

ANNEX 2-D

TARIFF SCHEDULE OF CANADA

GENERAL NOTES

1. The provisions of this Schedule are generally expressed in terms of Canada's *Customs Tariff*, and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes and Chapter Notes of Canada's *Customs Tariff*. To the extent that provisions of this Schedule are identical to the corresponding provisions of Canada's *Customs Tariff*, the provisions of this Schedule shall have the same meaning as the corresponding provisions of Canada's *Customs Tariff*.
2. The base rates of duty set out in this Schedule reflect Canada's Most-Favoured-Nation (MFN) rates of duty in effect on January 1, 2010.
3. In this Schedule, rates of duty expressed in monetary units shall be rounded down to the nearest 0.0001 of a Canadian dollar.
4. The following staging categories shall apply to the elimination or reduction of customs duties by Canada 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 Canada;
 - (b) 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 effective January 1 of year 4;
 - (c) customs duties on originating goods provided for in the items in staging category B6 shall be eliminated in six annual stages, and these goods shall be duty-free effective January 1 of year 6;
 - (d) customs duties on originating goods provided for in the items in staging category B7 shall be eliminated in seven annual stages, and these goods shall be duty-free effective January 1 of year 7;

- (e) customs duties on originating goods provided for in the items in staging category B11 shall be eliminated in 11 annual stages, and these goods shall be duty-free effective January 1 of year 11;
 - (f) customs duties on originating goods provided for in the items in staging category CA1 shall be maintained at the base rate during year 1 through year 8, and shall be eliminated in four annual stages beginning in year 9, and these goods shall be duty-free effective January 1 of year 12;
 - (g) customs duties on originating goods provided for in the items in staging category CA2 shall be reduced to one-quarter of the base rate on the date of entry into force in year 1, shall be maintained at that rate through year 11, and shall be eliminated and these goods shall be duty-free effective January 1 of year 12;
 - (h) customs duties on originating goods provided for in the items in staging category CA3 shall be reduced to a rate of duty of 5.5 per cent on the date of entry into force in year 1, shall be reduced to a rate of duty of 5.0 per cent on January 1 of year 2, shall be reduced to a rate of duty of 2.5 per cent on January 1 of year 3, shall be reduced to a rate of duty of 2.0 per cent on January 1 of year 4, and shall be eliminated and these goods shall be duty-free effective January 1 of year 5; and
 - (i) customs duties on originating goods provided for in the items in staging category TRQ shall be governed by the terms of the TRQ applicable to that tariff item, as outlined in Appendix A (Tariff Rate Quotas of Canada) to Canada's Schedule to Annex 2-D.
5. The annual stages referred to in paragraph 4 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 4.
6. (a) Upon request from Japan, Canada and Japan shall consult to consider Canada's commitments to Japan regarding the 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 Canada and Japan, with a view to increasing market access.
- (b) Following completion of applicable legal procedures by Canada and another State or customs territory necessary for entry into force of an international agreement, or an amendment thereto, granting

preferential market access by Canada to that other State or customs territory, and on request of Japan, Canada and Japan shall consult to consider Canada'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. Canada and Japan shall consult no later than one month after the date of the request, unless Canada and Japan agree otherwise.

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