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**GENERAL NOTES
TARIFF SCHEDULE OF AUSTRALIA**

1. The provisions of this Schedule are generally expressed in terms of the corresponding items in Schedule 3 to the *Australian Customs Tariff Act 1995* (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 the Tariff Act, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the the Tariff Act.
2. This Schedule is made based on the Harmonized System, as amended on 1 January 2007. 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. For the purposes of the provisions of paragraph 2 of the General Notes to this Annex, rounding will be to the nearest hundredth of an Australian dollar.
4. For originating goods listed in this Schedule, the following staging categories apply to the elimination or reduction of customs duties:
 - (a) goods in staging category EIF shall be duty-free from the date of entry into force of this Agreement for Australia;
 - (b) customs duties on goods in staging category AU3-A shall be shall be immediately reduced to 2 per cent and shall then be reduced to 1 per cent on January 1 of Year 2, and such goods shall be duty-free from January 1 of Year 3;
 - (c) customs duties on goods in staging category AU3-B shall be immediately reduced to 5 per cent and shall remain at that level for Year 1 through 31 December of Year 2. The customs duties on these goods shall be eliminated and such goods shall be duty-free from January 1 of Year 3;
 - (d) customs duties on goods in staging category AU3-C shall remain at the base rate on the date and shall remain at that level for Year 1 through 31 December of Year 2. The customs duties on these goods shall be eliminated and such goods shall be duty-free from January 1 of Year 3;
 - (e) customs duties on goods in staging category B4 shall be eliminated in four annual instalments and such goods shall be duty-free from January 1 of Year 4;
 - (f) customs duties on goods in staging category AU4-A shall be reduced to 5 per cent and shall remain at that level for Year 1 through 31 December of Year 3. The customs duties on these goods shall be eliminated and such goods shall be duty-free from January 1 of Year 4;

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- (g) customs duties on goods in staging category AU4-B shall remain at the base rate until 31 December of Year 3. The customs duties on these goods shall be eliminated and such goods shall be duty-free from January 1 of Year 4; and
 - (h) the *ad valorem* component of the customs duties on goods in staging category AUR-1 shall be eliminated immediately. The non-*ad valorem* component of the customs duty on these goods shall be maintained.
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) of the [General Notes to Annex 2-D]; or
 - (b) as otherwise provided in paragraph 4.
6. 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 the Schedule of Australia no sooner than seven years after the date of entry into force of this Agreement, with a view to increasing market access.
7. 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 the Schedule of Australia, 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 the Parties agree otherwise.
8. For greater certainty, nothing in paragraphs 6 and 7 shall be construed to affect the rights or obligations of Australia under any other provision of this Agreement.