

ANNEX 2-D

TARIFF SCHEDULE OF AUSTRALIA

GENERAL NOTES

1. The provisions of this Schedule are generally expressed in terms of the corresponding items in Schedule 3 to the *Customs Tariff Act 1995* (Cth) (Tariff Act), and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the Tariff Act. To the extent that provisions of this Schedule are identical to the corresponding provisions of the Tariff Act, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the Tariff Act.
2. The base rates of duty set out in this Schedule reflect Australia's Most-Favoured-Nation (MFN) rates of duty in effect on January 1, 2010.
3. The following staging categories shall apply to the elimination or reduction of customs duties by Australia pursuant to Article 2.4.2 (Elimination of Customs Duties):
 - (a) customs duties on originating goods provided for in the items in staging category EIF shall be eliminated entirely, and these goods shall be duty-free on the date of entry into force of this Agreement for Australia;
 - (b) customs duties on originating goods provided for in the items in staging category AU3-A shall be immediately reduced to two per cent and shall then be reduced to one per cent on January 1 of year 2, and shall be eliminated and these goods shall be duty-free from January 1 of Year 3;
 - (c) customs duties on originating goods provided for in the items in staging category AU3-B shall be immediately reduced to five per cent and shall remain at that level for year 1 through December 31 of year 2, and shall be eliminated and these goods shall be duty-free from January 1 of year 3;
 - (d) customs duties on originating goods provided for in the items in staging category AU3-C shall remain at the base rate and at that level for year 1 through December 31 of year 2. The customs duties on these goods shall be eliminated and these goods shall be duty-free from January 1 of year 3;

- (e) customs duties on originating goods provided for in the items in staging category B4 shall be eliminated in four annual stages and these goods shall be duty-free from January 1 of year 4;
- (f) customs duties on originating goods provided for in the items in staging category AU4-A shall be reduced to five per cent and shall remain at that level for year 1 through December 31 of year 3. The customs duties on these goods shall be eliminated and these goods shall be duty-free from January 1 of year 4;
- (g) customs duties on originating goods provided for in the items in staging category AU4-B shall remain at the base rate until December 31 of year 3. The customs duties on these goods shall be eliminated and these goods shall be duty-free from January 1 of year 4; and
- (h) the *ad valorem* component of the customs duties on originating goods provided for in the items in staging category AU-R1 shall be eliminated on the date of entry into force of this Agreement for Australia. The non-*ad valorem* component of the customs duty on these goods shall be maintained.

4. The annual stages referred to in paragraph 3 for the elimination or reduction of customs duties shall be equal, annual stages, except:

- (a) as provided in paragraphs 3(b)(i), 4(a)(ii) and 4(b)(ii) in Section A of this Annex; or
- (b) as otherwise provided in paragraph 3.

5. (a) Upon request from Japan, Australia and Japan shall consult to consider Australia's commitments to Japan regarding treatment of originating goods related to the application of customs duties, tariff rate quotas and safeguards in this Schedule no sooner than seven years after the date of entry into force of this Agreement for Australia and Japan, with a view to increasing market access.

- (b) Following completion of applicable legal procedures by Australia and another State or customs territory necessary for entry into force of an international agreement, or an amendment thereto, granting preferential market access by Australia to that other State or customs territory, and on request of Japan, Australia and Japan shall consult to consider Australia's commitments to Japan regarding treatment of originating goods related to the application of customs duties, tariff rate quotas and safeguards in this Schedule, with a view to providing to the originating goods

treatment equivalent to that provided to goods classified in the same tariff lines under the international agreement. Australia and Japan shall consult no later than one month after the date of the request, unless Australia and Japan agree otherwise.

- (c) For greater certainty, nothing in this paragraph shall be construed to affect the rights or obligations of Australia under any other provision of this Agreement.