Part 2

Section 1
Notes for Schedule of Japan

1. The terms and conditions in the following notes indicated with (1) through (16) shall apply to originating goods with the corresponding number in Column 5 of Section 2.

(1) The rate of customs duty shall be reduced, from 13.20 yen per kilogram to 11.88 yen per kilogram, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(2) The rate of customs duty shall be reduced, from 8.50 yen per kilogram to 3.78 yen per kilogram, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(3) The rate of customs duty shall be reduced, from 29.8 percent to 25 percent, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(4) The rate of customs duty shall be reduced, from 24 yen per kilogram to 12 yen per kilogram, in 11 equal annual instalments beginning on the date of entry into force of this Agreement.

(5) The rate of customs duty shall be reduced, from 18 percent to 10 percent, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(6) The rate of customs duty shall be reduced, from 24 percent to 15 percent, in 11 equal annual instalments beginning on the date of entry into force of this Agreement.

(7) The rate of customs duty shall be reduced, from 23.8 percent to 19 percent, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(8) The rate of customs duty shall be reduced, from 21.3 percent to 17 percent, in six equal annual instalments beginning on the date of entry into force of this Agreement.

(9) (a) A tariff rate quota shall be applied in accordance with the following:

(i) the aggregate quota quantity for each year shall be one metric ton;

(ii) the in-quota rate of customs duty on the originating goods shall be free; and

(iii) for the purposes of subparagraphs (i) and (ii), the tariff rate quota shall be implemented through a certificate of tariff rate quota issued by the importing Party on the basis of the certificate issued by the exporting Party for each export.

(b) The originating goods classified under the tariff lines indicated with "(9)" shall be accompanied by a certificate of a good for the preferential tariff treatment in accordance with this Annex.

(c) In accordance with paragraph 2 of Article 2.4, the Parties shall negotiate on issues such as improving market access conditions in the fifth year and, in the year following a year when the imported amount of the originating goods classified under the tariff lines indicated with "(9)" exceeds one metric ton, shall negotiate on the aggregate quota quantity thereafter.

(d) The originating goods classified under the tariff lines indicated with "(9)" other than those imported under the tariff rate quota shall be excluded from any tariff commitment referred to in subparagraphs 1(a) through (k) of Part 1.