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ANNEX 2 – PART 3/5

ANNEX

to the

Proposal for a Council Decision

on the signing, on behalf of the European Union, of the Economic Partnership Agreement between the European Union and Japan

The negotiations between the EU and Japan on the Economic Partnership Agreement (the EPA) have been finalised and the legal revision of the texts has been completed. In view of the Commission's transparency policy, we are hereby publishing the texts of the EPA as they stand after the legal revision. The texts are published for information purposes only and may undergo further modifications.

The texts will be binding upon the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement.

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 in four equal annual instalments, and these goods shall be duty-free as from 1 April of the fourth year;

- (c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated in six equal annual instalments, and these goods shall be duty-free as from 1 April of the sixth 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 20 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 five equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the sixth 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 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 set out in subparagraph (i) in five equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the sixth 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 fifth year, and these goods shall be duty-free as from 1 April of the sixth 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 25 per cent *ad valorem* and 40 yen per kilogramme 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 five equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the sixth year;

- (h) 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 35 per cent *ad valorem* and 40 yen per kilogramme 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 five equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the sixth year;
- (i) customs duties on originating goods classified under the tariff lines indicated with "B7" shall be eliminated in eight equal annual instalments, and these goods shall be duty-free as from 1 April of the eighth year;
- (j) customs duties on originating goods classified under the tariff lines indicated with "B7*" 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 set out in subparagraph (i) in seven equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the eighth year;

- (k) customs duties on originating goods classified under the tariff lines indicated with "B7**" shall be eliminated as follows:
 - (i) the customs duties shall be reduced by 20 per cent of the base rate on the date of entry into force of this Agreement;
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) until 31 March of the third year; and
 - (iii) the customs duties shall be eliminated from the level set out in subparagraph (i) in five equal annual instalments beginning on 1 April of the fourth year, and these goods shall be duty-free as from 1 April of the eighth year;

- (l) customs duties on originating goods classified under the tariff lines indicated with "B8" shall be eliminated in nine equal annual instalments, and these goods shall be duty-free as from 1 April of the ninth year;

- (m) customs duties on originating goods classified under the tariff lines indicated with "B9*" shall be eliminated as follows:
- (i) the customs duties shall be reduced to 2.2 per cent *ad valorem* 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 nine equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the 10th year;
- (n) customs duties on originating goods classified under the tariff lines indicated with "B10" shall be eliminated in 11 equal annual instalments, and these goods shall be duty-free as from 1 April of the 11th year;
- (o) customs duties on originating goods classified under the tariff lines indicated with "B10*" 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 set out in subparagraph (i) in 10 equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the 11th year;

- (p) customs duties on originating goods classified under the tariff lines indicated with "B10**" shall be:
 - (i) from the date of entry into force of this Agreement until 31 March of the 10th year, the difference between:
 - (A) the sum of:
 - (1) the value per kilogramme obtained by multiplying the value of the customs duty per kilogramme by a Coefficient which shall be the difference between 100 per cent plus the rate set out in Column 3 of the table below and the value obtained by dividing the value per kilogramme set out in Column 2 of the table below by 897.59 yen per kilogramme; and
 - (2) the value per kilogramme set out in Column 2 of the table below; and

1	2	3
Year	Value per kilogramme (yen)	Rate (%)
1	307.87	4.3
2	269.50	3.7
3	231.13	3.2
4	192.75	2.7
5	154.38	2.2
6	128.65	1.8
7	102.91	1.4
8	77.19	1.1
9	51.46	0.7
10	25.72	0.3

(B) the value for customs duty per kilogramme; and

(ii) zero, as from 1 April of the 11th year;

- (q) customs duties on originating goods classified under the tariff lines indicated with "B10****" shall be eliminated as follows:
- (i) the customs duties shall be reduced to 4.3 per cent *ad valorem* on the date of entry into force of this Agreement;
 - (ii) the customs duties shall be reduced to 2.2 per cent *ad valorem* from the level set out in subparagraph (i) in four equal annual instalments beginning on 1 April of the second year; and
 - (iii) the customs duties shall be eliminated from the level set out in subparagraph (ii) in six equal annual instalments beginning on 1 April of the sixth year, and these goods shall be duty-free as from 1 April of the 11th year;
- (r) customs duties on originating goods classified under the tariff lines indicated with "B10*****" shall be eliminated as follows:
- (i) the customs duties shall be reduced by 25 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 10 equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the 11th year;

- (s) customs duties on originating goods classified under the tariff lines indicated with "B12*" 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 set out in subparagraph (i) in 12 equal annual instalments beginning on 1 April of the second year, and these goods shall be duty-free as from 1 April of the 13th year;

- (t) customs duties on originating goods classified under the tariff lines indicated with "B12**" shall be eliminated as follows:
 - (i) the customs duties shall be reduced by 20 per cent of the base rate on the date of entry into force of this Agreement;

- (ii) the customs duties shall remain at the level set out in subparagraph (i) until 31 March of the sixth year; and
 - (iii) the customs duties shall be eliminated from the level set out in subparagraph (ii) in seven equal annual instalments beginning on 1 April of the seventh year, and these goods shall be duty-free as from 1 April of the 13th year;
- (u) customs duties on originating goods classified under the tariff lines indicated with "B12****" 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;
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) until 31 March of the sixth year;
 - (iii) the customs duties shall be reduced by 25 per cent of the base rate from the level set out in subparagraph (ii) on 1 April of the seventh year;

- (iv) the customs duties shall remain at the level set out in subparagraph (iii) until 31 March of the 12th year; and
- (v) the customs duties shall be eliminated, and these goods shall be duty-free as from 1 April of the 13th year;
- (v) customs duties on originating goods classified under the tariff lines indicated with "B13" shall be eliminated in 14 equal annual instalments, and these goods shall be duty-free as from 1 April of the 14th year;
- (w) customs duties on originating goods classified under the tariff lines indicated with "B15" shall be eliminated in 16 equal annual instalments, and these goods shall be duty-free as from 1 April of the 16th year;

- (x) customs duties on originating goods classified under the tariff lines indicated with "B15*" shall be:
 - (i) from the date of entry into force of this Agreement until 31 March of the 15th year, the lesser of:
 - (A) the difference between the value for customs duty per each and the value per each obtained by multiplying 20,400.55 yen per each by 100 per cent plus the rate set out in Column 3 of the table below; and

(B) the value per each set out in Column 2 of the table below; and

1	2	3
Year	Value per each (yen)	Rate (%)
1	18,288.75	7.9
2	17,069.50	7.4
3	15,850.25	6.9
4	14,631.00	6.3
5	13,411.75	5.8
6	12,192.50	5.3
7	10,973.25	4.7
8	9,754.00	4.2
9	8,534.75	3.7
10	7,315.50	3.1
11	6,096.25	2.6
12	4,877.00	2.1
13	3,657.75	1.5
14	2,438.50	1.0
15	1,219.25	0.5

(ii) zero, as from 1 April of the 16th year;

- (y) customs duties on originating goods classified under the tariff lines indicated with "B20*" shall be eliminated as follows:
 - (i) the customs duties shall be reduced by 80 per cent of the base rate in 11 equal annual instalments beginning 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 10 equal annual instalments beginning on 1 April of the 12th year, and these goods shall be duty-free as from 1 April of the 21st year;

- (z) customs duties on originating goods classified under the tariff lines indicated with "R1" shall be reduced as follows:
 - (i) the customs duties shall be reduced to 27.5 per cent *ad valorem* on the date of entry into force of this Agreement;
 - (ii) the customs duties shall be reduced to 20 per cent *ad valorem* from the level set out in subparagraph (i) in nine equal annual instalments beginning on 1 April of the second year;

- (iii) the customs duties shall be reduced to 9 per cent *ad valorem* from the level set out in subparagraph (ii) in six equal annual instalments beginning on 1 April of the 11th year; and
 - (iv) the customs duties shall remain at 9 per cent *ad valorem* from the 16th year;
- (aa) customs duties on originating goods classified under the tariff lines indicated with "R2" shall be the lesser of:
- (i) the difference between the value for customs duty per kilogramme and the value per kilogramme obtained by multiplying 393 yen per kilogramme by 100 per cent plus the rate set out in Column 3 of the table below; and

(ii) the value per kilogramme set out in Column 2 of the table below:

1	2	3
Year	Value per kilogramme (yen)	Rate (%)
1	93.75	2.2
2	93.75	1.9
3	93.75	1.7
4	93.75	1.4
5	52.50	1.2
6	49.50	0.9
7	46.50	0.7
8	43.50	0.4
9	40.50	0.2
10 and thereafter	37.50	0

(bb) customs duties on originating goods classified under the tariff lines indicated with "R3" shall be the lesser of:

(i) the difference between the value for customs duty per kilogramme and the value per kilogramme obtained by multiplying 524 yen per kilogramme by 100 per cent plus the rate set out in Column 3 of the table below; and

