PART 3

Tariff elimination and reduction - Japan

SECTION A

Notes for the Schedule of Japan

1. For the purposes of Article 2.8, the following categories indicated in Column "Category" in the Schedule of Japan in Section D apply:

(a) in addition to customs duties on originating goods classified under the tariff lines which are not listed in the Schedule of Japan, customs duties on originating goods classified under the tariff lines indicated with "A" shall be eliminated entirely, and these goods shall be duty-free as from 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 as follows:

(i) the customs duties shall be reduced by 75 per cent of the base rate on the date of entry into force of this Agreement; and

(ii) these goods shall be duty-free as from 1 April of the second year;

(c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated as follows:

(i) the customs duties shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level calculated, without rounding, in subparagraph (i) in three equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the fourth year;

(d) customs duties on originating goods classified under the tariff lines indicated with "B5*" shall be eliminated as follows:

(i) the customs duties shall be reduced by 52 per cent of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level set out in subparagraph (i) in three equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the fourth year;

(e) customs duties on originating goods classified under the tariff lines indicated with "B5**" shall be eliminated as follows:

(i) the customs duties shall be reduced by 70 per cent of the base rate on the date of entry into force of this Agreement; and

(ii) the customs duties shall be eliminated from the level set out in subparagraph (i) in three equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the fourth year;

(f) customs duties on originating goods classified under the tariff lines indicated with "B5***" shall remain at the base rate until 31 March of the third year, and these goods shall be duty-free as from 1 April of the fourth year;

(g) customs duties on originating goods classified under the tariff lines indicated with "B5****" shall be eliminated as follows:

(i) the customs duties shall be reduced to 15 per cent *ad valorem* and 24 yen per kilogramme on the date of entry into force of this Agreement; and