25. TRQ-24: Milk powder (for the preparation of chocolate)

(a) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (d) shall be duty-free, when:

(i) the aggregate volume of the originating goods imported from the European Union in any year does not exceed the aggregate quota quantity, expressed in terms of whole milk equivalent (metric tonnes) calculated with a conversion factor listed in subparagraph (b), set out in the table below; and

Year	Aggregate quota quantity (whole milk equivalent (metric tonnes))
1	5,242
2	6,312
3	7,382
4	8,451
5	9,521
6	10,591
7	11,661
8	12,731
9	13,800
10	14,870
11	15,940
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 15,940 whole milk equivalent (metric tonnes).	

(ii) the quota quantity to be allocated for each application made by an importer shall not exceed the limit of three multiplied by the quantity of the milk powder, specified in application, produced from domestic milk and used by the importer for the production of chocolate in Japan.

(b) For the purposes of TRQ-24, the conversion factor set out in the right column of the table below indicates the coefficient for a calculation to obtain the weight in whole milk equivalent of the respective originating goods classified under the tariff lines set out in the left column of the table below:

Tariff line	Conversion factor
040221.119	8.9
040221.129	13.43

(c) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (d) imported in excess of the aggregate quota quantity set out in subparagraph (a)(i) shall be excluded from any tariff commitment under this Agreement.

(d) Subparagraphs (a) to (c) shall apply to the originating goods classified under the tariff lines 040221.119 and 040221.129.

(e) TRQ-24 shall be administered by Japan, in a non-discriminatory manner, through a first-come, first-served import licensing procedure pursuant to which a certificate of tariff rate quota shall be issued by Japan.