(ii) the value per kilogramme set out in Column 2 of the table below:

1	2	3
Year	Value per kilogramme (yen)	Rate (%)
1	125	2.2
2	125	1.9
3	125	1.7
4	125	1.4
5	70	1.2
6	66	0.9
7	62	0.7
8	58	0.4
9	54	0.2
10 and thereafter	50	0

(cc) customs duties on originating goods classified under the tariff lines indicated with "R4" shall be reduced as follows:

(i) the customs duties shall be reduced to 39 per cent *ad valorem* on the date of entry into force of this Agreement;

- (ii) the customs duties shall be reduced to 20 per cent *ad valorem* from the level set out in subparagraph (i) in nine equal annual instalments beginning on 1 April of the second year;
 - (iii) the customs duties shall be reduced to 9 per cent *ad valorem* from the level set out in subparagraph (ii) in six equal annual instalments beginning on 1 April of the 11th year; and
 - (iv) the customs duties shall remain at 9 per cent *ad valorem* from the 16th year;
- (dd) customs duties on originating goods classified under the tariff lines indicated with "R5" shall be reduced as follows:
- (i) the customs duties shall be reduced by 50 per cent of the base rate in 11 equal annual instalments beginning on the date of entry into force of this Agreement; and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the 11th year;

- (ee) customs duties on originating goods classified under the tariff lines indicated with "R6" shall be reduced as follows:
- (i) the customs duties shall be reduced by 50 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;
- (ff) customs duties on originating goods classified under the tariff lines indicated with "R7" shall be reduced by 5 per cent of the base rate on the date of entry into force of this Agreement and shall remain at that level thereafter;
- (gg) customs duties on originating goods classified under the tariff lines indicated with "R8" shall be reduced as follows:
- (i) the customs duties shall be reduced by 25 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

(hh) customs duties on originating goods classified under the tariff lines indicated with "R9" shall be reduced as follows:

(i) the customs duties shall be reduced to 5 per cent of the base rate as set out in the table below in six equal annual instalments beginning on the date of entry into force of this Agreement; and

Year	Customs duties other than the levy (yen/kg)	Levy (yen/kg)
1	77.43	255.87
2	62.87	207.73
3	48.30	159.60
4	33.73	111.47
5	19.17	63.33
6	4.60	15.20

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

(ii) customs duties on originating goods classified under the tariff lines indicated with "R10" shall be reduced as follows:

(i) the customs duties shall be reduced to 5 per cent of the base rate as set out in the table below in six equal annual instalments beginning on the date of entry into force of this Agreement; and

Year	Customs duties other than the levy (yen/kg)	Levy (yen/kg)
1	83.33	274.38
2	67.65	222.77
3	51.98	171.15
4	36.30	119.53
5	20.62	67.92
6	4.95	16.30

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

- (jj) customs duties on originating goods classified under the tariff lines indicated with "R11" shall be reduced as follows:
- (i) the customs duties shall be reduced to 35 per cent *ad valorem* and 40 yen per kilogramme on the date of entry into force of this Agreement;
 - (ii) the customs duties shall be reduced by 70 per cent of the level set out in subparagraph (i) in 10 equal annual instalments beginning on 1 April of the second year; and
 - (iii) the customs duties shall remain at the level set out in subparagraph (ii) from the 11th year;
- (kk) customs duties on originating goods classified under the tariff lines indicated with "R12" shall be reduced as follows:
- (i) the customs duties shall be reduced to 25 per cent *ad valorem* and 40 yen per kilogramme on the date of entry into force of this Agreement;

- (ii) the customs duties shall be reduced by 70 per cent of the level set out in subparagraph (i) in 10 equal annual instalments beginning on 1 April of the second year; and
 - (iii) the customs duties shall remain at the level set out in subparagraph (ii) from the 11th year;
- (ll) customs duties on originating goods classified under the tariff lines indicated with "R13" shall be reduced by 15 per cent of the base rate on the date of entry into force of this Agreement and shall remain at that level thereafter;
- (mm) customs duties on originating goods classified under the tariff lines indicated with "R14" shall be reduced by 25 per cent of the base rate on the date of entry into force of this Agreement and shall remain at that level thereafter;

(nn) customs duties on originating goods classified under the tariff lines indicated with "R15" shall be reduced as follows:

(i) the customs duties shall be reduced by 15 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

(oo) customs duties on originating goods classified under the tariff lines indicated with "R16" shall be reduced as follows:

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

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the fourth year;

(pp) customs duties on originating goods classified under the tariff lines indicated with "R17" shall be reduced as follows:

(i) the customs duties shall be reduced by 75 per cent of the base rate in 11 equal annual instalments beginning on the date of entry into force of this Agreement;
and

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the 11th year;

(qq) customs duties on originating goods classified under the tariff lines indicated with "R18" shall be reduced as follows:

(i) the customs duties shall be reduced by 10 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and

(ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

- (rr) customs duties on originating goods classified under the tariff lines indicated with "R19" shall be reduced as follows:
- (i) the customs duties shall be reduced by 75 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;
- (ss) customs duties on originating goods classified under the tariff lines indicated with "R20" shall be reduced as follows:
- (i) the customs duties shall be reduced by 60 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

- (tt) customs duties on originating goods classified under the tariff lines indicated with "R21" shall be reduced as follows:
- (i) the customs duties shall be reduced by 63 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;
- (uu) customs duties on originating goods classified under the tariff lines indicated with "R22" shall be reduced as follows:
- (i) the customs duties shall be reduced by 66.6 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement;
and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;

- (vv) customs duties on originating goods classified under the tariff lines indicated with "R23" shall be reduced as follows:
- (i) the customs duties shall be reduced by 67 per cent of the base rate in six equal annual instalments beginning on the date of entry into force of this Agreement; and
 - (ii) the customs duties shall remain at the level set out in subparagraph (i) from the sixth year;
- (ww) customs duties on originating goods classified under the tariff lines indicated with "TRQ" shall be governed by the terms of tariff rate quota applicable to that tariff line, as set out in Section B;
- (xx) customs duties on originating goods classified under the tariff lines indicated with "Xb" shall be excluded from any commitment of tariff elimination or reduction, and remain at the base rate;
- (yy) originating goods classified under the tariff lines indicated with "Xq1", for which tariff rate quotas are set out in Japan's Schedule to the WTO Agreement, shall be excluded from any tariff commitment under this Agreement;

(zz) originating goods classified under the tariff lines indicated with "Xq2", for which tariff rate quotas are set out by relevant cabinet orders of Japan, shall be excluded from any tariff commitment under this Agreement; and

(aaa) originating goods classified under the tariff lines indicated with "X" shall be excluded from any tariff commitment referred to in paragraph 1 of Part 1 and subparagraphs (a) to (xx).

2. Originating goods classified under the tariff lines indicated with "SG-n" in Column "Note" in the Schedule of Japan shall be subject to the provisions of Section C.
3. The treatment of originating goods classified under the tariff lines indicated with "S" in Column "Note" in the Schedule of Japan shall be subject to review pursuant to paragraphs 3 and 4 of Article 2.8.
4. Paragraph 6 of Part 1 shall not be applied to the case of customs duties on originating goods classified under the tariff lines 210610.219 and 210690.283.

SECTION B

Tariff rate quotas of Japan

1. General provisions

- (a) For the purposes of subparagraph 1(ww) of Section A, customs duties on originating goods classified under the tariff lines indicated with "TRQ-n" in Column "Note" in the Schedule of Japan shall be governed by the terms of the tariff rate quota (TRQ) for that specific tariff line, as set out in this Section, beginning on the date of entry into force of this Agreement.
- (b) For the purposes of implementing the TRQ set out in this Section, where the first year is less than 12 months, the aggregate quota quantity for the first year set out in each TRQ shall be reduced to a part of the aggregate quota quantity that is proportional to the number of complete months remaining in the first year. For the purposes of this subparagraph, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0), provided that the unit specified in relevant provisions in this Section shall apply.

- (c) In this Section, the descriptions of product or products in the title of each TRQ are not necessarily exhaustive. These descriptions are included solely to assist users in understanding this Section and shall not alter or supersede the coverage for each TRQ established by reference to the relevant tariff lines.

2. TRQ-1: Wheat products

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraph (d), is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	100
2	120
3	140
4	160
5	180
6	200
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 200 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 190410.221, 190420.221, 190430.010, 190490.210 and 210690.214.
- (d) TRQ-1 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by the Ministry of Agriculture, Forestry and Fisheries of Japan (hereinafter referred to in this Section as "MAFF"), or its successor, as a State Trading Enterprise using a simultaneous buy-sell (hereinafter referred to in this Section as "SBS") mechanism. Japan may collect the import mark-up for goods imported under the TRQ-1. The amount of the import mark-up shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

3. TRQ-2: Mixes and doughs and cake mixes

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	10,400
2	11,160
3	11,920
4	12,680
5	13,440
6	14,200
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 14,200 metric tonnes.	

