th year;

(i) customs duties on originating goods classified under the tariff lines indicated with "B10*" shall be eliminated, from the Base Rate to free, in six equal annual instalments. This annual reduction shall take place on 1 April of each year from the sixth year to the 11th year, and such goods shall be duty free, effective on 1 April of the 11th year;

(j) customs duties on originating goods classified under the tariff lines indicated with "B10**" shall be eliminated, from the Base Rate to free, in nine equal annual instalments. This annual reduction shall take place on 1 April of each year from the third year to the 11th year, and such goods shall be duty free, effective on 1 April of the 11th year;