APPENDIX 3-B-1

PROVISIONS RELATED TO CERTAIN VEHICLES AND PARTS OF VEHICLES

SECTION 1

Supplier's declarations

Where a supplier in Japan provides a producer in Japan of the products of headings 84.07 and 84.08 and headings 87.01 to 87.08 with the information necessary to determine the originating status of the products, a supplier's declaration may be provided by the supplier.

SECTION 2

Interim threshold of product specific rules of origin for vehicles and parts of vehicles

1. For the purpose of this Section, "year" means, with respect to the first year, the twelve-month period from the date of entry into force of this Agreement, and with respect to each subsequent year, the twelve-month period after the end of the previous year.

2. For vehicles of heading 87.03, each Party shall apply the following rule:

From the first year until the end of the third year	From the fourth year until the end of the sixth year	From the beginning of the seventh year
MaxNOM 55 % (EXW) or; RVC 50 % (FOB)	MaxNOM 50 % (EXW) or; RVC 55 % (FOB)	MaxNOM 45 % (EXW) or; RVC 60 % (FOB)

3. The interim threshold set out in the tables of subparagraphs (a) to (c) applies to products directly exported from a Party to the other Party and does not apply to products incorporated into a complete vehicle as materials in the exporting Party:

(a) For parts of vehicles of headings 84.07 and 84.08, each Party shall apply the following rule:

From the first year until the end of the third year	From the beginning of the fourth year
MaxNOM 60 % (EXW); or RVC 45 % (FOB)	MaxNOM 50 % (EXW); or RVC 55 % (FOB)

(b) For parts of vehicles of headings 87.06 and 87.07, each Party shall apply the following rule:

From the first year until the end of the fifth year	From the beginning of sixth year
MaxNOM 55 % (EXW); or RVC 50 % (FOB)	MaxNOM 45 % (EXW); or RVC 60 % (FOB)