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

- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 190120.222, 190120.232, 190120.235 and 190120.243.
- (d) TRQ-2 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.

4. TRQ-3: Food preparations made primarily of wheat

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	2,000
2	2,200
3	2,400
4	2,600
5	2,800
6	3,000
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 3,000 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 190190.242, 190190.247, 190190.252 and 190190.267.
- (d) TRQ-3 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.

5. TRQ-4: Wheat flour, pellets, rolled and food preparations

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraph (d), is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	3,700
2	3,800
3	3,900
4	4,000
5	4,100
6	4,200
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 4,200 metric tonnes.	

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

- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 110100.011, 110100.091, 110290.210, 110311.010, 110319.210, 110320.110, 110320.510, 110419.111, 110419.121, 110429.111, 110429.121, 110811.010, 190120.131, 190120.151, 190190.151 and 190190.171.
- (d) TRQ-4 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by MAFF, or its successor, as a State Trading Enterprise using a SBS mechanism. Japan may collect the import mark-up for goods imported under the TRQ-4. The amount of the import mark-up shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

6. TRQ-5: Wheat

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraphs (e) and (f), and the maximum import mark-up to set the minimum selling price for each year for those goods are set out in the table below:

Year	Aggregate quota quantity (metric tonnes)	Maximum import mark-up to set the minimum selling price (yen/kg)
1	200	16.2
2	212	15.3
3	223	14.5
4	235	13.6
5	247	12.8
6	258	11.9
7	270	11.1
8	270	10.2
9	270	9.4
For the 10th year and for each subsequent year, the aggregate quota quantity shall remain at 270 metric tonnes. For the 10th year and for each subsequent year, the maximum import mark-up to set the minimum selling price shall remain at 9.4 yen per kilogramme for the originating goods.		

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 100111.010, 100119.010, 100191.011, 100191.019, 100199.011, 100199.019 and 100860.210.

- (d) TRQ-5 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by MAFF, or its successor, as a State Trading Enterprise using a SBS mechanism.
- (e) For the purposes of TRQ-5, "maximum import mark-up to set the minimum selling price" means the maximum amount that MAFF, or its successor, may add to the amount paid for goods when it sets the minimum selling price at or above which MAFF, or its successor, shall not reject a bid in an SBS tender unless the tender amount in the SBS tender is fully subscribed through higher bids.
- (f) The difference between the amount paid by the purchaser in an SBS transaction for goods and the amount paid by MAFF, or its successor, for the goods shall be retained by MAFF, or its successor, as the import mark-up for the goods, which can be more than the maximum import mark-up to set the minimum selling price but shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

7. TRQ-6: Udon

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff line set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	10
For the second year and for each subsequent year, the aggregate quota quantity shall remain at 10 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 190219.092.
- (d) TRQ-6 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.

8. TRQ-7: Barley flour, groats and pellets

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraph (d), is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	100
2	120
3	140
4	160
5	180
6	200
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 200 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 110290.110, 110319.110, 110320.410, 110419.410, 110429.410 and 190410.231.

(d) TRQ-7 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by MAFF, or its successor, as a State Trading Enterprise using a SBS mechanism. Japan may collect the import mark-up for goods imported under the TRQ-7. The amount of the import mark-up shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

9. TRQ-8: Food preparations of barley

(a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraph (d), is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	100
2	120
3	140
4	160
5	180
6	200
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 200 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 190120.141, 190190.161, 190420.231, 190490.310 and 210690.216.
- (d) TRQ-8 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by MAFF, or its successor, as a State Trading Enterprise using a SBS mechanism. Japan may collect the import mark-up for goods imported under the TRQ-8. The amount of the import mark-up shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

10. TRQ-9: Barley

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free, subject to an import mark-up applied by Japan as provided for in subparagraphs (e) and (f), and the maximum import mark-up to set the minimum selling price for each year for those goods are set out in the table below:

Year	Aggregate quota quantity (metric tonnes)	Maximum import mark-up to set the minimum selling price (yen/kg)
1	30	7.6
2	30	7.2
3	30	6.8
4	30	6.4
5	30	6.0
6	30	5.6
7	30	5.2
8	30	4.8
9	30	4.4
For the 10th year and for each subsequent year, the aggregate quota quantity shall remain at 30 metric tonnes. For the 10th year and for each subsequent year, the maximum import mark-up to set the minimum selling price shall remain at 4.4 yen per kilogramme.		

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 100310.010 and 100390.019.
- (d) TRQ-9 shall be established outside the tariff rate quota set out in Japan's Schedule to the WTO Agreement and shall be administered by MAFF, or its successor, as a State Trading Enterprise using a SBS mechanism. A longer shipping period based on a trading contract between an importer and a producer shall be allowed.

- (e) For the purposes of TRQ-9, "maximum import mark-up to set the minimum selling price" means the maximum amount that MAFF, or its successor, may add to the amount paid for goods when it sets the minimum selling price at or above which MAFF, or its successor, shall not reject a bid in an SBS tender unless the tender amount in the SBS tender is fully subscribed through higher bids.

- (f) The difference between the amount paid by the purchaser in an SBS transaction for goods and the amount paid by MAFF, or its successor, for the goods shall be retained by MAFF, or its successor, as the import mark-up for the goods, which can be more than the maximum import mark-up to set the minimum selling price but shall not exceed the amount permitted for the goods under Japan's Schedule to the WTO Agreement.

11. TRQ-10: Malt

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	185,700
For the second year and for each subsequent year, the aggregate quota quantity shall remain at 185,700 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 110710.029 and 110720.020.

- (d) TRQ-10 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.

12. TRQ-11: Coffee, tea mixes, food preparations and doughs

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	1,270
2	1,321
3	1,372
4	1,423
5	1,474
6	1,525
7	1,576
8	1,627
9	1,678
10	1,729
11	1,780
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 1,780 metric tonnes.	

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

- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 170290.219, 190120.239, 190190.217, 190190.248, 190190.253, 210112.110, 210112.246, 210120.246, 210690.251, 210690.271, 210690.272 and 210690.281.

- (d) TRQ-11 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.

13. TRQ-12: Food preparations

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff line set out in subparagraph (c) that shall be duty-free is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	150.0
2	157.5
3	165.0
4	172.5
5	180.0
6	187.5
7	195.0
8	202.5
9	210.0
10	217.5
11	225.0
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 225 metric tonnes.	

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 210690.590.
- (d) TRQ-12 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.

14. TRQ-13: Glucose and fructose

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (d) is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	1,780
2	2,136
3	2,492
4	2,848
5	3,204
6	3,560
7	3,916
8	4,272
9	4,628
10	4,984
11	5,340
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 5,340 metric tonnes.	

- (b) (i) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (d)(i) shall be duty-free.
- (ii) The in-quota rate of customs duty other than the levy on originating goods of the European Union classified under the tariff lines set out in subparagraph (d)(ii) shall be 21.5 yen per each kilogramme of the sugar portion of those originating goods, on which Japan may charge a levy. The rate of that levy shall be no greater than that of a levy applicable at the time of importation on originating goods classified under the tariff line 170199.200. The sugar portion of those originating goods of the European Union classified under the tariff lines set out in subparagraph (d)(ii) shall be determined by the weight of sucrose (dry matter basis), contained in those originating goods.
- (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) shall be excluded from any tariff commitment under this Agreement.

- (d) (i) Subparagraphs (a), (b)(i) and (c) shall apply to the originating goods classified under the tariff lines 170230.221, 170230.229, 170240.220, 170260.220 and 170290.529.
- (ii) Subparagraphs (a), (b)(ii) and (c) shall apply to the originating goods classified under the tariff lines 170230.210, 170240.210 and 170260.210.
- (e) TRQ-13 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.

15. TRQ-14: Food preparations

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff line set out in subparagraph (c) and the in-quota rate of customs duty for each year are set out in the table below:

Year	Aggregate quota quantity (metric tonnes)	In-quota rate of customs duty (%)
1	3,500	14.0
2	3,850	14.0
3	4,200	14.0
4	4,550	14.0
5	4,900	14.0
6	5,250	14.0
7	5,600	14.0
8	5,950	14.0
9	6,300	14.0
10	6,650	14.0
11	7,000	14.0
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 7,000 metric tonnes. For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 14.0%.		

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 190190.211.
- (d) TRQ-14 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.

16. TRQ-15: Food preparations containing more than 50 per cent of sucrose, and cocoa powder

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (d) is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	100
2	103
3	106
4	109
5	112
6	115
7	118
8	121
9	124
10	127
11	130
For the 12th year and each subsequent year, the aggregate quota quantity shall remain at 130 metric tonnes.	

- (b) (i) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 170113.000, 170114.190, 200540.190, 200551.190, 200599.119, 210690.282 and 210690.510 shall be duty-free.
- (ii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 190190.219 and 210690.284 shall be reduced as follows:

Year	In-quota rate of customs duty (%)
1	28.7
2	27.6
3	26.5
4	25.4
5	24.3
6	23.3
7	22.2
8	21.1
9	20.0
10	18.9
11	17.9
For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 17.9%.	

- (iii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line 180610.100 shall be reduced as follows:

Year	In-quota rate of customs duty (%)
1	28.4
2	27.0
3	25.7
4	24.3
5	23.0
6	21.6
7	20.3
8	18.9
9	17.6
10	16.2
11	14.9
For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 14.9%.	

- (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) 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 170113.000, 170114.190, 180610.100, 190190.219, 200540.190, 200551.190, 200599.119, 210690.282, 210690.284 and 210690.510.
- (e) TRQ-15 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.

17. TRQ-16: Sugar

- (a) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) shall be duty-free, subject to levies which shall be refunded in accordance with the laws and regulations of Japan, when:
 - (i) the aggregate volume of the originating goods imported from the European Union in any year does not exceed the aggregate quota quantity set out in the table below; and

Year	Aggregate quota quantity (metric tonnes)
1	500
For the second year and for each subsequent year, the aggregate quota quantity shall remain at 500 metric tonnes.	

- (ii) the originating goods are imported with certificate of product testing and development which certifies the originating goods meet criteria and conditions set out in the laws and regulations of Japan.
- (b) The rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a)(i) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 170112.100, 170112.200, 170114.110, 170114.200, 170191.000, 170199.100, 170199.200, 170290.110, 170290.211, 170290.521 and 210690.221.
- (d) TRQ-16 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.

18. TRQ-17: Starch

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (d) is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	6,400
2	6,550
3	6,700
4	6,850
5	7,000
6	7,150
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 7,150 metric tonnes.	

- (b) (i) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 110812.090, 110813.090, 110814.090, 110819.019 and 110819.099 shall be duty-free, subject to levy of up to 25 per cent, only if those originating goods are imported for manufacturing starch sugar, dextrin, dextrin glue, dissolve starch, roasted starch or starch glue.

- (ii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line 110813.090 imported for other purposes than those stipulated in subparagraph (b)(i) shall be duty-free only if those originating goods are imported under the following condition:
 - (A) those originating goods are not used directly for retail sale or food service industry¹; or
 - (B) 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 potato starch, specified in application, produced from domestic potato and used by the importer in Japan.
- (iii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line 110820.090 shall be duty-free.

¹ The imports under subparagraph (b)(ii)(A) are to be certified by the Government of Japan as not being used directly for retail sale or food service industry on a certificate of tariff rate quota.

- (iv) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line 110812.090 imported for other purposes than those stipulated in subparagraph (b)(i) shall be 12.5 per cent.
 - (v) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 190120.159 (not containing added sugar) and 190190.179 (not containing added sugar) shall be 16 per cent.
 - (vi) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 110814.090, 110819.019 and 110819.099 imported for other purposes than those stipulated in subparagraph (b)(i) shall be 25 per cent.
 - (vii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 190120.159 (containing added sugar) and 190190.179 (containing added sugar) shall be 25 per cent.
- (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) 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 110812.090, 110813.090, 110814.090, 110819.019, 110819.099, 110820.090, 190120.159 and 190190.179.

- (e) TRQ-17 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.

19. TRQ-18: Prepared edible fats and oils

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff line set out in subparagraph (c) and the in-quota rate of customs duty for each year are set out in the table below:

Year	Aggregate quota quantity (metric tonnes)	In-quota rate of customs duty (%)
1	360	20.3
2	380	19.4
3	400	18.4
4	420	17.4
5	440	16.5
6	460	15.5
7	480	14.5
8	500	13.6
9	520	12.6
10	540	11.6
11	560	10.7
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 560 metric tonnes. For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 10.7%.		

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 210690.291.
- (d) TRQ-18 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.

20. TRQ-19: Food preparations containing cocoa

- (a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff line set out in subparagraph (c) and the in-quota rate of customs duty for each year are set out in the table below:

Year	Aggregate quota quantity (metric tonnes)	In-quota rate of customs duty (%)
1	580	20.3
2	580	19.4
3	580	18.4
4	580	17.4
5	580	16.5
6	580	15.5
7	580	14.5
8	580	13.6
9	580	12.6
10	580	11.6
11	580	10.7
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 580 metric tonnes. For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 10.7%.		

- (b) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 180620.290.
- (d) TRQ-19 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.

21. TRQ-20: Food preparations containing cocoa (for the preparation of chocolate)

(a) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) 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 set out in the table below; and

Year	Aggregate quota quantity (metric tonnes)
1	440
2	526
3	612
4	698
5	784
6	870
7	956
8	1,042
9	1,128
10	1,214
11	1,300
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 1,300 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) The rate of customs duty on originating goods of the European Union classified under the tariff line set out in subparagraph (c) imported in excess of the aggregate quota quantity set out in subparagraph (a)(i) shall be excluded from any tariff commitment under this Agreement.
- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff line 180620.290.
- (d) TRQ-20 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.

22. TRQ-21: Evaporated milk

(a) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines set out in subparagraph (c) 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 set out in the table below; and

Year	Aggregate quota quantity (metric tonnes)
1	780
2	1,124
3	1,468
4	1,812
5	2,156
6	2,500
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 2,500 metric tonnes.	

(ii) the originating goods are liquid at ordinary temperature, approximately from 1 to 32 degrees Celsius.

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

- (c) Subparagraphs (a) and (b) shall apply to the originating goods classified under the tariff lines 040291.129 and 040291.290.

- (d) TRQ-21 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.

23. TRQ-22: Whey

- (a) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040410.139, 040410.149, 040410.189, 040490.118, 040490.128 and 040490.138 shall be duty-free. The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040410.129 and 040410.169 shall be eliminated as follows:

Year	In-quota rate of customs duty (containing added sugar) (%)	In-quota rate of customs duty (not containing added sugar) (%)
1	31.8	22.7
2	28.6	20.5
3	25.5	18.2
4	22.3	15.9
5	19.1	13.6
6	0.0	0.0
For the seventh year and for each subsequent year, the in-quota rate of customs duty shall remain at zero.		

(b) The in-quota rate of customs duty set out in subparagraph (a) shall be applied when:

- (i) the aggregate volume of the originating goods imported from the European Union in any year does not exceed the aggregate quota quantity set out in the table below; and

Year	Aggregate quota quantity (metric tonnes)
1	6,200
2	6,520
3	6,840
4	7,160
5	7,480
6	7,800
7	8,120
8	8,440
9	8,760
10	9,080
11	9,400
For the 12th year and for each subsequent year, the aggregate quota quantity shall remain at 9,400 metric tonnes.	

(ii) the following condition is satisfied:

- (A) the ash content of the originating goods classified under the tariff lines 040410.129 and 040410.169 are more than or equal to 11 per cent;
- (B) the originating goods classified under the tariff lines 040410.149, 040410.189, 040490.118, 040490.128 and 040490.138 are whey and products consisting of natural milk constitutions, used for infant formula; or
- (C) the originating goods classified under the tariff lines 040410.139 and 040410.149 are whey permeate with protein content less than 5 per cent.

- (c) The rate of customs duty on originating goods of the European Union classified under the tariff lines 040410.129, 040410.139, 040410.149, 040410.169 and 040410.189 imported in excess of the aggregate quota quantity set out in subparagraph (b)(i) shall be determined in accordance with categories "R11" and "R12" for the originating goods containing a milk protein content of less than 25 per cent and the originating goods containing a milk protein content equal to or greater than 25 per cent but less than 45 per cent, "B5****" and "B5*****" for the originating goods containing a milk protein content equal to or greater than 45 per cent or "A" for the originating goods for manufacturing mixed feeds containing added colouring matter, as set out in subparagraphs 1(jj), 1(kk), 1(g), 1(h) and 1(a) respectively of Section A. The rate of customs duty on originating goods of the European Union classified under the tariff lines 040490.118, 040490.128 and 040490.138 imported in excess of the aggregate quota quantity set out in subparagraph (b)(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 040410.129, 040410.139, 040410.149, 040410.169, 040410.189, 040490.118, 040490.128 and 040490.138.

(e) TRQ-22 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.

24. TRQ-23: Butter, skimmed milk powder, milk powder, butter milk powder and condensed milk

(a) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (e), expressed in terms of whole milk equivalent (metric tonnes) calculated with a conversion factor listed in subparagraph (c) is set out in the table below:

Year	Aggregate quota quantity (whole milk equivalent (metric tonnes))
1	12,857
2	13,286
3	13,714
4	14,143
5	14,571
6	15,000
For the seventh year and for each subsequent year, the aggregate quota quantity shall remain at 15,000 whole milk equivalent (metric tonnes).	

- (b) (i) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040510.129, 040510.229, 040520.090, 040590.190 and 040590.229 shall be reduced as follows:

Year	In-quota rate of customs duty for butter
1	35% + 290 yen/kg
2	35% + 261 yen/kg
3	35% + 232 yen/kg
4	35% + 203 yen/kg
5	35% + 174 yen/kg
6	35% + 145 yen/kg
7	35% + 116 yen/kg
8	35% + 87 yen/kg
9	35% + 58 yen/kg
10	35% + 29 yen/kg
11	35%
For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 35%.	

- (ii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040210.129, 040210.212, 040210.229, 040221.212, 040221.229 and 040229.291 shall be reduced as follows:

Year	In-quota rate of customs duty for skimmed milk powder (not containing added sugar)	In-quota rate of customs duty for skimmed milk powder (containing added sugar)
1	25% + 130 yen/kg	35% + 130 yen/kg
2	25% + 117 yen/kg	35% + 117 yen/kg
3	25% + 104 yen/kg	35% + 104 yen/kg
4	25% + 91 yen/kg	35% + 91 yen/kg
5	25% + 78 yen/kg	35% + 78 yen/kg
6	25% + 65 yen/kg	35% + 65 yen/kg
7	25% + 52 yen/kg	35% + 52 yen/kg
8	25% + 39 yen/kg	35% + 39 yen/kg
9	25% + 26 yen/kg	35% + 26 yen/kg
10	25% + 13 yen/kg	35% + 13 yen/kg
11	25%	35%
For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 25% for skimmed milk powder not containing added sugar, or 35% for skimmed milk powder containing added sugar.		

- (iii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040221.119, 040221.129, 040229.119, 040229.129, 040390.113, 040390.123 and 040390.133 shall be reduced as follows:

Year	In-quota rate of customs duty for butter milk powder (not containing added sugar)	In-quota rate of customs duty for butter milk powder (containing added sugar)	In-quota rate of customs duty for milk powder
1	25% + 200 yen/kg	35% + 200 yen/kg	30% + 210 yen/kg
2	25% + 180 yen/kg	35% + 180 yen/kg	30% + 189 yen/kg
3	25% + 160 yen/kg	35% + 160 yen/kg	30% + 168 yen/kg
4	25% + 140 yen/kg	35% + 140 yen/kg	30% + 147 yen/kg
5	25% + 120 yen/kg	35% + 120 yen/kg	30% + 126 yen/kg
6	25% + 100 yen/kg	35% + 100 yen/kg	30% + 105 yen/kg
7	25% + 80 yen/kg	35% + 80 yen/kg	30% + 84 yen/kg
8	25% + 60 yen/kg	35% + 60 yen/kg	30% + 63 yen/kg
9	25% + 40 yen/kg	35% + 40 yen/kg	30% + 42 yen/kg
10	25% + 20 yen/kg	35% + 20 yen/kg	30% + 21 yen/kg
11	25%	35%	30%
For the 12th year and for each subsequent year, the in-quota rate of customs duty shall remain at 25% for butter milk powder not containing added sugar, 35% for butter milk powder containing added sugar, or 30% for milk powder.			

- (iv) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040299.129 and 040299.290 shall be duty-free.

- (c) For the purposes of TRQ-23, 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
040210.129	6.48
040210.212	6.48
040210.229	6.48
040221.119	8.9
040221.129	13.43
040221.212	6.84
040221.229	6.84
040229.119	8.9
040229.129	13.43
040229.291	6.84
040299.129	6.69
040299.290	3.65
040390.113	6.48
040390.123	8.57
040390.133	13.43
040510.129	12.34
040510.229	15.05
040520.090	12.34
040590.190	12.34
040590.229	15.05

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

- (e) Subparagraphs (a) to (d) shall apply to the originating goods classified under the tariff lines 040510.129, 040510.229, 040520.090, 040590.190, 040590.229, 040210.129, 040210.212, 040210.229, 040221.212, 040221.229, 040229.291, 040221.119, 040221.129, 040229.119, 040229.129, 040390.113, 040390.123, 040390.133, 040299.129 and 040299.290.

- (f) TRQ-23 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.

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.

26. TRQ-25: Cheeses

- (a) (i) The aggregate quota quantity in a particular year of originating goods of the European Union classified under the tariff lines set out in subparagraph (d) from the first year until the 16th year is set out in the table below:

Year	Aggregate quota quantity (metric tonnes)
1	20,000
2	20,600
3	21,200
4	21,800
5	22,500
6	23,200
7	23,900
8	24,600
9	25,300
10	26,100
11	26,900
12	27,700
13	28,500
14	29,300
15	30,200
16	31,000

(ii) From the 17th year, the aggregate quota quantity for each year shall be calculated every five years based on the calculation method set out in subparagraphs (A) to (C), and shall be stipulated by laws, regulations or ministerial ordinances of Japan:

(A) if there is a positive growth in total cheese consumption in Japan over the six preceding fiscal years¹, the aggregate quota quantity for each of the next five years shall be calculated based on the compound annual growth rate in total cheese consumption in Japan over the six preceding fiscal years, calculated every five years in accordance with subparagraph (B) using the official statistics published by the MAFF, or its successor, and on the aggregate quota quantity in the year immediately preceding each year for which the calculation is made;

¹ For the purposes of TRQ-25, "fiscal year" means a Japanese fiscal year beginning on 1 April and ending on the following 31 March.

- (B) in calculating the compound annual growth rate referred to in subparagraph (A), the total cheese consumption in Japan in both the fiscal year which is two fiscal years prior to the first fiscal year of the next five fiscal years and the fiscal year which is seven fiscal years prior to the first fiscal year of the next five fiscal years shall be used; and

- (C) if there is no positive growth in total cheese consumption in Japan over the six preceding fiscal years, the aggregate quota quantity for each of the next five years shall remain at the level in the most recent year.

- (b) (i) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff line 040610.020 shall be eliminated as follows:

Year	In-quota rate of customs duty (%)
1	21.0
2	19.6
3	18.2
4	16.8
5	15.4
6	14.0
7	12.6
8	11.2
9	9.8
10	8.4
11	7.0
12	5.6
13	4.2
14	2.8
15	1.4
16	0.0
For the 17th year and for each subsequent year, the in-quota rate of customs duty shall remain at zero.	

- (ii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040610.090, 040640.090 and 040690.090 shall be eliminated as follows:

Year	In-quota rate of customs duty (%)
1	27.9
2	26.1
3	24.2
4	22.4
5	20.5
6	18.6
7	16.8
8	14.9
9	13.0
10	11.2
11	9.3
12	7.5
13	5.6
14	3.7
15	1.9
16	0.0
For the 17th year and for each subsequent year, the in-quota rate of customs duty shall remain at zero.	

- (iii) The in-quota rate of customs duty on originating goods of the European Union classified under the tariff lines 040620.100 and 040630.000 shall be eliminated as follows:

Year	In-quota rate of customs duty (%)
1	37.5
2	35.0
3	32.5
4	30.0
5	27.5
6	25.0
7	22.5
8	20.0
9	17.5
10	15.0
11	12.5
12	10.0
13	7.5
14	5.0
15	2.5
16	0.0
For the 17th year and for each subsequent year, the in-quota rate of customs duty shall remain at zero.	

- (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 040610.020, 040610.090, 040640.090, 040620.100, 040630.000 and 040690.090.
- (e) TRQ-25 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.

SECTION C

Agricultural safeguard measures

SUB-SECTION 1

Notes for Section C

1. This Section sets out:
 - (a) the originating agricultural goods that may be subject to agricultural safeguard measures pursuant to paragraph 2 of Section A;
 - (b) the trigger levels for applying such measures; and
 - (c) the maximum rate of customs duty that may be applied in each year for each such good.

2. Notwithstanding Article 2.8, Japan may apply an agricultural safeguard measure to the originating agricultural goods classified under the tariff lines indicated with "SG1*", "SG1**", "SG2", "SG3", "SG4*", "SG4**", "SG5" or "SG6" in Column "Note" in the Schedule of Japan. Japan may apply such measure only under the conditions set out in this Section and only in accordance with the terms set out in this Section.

3. If the conditions set out in this Section are satisfied, Japan may, as an agricultural safeguard measure, increase the rate of customs duty on such an originating agricultural good to a level not exceeding the lesser of:
 - (a) the most-favoured-nation applied rate of customs duty in effect at the time of the application of the agricultural safeguard measure;

 - (b) the most-favoured-nation applied rate of customs duty in effect on the day immediately preceding the date of entry into force of this Agreement; and

 - (c) the rate of customs duty set out in this Section.

4. Japan shall implement any agricultural safeguard measure in a transparent manner. Japan shall, within 60 days of the date of imposing the agricultural safeguard measure, notify the European Union thereof in writing and provide the European Union with relevant data concerning the measure. Japan shall, on written request of the European Union, respond to specific questions from, and provide information to, the European Union, including by e-mail, teleconference, video-conference and in person, regarding the application of the measure.
5. For greater certainty, no agricultural safeguard measure may be applied or maintained on or after the date on which the rate of customs duty referred to in subparagraph 3(c) of this Sub-Section is zero.
6. For the purposes of this Section:
 - (a) "fiscal year" means a Japanese fiscal year beginning on 1 April and ending on the following 31 March; and
 - (b) "quarter" means a period:
 - (i) from 1 April until 30 June;
 - (ii) from 1 July until 30 September;

(iii) from 1 October until 31 December; or

(iv) from 1 January until 31 March.

SUB-SECTION 2

Agricultural safeguard measure for beef

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG1*" in Column "Note" in the Schedule of Japan (hereinafter referred to in this Sub-Section as "SG1* goods") or the originating agricultural goods classified under the tariff lines indicated with "SG1**" in Column "Note" in the Schedule of Japan (hereinafter referred to in this Sub-Section as "SG1** goods"), Japan may apply an agricultural safeguard measure only if the aggregate volume of imports of those originating agricultural goods from the European Union for a particular year exceeds the trigger level set out as follows:
 - (a) 43,500 metric tonnes for the first year, except as provided in paragraph 9;
 - (b) 44,278 metric tonnes for the second year;

- (c) 45,056 metric tonnes for the third year;
- (d) 45,833 metric tonnes for the fourth year;
- (e) 46,611 metric tonnes for the fifth year;
- (f) 47,389 metric tonnes for the sixth year;
- (g) 48,167 metric tonnes for the seventh year;
- (h) 48,944 metric tonnes for the eighth year;
- (i) 49,722 metric tonnes for the ninth year;
- (j) 50,500 metric tonnes for the 10th year;
- (k) from the 11th year until the 15th year, for each year, the trigger level of the previous year plus 385 metric tonnes; and
- (l) from the 16th year, for each year, the trigger level of the previous year plus 770 metric tonnes.

2. (a) For SG1* goods, the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:
 - (i) 38.5 per cent from the first year until the third year;
 - (ii) 30.0 per cent from the fourth year until the 10th year;
 - (iii) 20.0 per cent from the 11th year until the 14th year;
 - (iv) 18.0 per cent for the 15th year; and
 - (v) from the 16th year:
 - (A) one percentage point less than the rate of customs duty of the previous year, if Japan did not apply an agricultural safeguard measure under this Sub-Section in the previous year; or
 - (B) the same as the rate of customs duty of the previous year, if Japan applied an agricultural safeguard measure under this Sub-Section in the previous year.

- (b) For SG1** goods, the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:
- (i) 39.0 per cent for the first year;
 - (ii) 38.5 per cent for the second year and the third year;
 - (iii) 32.7 per cent for the fourth year;
 - (iv) 30.6 per cent for the fifth year;
 - (v) 30.0 per cent from the sixth year until the 10th year;
 - (vi) 20.0 per cent from the 11th year until the 14th year;
 - (vii) 18.0 per cent for the 15th year; and

(viii) from the 16th year:

- (A) one percentage point less than the rate of customs duty of the previous year, if Japan did not apply an agricultural safeguard measure under this Sub-Section in the previous year; or
- (B) the same as the rate of customs duty of the previous year, if Japan applied an agricultural safeguard measure under this Sub-Section in the previous year.

- (c) If the condition set out in paragraph 1 is satisfied in one year and, as a result thereof, an agricultural safeguard measure is in effect during the following year pursuant to subparagraph 3(b) or (c), the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 for the purpose of that agricultural safeguard measure shall, for the duration of that measure, be set at the level applicable for the year in which the condition set out in paragraph 1 was satisfied.

3. An agricultural safeguard measure referred to in paragraph 1 may be maintained:
 - (a) if the aggregate volume of imports from the European Union of SG1* goods or SG1** goods in any fiscal year exceeds the trigger level set out in paragraph 1 prior to 31 January, until the end of that fiscal year;
 - (b) if the aggregate volume of imports from the European Union of SG1* goods or SG1** goods in any fiscal year exceeds the trigger level set out in paragraph 1 during the month of February, for a period of 45 days beginning on the date of the application of the agricultural safeguard measure; and
 - (c) if the aggregate volume of imports from the European Union of SG1* goods or SG1** goods in any fiscal year exceeds the trigger level set out in paragraph 1 during the month of March, for a period of 30 days beginning on the date of the application of the agricultural safeguard measure.
4. (a) For the purposes of this Sub-Section, the period during which an agricultural safeguard measure may be maintained shall commence no later than the day following the fifth business day after the end of the publication period referred to in subparagraph (c) in which the condition set out in paragraph 1 is satisfied.

- (b) For the purposes of this Sub-Section, as an exceptional measure taken for the implementation of this Sub-Section, the customs administration of Japan shall, no later than five business days after the end of each publication period, publish the aggregate volume of imports of SG1* goods or SG1** goods from the European Union between:
- (i) the beginning of the fiscal year and the end of the publication period; and
 - (ii) from the 11th year until the 15th year, the beginning of the quarter and the end of the publication period.
- (c) For the purposes of this Sub-Section, "publication period" means:
- (i) the period from the first day of each month until the 10th day of that month;
 - (ii) the period from the 11th day of each month until the 20th day of that month; and
 - (iii) the period from the 21st day of each month until the final day of that month.

5. (a) Notwithstanding paragraph 1, if, during any year from the 11th year until the 15th year, the aggregate volume of imports of SG1* goods or SG1** goods from the European Union in any quarter exceeds the quarterly safeguard trigger volume set out in subparagraph (b), Japan may increase the rates of customs duties on such goods in accordance with paragraph 3 of Sub-Section 1 for a period of 90 days. The 90 day period shall commence no later than the day following the fifth business day after the end of the publication period in which the aggregate quantity of imports of such goods in the quarter exceeded the quarterly safeguard trigger volume. The rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 if the condition set out in this paragraph is satisfied shall be:
- (i) 20.0 per cent from the 11th year until the 14th year; and
 - (ii) 18.0 per cent for the 15th year.
- (b) For the purposes of this paragraph, the "quarterly safeguard trigger volume" means 117 per cent of one fourth of the trigger level set out in subparagraph 1(k) for the respective year.

- (c) Notwithstanding paragraph 1, if, during any year from the 11th year until the 15th year, the aggregate volume of imports of SG1* goods or SG1** goods from the European Union exceeds the trigger level set out in subparagraph 1(k) for the respective year, and at the same time as the aggregate volume of imports of those goods from the European Union in the quarter exceeds the quarterly safeguard trigger volume set out in subparagraph (b), Japan may maintain an agricultural safeguard measure under this Sub-Section until the later of the end of the 90 day period provided for in subparagraph (a) or the end of the periods provided for in paragraph 3.
6. If, during any four consecutive years after the 15th year, Japan does not apply an agricultural safeguard measure under this Sub-Section on SG1* goods, Japan shall not apply any further agricultural safeguard measures under this Sub-Section on such goods. The same applies to SG1** goods.

7. Notwithstanding paragraph 1, if the importation into Japan from the European Union of SG1* goods or SG1** goods has been wholly or substantially suspended for more than 36 months due to sanitary concerns, Japan shall not apply an agricultural safeguard measure under this Sub-Section to such goods from the European Union for 48 months after the whole or substantial lifting of the suspension. If the importation from the European Union of such goods had been suspended, and a natural disaster, such as severe drought, disrupts the recovery of the production of such goods in the European Union, the period in which Japan shall not apply an agricultural safeguard measure under this Sub-Section to such goods from the European Union shall be 60 months.
8. Japan shall not apply the tariff emergency measures on beef referred to in Article 7.5 of the Temporary Tariff Measures Law of Japan (Law No.36 of 1960) to SG1* goods.
9. If the first year is less than 12 months, the applicable trigger level for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 43,500 metric tonnes by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement and the following 31 March and the denominator of which shall be 12. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 3

Agricultural safeguard measure for pork

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG2" in Column "Note" in the Schedule of Japan (hereinafter referred to in this Sub-Section as "SG2 goods"), Japan may apply an agricultural safeguard measure only if the following condition is satisfied:
 - (a) in the first year and the second year, except as provided in paragraph 6, Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods only if the aggregate volume of imports of SG2 goods from the European Union for the respective year exceeds 112 per cent of the largest annual aggregate volume of imports of SG2 goods from the European Union during any of the preceding three fiscal years;
 - (b) in the third year and the fourth year, Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods only if the aggregate volume of imports of SG2 goods from the European Union for the respective year exceeds 116 per cent of the largest annual aggregate volume of imports of SG2 goods from the European Union during any of the preceding three fiscal years;

(c) in the fifth year and the sixth year:

- (i) Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods imported at a price equal to or greater than the threshold price¹ for those SG2 goods only if the aggregate volume of imports of those SG2 goods from the European Union for the respective year exceeds 116 per cent of the largest annual aggregate volume of imports of those SG2 goods from the European Union during any of the preceding three fiscal years; or
- (ii) Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods imported at a price less than the threshold price for those SG2 goods only if the aggregate volume of imports of those SG2 goods from the European Union for the respective year exceeds:

(A) 63,000 metric tonnes for the fifth year; and

¹ For the purposes of subparagraphs (c) and (d), "threshold price" means:

- (a) 399 yen per kilogramme for the originating agricultural goods classified under the tariff lines 020312.021, 020312.023, 020319.021, 020319.023, 020322.021, 020322.023, 020329.021, 020329.023, 020630.092, 020630.093, 020649.092 and 020649.093; and
- (b) 299.25 yen per kilogramme for the originating agricultural goods classified under the tariff lines 020311.020, 020311.030, 020321.020 and 020321.030.

(B) 71,400 metric tonnes for the sixth year; and

(d) from the seventh year until the 11th year:

- (i) Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods imported at price equal to or greater than the threshold price for those SG2 goods only if the aggregate volume of imports of those SG2 goods from the European Union for the respective year exceeds 119 per cent of the largest annual aggregate volume of imports of those SG2 goods from the European Union during any of the preceding three fiscal years; or
- (ii) Japan may apply an agricultural safeguard measure under this Sub-Section to SG2 goods imported at price less than the threshold price for those SG2 goods only if the aggregate volume of imports of those SG2 goods from the European Union for the respective year exceeds:

(A) 79,800 metric tonnes for the seventh year;

(B) 88,200 metric tonnes for the eighth year;

(C) 96,600 metric tonnes for the ninth year;

(D) 105,000 metric tonnes for the 10th year; and

(E) 105,000 metric tonnes for the 11th year.

2. For SG2 goods, the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:

(a) for SG2 goods classified under the tariff lines 020311.040, 020312.022, 020319.022, 020321.040, 020322.022, 020329.022, 020630.099 and 020649.099:

(i) 4.0 per cent from the first year until the third year;

(ii) 3.4 per cent from the fourth year until the sixth year;

(iii) 2.8 per cent from the seventh year until the ninth year; and

(iv) 2.2 per cent in the 10th year and the 11th year;

- (b) for SG2 goods classified under the tariff lines 020312.021, 020312.023, 020319.021, 020319.023, 020322.021, 020322.023, 020329.021, 020329.023, 020630.092, 020630.093, 020649.092 and 020649.093, the lesser of:
- (i) the difference between CIF import price per kilogramme and the First Safeguard Standard Import Price¹; and
 - (ii) the first alternative rate²; and

¹ For the purposes of subparagraph (b), "First Safeguard Standard Import Price" means a price equal to 524 yen per kilogramme multiplied by the sum of 100 per cent and the rate of customs duty set out in subparagraph (a) for the respective year.

² For the purposes of subparagraph (b), "first alternative rate" means:

- (a) the rate of customs duty specified in the Schedule of Japan for the tariff lines 020312.023, 020319.023, 020322.023, 020329.023, 020630.093 or 020649.093 from the first year until the fourth year;
- (b) 100 yen per kilogramme from the fifth year until the ninth year; and
- (c) 70 yen per kilogramme for the 10th year and the 11th year.

(c) for SG2 goods classified under the tariff lines 020311.020, 020311.030, 020321.020 and 020321.030, the lesser of:

(i) the difference between CIF import price per kilogramme and the Second Safeguard Standard Import Price¹; and

(ii) the second alternative rate².

3. Any agricultural safeguard measure applied under this Sub-Section may be maintained only until the end of the year in which the condition set out in paragraph 1 is satisfied.

¹ For the purposes of subparagraph (c), "Second Safeguard Standard Import Price" means a price equal to 393 yen per kilogramme multiplied by the sum of 100 per cent and the rate of customs duty set out in subparagraph (a) for the respective year.

² For the purposes of subparagraph (c), "second alternative rate" means:

- (a) the rate of customs duty specified in the Schedule of Japan for the tariff lines 020311.020 or 020321.020 from the first year until the fourth year;
- (b) 75 yen per kilogramme from the fifth year until the ninth year; and
- (c) 52.5 yen per kilogramme for the 10th year and the 11th year.

4. Japan shall not apply or maintain any agricultural safeguard measure under this Sub-Section after the end of the 11th year.
5. Japan shall not apply the tariff emergency measures on pork referred to in paragraph 1 of Article 7.6 of the Temporary Tariff Measures Law of Japan (Law No. 36 of 1960) to SG2 goods.
6. If the first year is less than 12 months, the applicable trigger level set out in paragraph 1 for SG2 goods from the European Union for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 112 per cent of the largest annual aggregate volume of imports of SG2 goods from the European Union during any of the preceding three fiscal years by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement and the following 31 March and the denominator of which shall be 12. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 4

Agricultural safeguard measure for processed pork

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG3" in Column "Note" in the Schedule of Japan (hereinafter referred to in this Sub-Section as "SG3 goods"), Japan may apply an agricultural safeguard measure only if the following condition is satisfied:
 - (a) in the first year and the second year, except as provided in paragraph 6, Japan may apply an agricultural safeguard measure under this Sub-Section to SG3 goods only if the aggregate volume of imports of SG3 goods from the European Union for the respective year exceeds 115 per cent of the largest annual aggregate volume of imports of SG3 goods from the European Union during any of the preceding three fiscal years;
 - (b) from the third year until the sixth year, Japan may apply an agricultural safeguard measure under this Sub-Section to SG3 goods only if the aggregate volume of imports of SG3 goods from the European Union for the respective year exceeds 118 per cent of the largest annual aggregate volume of imports of SG3 goods from the European Union during any of the preceding three fiscal years; and

- (c) from the seventh year until the 11th year, Japan may apply an agricultural safeguard measure under this Sub-Section to SG3 goods only if the aggregate volume of imports of SG3 goods from the European Union for the respective year exceeds 121 per cent of the largest annual aggregate volume of imports of SG3 goods from the European Union during any of the preceding three fiscal years.
2. (a) For SG3 goods, the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:
- (i) 85 per cent of the base rate from the first year until the fourth year;
 - (ii) 60 per cent of the base rate from the fifth year until the ninth year; and
 - (iii) 45 per cent of the base rate for the 10th year and the 11th year.

- (b) For the purposes of subparagraph (a), the base rate shall be comprised of an *ad valorem* duty component and a specific duty component, each of which shall be reduced to the percentages identified in subparagraph (a) to determine the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1. The *ad valorem* duty component of the base rate shall be 8.5 per cent, and the specific duty component shall be equal to 614.85 yen per kilogramme minus 60 per cent of the CIF import price per kilogramme of the respective SG3 good.
3. Any agricultural safeguard measure applied under this Sub-Section may be maintained only until the end of the year in which the condition set out in paragraph 1 is satisfied.
4. Japan shall not apply any agricultural safeguard measure under this Sub-Section after the end of the 11th year.

5. Japan shall not apply the tariff emergency measures on pork referred to in paragraph 1 of Article 7.6 of the Temporary Tariff Measures Law of Japan (Law No. 36 of 1960) to SG3 goods.

6. If the first year is less than 12 months, the applicable trigger level set out in paragraph 1 for SG3 goods from the European Union for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 115 per cent of the largest annual aggregate volume of imports of SG3 goods from the European Union during any of the preceding three fiscal years by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement and the following 31 March and the denominator of which shall be 12. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 5

Agricultural safeguard measure for whey protein concentrate (WPC)

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG4*" in Column "Note" in the Schedule of Japan, Japan may apply an agricultural safeguard measure only if the aggregate volume of imports of those originating agricultural goods from the European Union for a particular year exceeds the trigger level set out as follows:
 - (a) 2,000 metric tonnes for the first year, except as provided in paragraph 6;
 - (b) 2,133 metric tonnes for the second year;
 - (c) 2,267 metric tonnes for the third year;
 - (d) 2,400 metric tonnes for the fourth year;
 - (e) 2,533 metric tonnes for the fifth year;
 - (f) 2,667 metric tonnes for the sixth year;

- (g) 2,800 metric tonnes for the seventh year;
- (h) 2,933 metric tonnes for the eighth year;
- (i) 3,067 metric tonnes for the ninth year;
- (j) 3,200 metric tonnes for the 10th year;
- (k) 3,544 metric tonnes for the 11th year;
- (l) 3,888 metric tonnes for the 12th year;
- (m) 4,232 metric tonnes for the 13th year;
- (n) 4,690 metric tonnes for the 14th year;
- (o) 5,148 metric tonnes for the 15th year;
- (p) 5,606 metric tonnes for the 16th year;
- (q) 6,064 metric tonnes for the 17th year;

- (r) 6,522 metric tonnes for the 18th year;
- (s) 6,980 metric tonnes for the 19th year;
- (t) 7,438 metric tonnes for the 20th year; and
- (u) from the 21st year, for each year, the trigger level of the previous year plus 573 metric tonnes.

2. For the originating agricultural goods classified under the tariff lines indicated with "SG4*", the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:

- (a) 29.8 per cent plus 120 yen per kilogramme from the first year until the fifth year;
- (b) 23.8 per cent plus 105 yen per kilogramme from the sixth year until the 10th year;
- (c) 19.4 per cent plus 90 yen per kilogramme from the 11th year until the 15th year;

- (d) 13.4 per cent plus 75 yen per kilogramme from the 16th year until the 20th year; and
 - (e) from the 21st year:
 - (i) if an agricultural safeguard measure set out in this Sub-Section was not applied in the previous year, the *ad valorem* duty component of the rate of customs duty shall be 1.9 per cent lower than it was in the previous year and the specific duty component of the rate of customs duty shall be 10.7 yen per kilogramme lower than it was in the previous year; or
 - (ii) if an agricultural safeguard measure set out in this Sub-Section was applied in the previous year, the *ad valorem* duty component of the rate of customs duty shall be 1.0 per cent lower than it was in the previous year and the specific duty component of the rate of customs duty shall be 5.0 yen per kilogramme lower than it was in the previous year.
3. Any agricultural safeguard measure applied under this Sub-Section may be maintained only until the end of the year in which the condition set out in paragraph 1 is satisfied.

4. If, during any three consecutive years after the 20th year, Japan does not apply an agricultural safeguard measure under this Sub-Section, Japan shall not apply any further agricultural safeguard measures under this Sub-Section.

5. (a) Notwithstanding paragraph 1, Japan shall not apply any agricultural safeguard measure under this Sub-Section if:
 - (i) there is a domestic shortage of skimmed milk powder in Japan; or
 - (ii) there is no demonstrable reduction in domestic demand for skimmed milk powder in Japan.

- (b) If Japan applies an agricultural safeguard measure under this Sub-Section when the European Union believes that either of the conditions set out in subparagraph (a) has been satisfied, the European Union may:
 - (i) ask Japan to provide an explanation of why Japan does not consider either of the conditions set out in subparagraph (a) to have been satisfied; and

(ii) request Japan to cease application of the agricultural safeguard measure for the remainder of the year.

6. If the first year is less than 12 months, the applicable trigger level for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 2,000 metric tonnes by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement and the following 31 March and the denominator of which shall be 12. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 6

Agricultural safeguard measure for whey powder

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG4**" in Column "Note" in the Schedule of Japan, Japan may apply an agricultural safeguard measure only if the aggregate volume of imports of those originating agricultural goods from the European Union for a particular year exceeds the trigger level set out as follows:
 - (a) 2,300 metric tonnes for the first year, except as provided in paragraph 5;
 - (b) 2,456 metric tonnes for the second year;
 - (c) 2,611 metric tonnes for the third year;
 - (d) 2,767 metric tonnes for the fourth year;
 - (e) 2,922 metric tonnes for the fifth year;

- (f) 3,078 metric tonnes for the sixth year;
- (g) 3,233 metric tonnes for the seventh year;
- (h) 3,389 metric tonnes for the eighth year;
- (i) 3,544 metric tonnes for the ninth year;
- (j) 3,700 metric tonnes for the 10th year;
- (k) 3,929 metric tonnes for the 11th year;
- (l) 4,158 metric tonnes for the 12th year;
- (m) 4,502 metric tonnes for the 13th year;
- (n) 4,846 metric tonnes for the 14th year;
- (o) 5,190 metric tonnes for the 15th year; and
- (p) from the 16th year, for each year, the trigger level of the previous year plus 458 metric tonnes.

2. For the originating agricultural goods classified under the tariff lines indicated with "SG4**", the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:
- (a) 29.8 per cent plus 75 yen per kilogramme from the first year until the fifth year;
 - (b) 23.8 per cent plus 45 yen per kilogramme from the sixth year until the 10th year;
 - (c) 13.4 per cent plus 30 yen per kilogramme from the 11th year until the 15th year; and
 - (d) from the 16th year:
 - (i) if an agricultural safeguard measure set out in this Sub-Section was not applied in the previous year, the *ad valorem* duty component of the rate of customs duty shall be 2.0 per cent lower than it was in the previous year and the specific duty component of the rate of customs duty shall be 4.0 yen per kilogramme lower than it was in the previous year; or

- (ii) if an agricultural safeguard measure set out in this Sub-Section was applied in the previous year, the *ad valorem* duty component of the rate of customs duty shall be 1.0 per cent lower than it was in the previous year and the specific duty component of the rate of customs duty shall be 2.0 yen per kilogramme lower than it was in the previous year.
3. Any agricultural safeguard measure applied under this Sub-Section may be maintained only until the end of the year in which the condition set out in paragraph 1 is satisfied.
4. If, during any two consecutive years after the 15th year, Japan does not apply an agricultural safeguard measure under this Sub-Section, Japan shall not apply any further agricultural safeguard measures under this Sub-Section.
5. If the first year is less than 12 months, the applicable trigger level for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 2,300 metric tonnes by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement and the following 31 March and the denominator of which shall be 12. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 7

Agricultural safeguard measure for fresh oranges

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG5" in Column "Note" in the Schedule of Japan, Japan may apply an agricultural safeguard measure only if the aggregate volume of imports of those originating agricultural goods from the European Union between 1 December and the following 31 March for the fiscal year exceeds 2,000 metric tonnes, except as provided in paragraph 5.
2. For the originating agricultural goods classified under the tariff lines indicated with "SG5", the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be:
 - (a) 28 per cent from the first year until the fourth year; and
 - (b) 20 per cent from the fifth year until the seventh year.
3. Any agricultural safeguard measure applied under this Sub-Section may be maintained only until the end of the year in which the condition set out in paragraph 1 is satisfied.

4. Japan shall not apply any agricultural safeguard measure under this Sub-Section after the end of the seventh year.

5. If the first year is less than four months, the applicable trigger level set out in paragraph 1 for the first year for the purposes of subparagraph 1(a) shall be determined by multiplying 2,000 metric tonnes by a fraction the numerator of which shall be the number of months between the date of entry into force of the Agreement and the following 31 March and the denominator of which shall be 4. For the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).

SUB-SECTION 8

Agricultural safeguard measure for race horses

1. In accordance with paragraph 2 of Sub-Section 1, with respect to the originating agricultural goods classified under the tariff lines indicated with "SG6" in Column "Note" in the Schedule of Japan, Japan may apply an agricultural safeguard measure only if the CIF import price per each of those originating agricultural goods, expressed in the Japanese yen, is less than 90 per cent of the trigger price. The trigger price shall be the price that has been agreed in accordance with paragraph 4, or 10.7 million yen if there has been no specific agreement on the trigger price in accordance with paragraph 4.

2. For the originating agricultural goods classified under the tariff lines indicated with "SG6", the rate of customs duty referred to in subparagraph 3(c) of Sub-Section 1 shall be the rate of customs duty determined for those originating agricultural goods in accordance with category "B15" as set out in subparagraph 1(w) of Section A plus:
 - (a) if the difference between the CIF import price per each of the originating agricultural good and the trigger price is greater than 10 per cent but less than or equal to 40 per cent of the trigger price, 30 per cent of the difference between the most-favoured-nation applied rate of customs duty in effect at the time of importation and the rate of customs duty applied to the originating agricultural goods in accordance with category "B15" as set out in subparagraph 1(w) of Section A;
 - (b) if the difference between the CIF import price per each of the originating agricultural good and the trigger price is greater than 40 per cent but less than or equal to 60 per cent of the trigger price, 50 per cent of the difference between the most-favoured-nation applied rate of customs duty in effect at the time of importation and the rate of customs duty applied to the originating agricultural goods in accordance with category "B15" as set out in subparagraph 1(w) of Section A;

- (c) if the difference between the CIF import price per each of the originating agricultural good and the trigger price is greater than 60 per cent but less than or equal to 75 per cent of the trigger price, 70 per cent of the difference between the most-favoured-nation applied rate of customs duty in effect at the time of importation and the rate of customs duty applied to the originating agricultural goods in accordance with category "B15" as set out in subparagraph 1(w) of Section A; and
 - (d) if the difference between the CIF import price per each of the originating agricultural good and the trigger price is greater than 75 per cent of the trigger price, the difference between the most-favoured-nation applied rate of customs duty in effect at the time of importation and the rate of customs duty applied to the originating agricultural goods in accordance with category "B15" as set out in subparagraph 1(w) of Section A.
3. Japan shall not apply any safeguard measure under this Sub-Section after the end of the 15th year.
 4. On request of the European Union, Japan and the European Union shall consult on the operation of the agricultural safeguard measure set out in this Sub-Section and may mutually agree to periodically evaluate and update the trigger price.