

ANNEX 2-D

TARIFF SCHEDULE OF THE UNITED STATES

GENERAL NOTES

1. The provisions of this Schedule are generally expressed in terms of the *Harmonized Tariff Schedule of the United States* (HTSUS), 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 the HTSUS. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HTSUS, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HTSUS.
2. Except as otherwise provided in this Schedule, the base rates of duty set out in this Schedule reflect the United States' Most-Favoured-Nation (MFN) rates of duty in effect on January 1, 2010. For items identified with an asterisk (*), the applicable base rates of duty are those set forth in this Schedule.
3. In this Schedule, rates of duty expressed in monetary units shall be rounded down to the nearest tenth of one U.S. cent.
4. The following staging categories shall apply to the elimination or reduction of customs duties by the United States 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 the United States;
 - (b) customs duties on originating goods provided for in the items in staging category B3 shall be eliminated in three annual stages, and these goods shall be duty-free effective January 1 of year 3;
 - (c) 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;
 - (d) customs duties on originating goods provided for in the items in staging category B5 shall be eliminated in five annual stages, and these goods shall be duty-free effective January 1 of year 5;

- (e) 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;
- (f) 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;
- (g) customs duties on originating goods provided for in the items in staging category B8 shall be eliminated in eight annual stages, and these goods shall be duty-free effective January 1 of year 8;
- (h) customs duties on originating goods provided for in the items in staging category B10 shall be eliminated in 10 annual stages, and these goods shall be duty-free effective January 1 of year 10;
- (i) 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;
- (j) customs duties on originating goods provided for in the items in staging category B12 shall be eliminated in 12 annual stages, and these goods shall be duty-free effective January 1 of year 12;
- (k) customs duties on originating goods provided for in the items in staging category B15 shall be eliminated in 15 annual stages, and these goods shall be duty-free effective January 1 of year 15;
- (l) customs duties on originating goods provided for in the items in staging category B16 shall be eliminated in 16 annual stages, and these goods shall be duty-free effective January 1 of year 16;
- (m) customs duties on originating goods provided for in the items in staging category B20 shall be eliminated in 20 annual stages, and these goods shall be duty-free effective January 1 of year 20;
- (n) customs duties on originating goods provided for in the items in staging category US1 shall be reduced by 40 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 3. On January 1 of year 4, these duties shall be reduced by an additional five per cent of the base rate. On January 1 of year 5, these duties shall be reduced by an additional five per cent of the base rate, and they shall remain at the resulting rates until December 31 of year 11. These goods shall be duty-free effective January 1 of year 12;

- (o) customs duties on originating goods provided for in the items in staging category US2 shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 11. These goods shall be duty-free effective January 1 of year 12;
- (p) customs duties on originating goods provided for in the items in staging category US3 shall be reduced by 55 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 11. These goods shall be duty-free effective January 1 of year 12;
- (q) customs duties on originating goods provided for in the items in staging category US4 shall remain at base rates until December 31 of year 8. Beginning on January 1 of year 9, these duties shall be eliminated in four annual stages. These goods shall be duty-free effective January 1 of year 12;
- (r) customs duties on originating goods provided for in the items in staging category US5 shall remain at base rates until December 31 of year 4. These goods shall be duty-free effective January 1 of year 5;
- (s) customs duties on originating goods provided for in the items in staging category US6 shall be reduced by 35 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 10. These goods shall be duty-free effective January 1 of year 11;
- (t) customs duties on originating goods provided for in the items in staging category US7 shall be reduced by 35 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 12. These goods shall be duty-free effective January 1 of year 13;
- (u) customs duties on originating goods provided for in the items in staging category US8 shall be reduced by 35 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 5. On January 1 of year 6, these duties shall be reduced by an additional 15 per cent of the base rate, and they shall remain at the

resulting rates until December 31 of year 10. These goods shall be duty-free effective January 1 of year 11;

- (v) customs duties on originating goods provided for in the items in staging category US9 shall be reduced by 35 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 6. On January 1 of year 7, these duties shall be reduced by an additional 15 per cent of the base rate, and they shall remain at the resulting rates until December 31 of year 12. These goods shall be duty-free effective January 1 of year 13;
- (w) customs duties on originating goods provided for in the items in staging category US10 shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 10. These goods shall be duty-free effective January 1 of year 11;
- (x) customs duties on originating goods provided for in the items in staging category US11 shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement for the United States and shall remain at the resulting rates until December 31 of year 12. These goods shall be duty-free effective January 1 of year 13;
- (y) customs duties on originating goods provided for in the items in staging category US12 shall be reduced to five per cent *ad valorem* on the date of entry into force of this Agreement for the United States and shall remain at that rate until December 31 of year 3. On January 1 of year 4, these duties shall be reduced to four per cent *ad valorem*, and they shall remain at that rate until December 31 of year 6. On January 1 of year 7, these duties shall be reduced to three per cent *ad valorem*, and they shall remain at that rate until December 31 of year 8. On January 1 of year 9, these duties shall be reduced to two per cent *ad valorem*, and they shall remain at that rate until December 31 of year 10. On January 1 of year 11, these duties shall be reduced to 0.5 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 11. These goods shall be duty-free effective January 1 of year 12;
- (z) customs duties on originating goods provided for in the items in staging category US13 shall remain at base rates until December 31 of 2021. These goods shall be duty-free effective January 1 of 2022;

- (aa) customs duties on originating goods provided for in the items in staging category US14 shall remain at base rates until December 31 of year 6. These goods shall be duty-free effective January 1 of year 7;
- (bb) customs duties on originating goods provided for in the items in staging category US15 shall remain at base rates until December 31 of year 14. On January 1 of year 15, these duties shall be reduced to 2.25 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 19. On January 1 of year 20, these duties shall be reduced to 1.25 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 21. On January 1 of year 22, these duties shall be reduced to 0.5 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 24. These goods shall be duty-free effective January 1 of year 25;¹
- (cc) customs duties on originating goods provided for in the items in staging category US16 shall remain at base rates until December 31 of year 14. On January 1 of year 15, these duties shall be reduced to 3.6 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 19. On January 1 of year 20, these duties shall be reduced to 2.0 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 21. On January 1 of year 22, these duties shall be reduced to 0.8 per cent *ad valorem*, and they shall remain at that rate until December 31 of year 24. These goods shall be duty-free effective January 1 of year 25;
- (dd) customs duties on originating goods provided for in the items in staging category US17 shall remain at base rates until December 31 of year 29. These goods shall be duty-free effective January 1 of year 30;
- (ee) customs duties on originating goods provided for in the items in staging category US18 shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement for the United States. Beginning on January 1 of year 2, the resulting duties shall be eliminated in 14 annual stages, and these goods shall be duty-free effective January 1 of year 15;
- (ff) customs duties on originating goods provided for in the items in staging category US19 shall be reduced by 20 per cent of the base rate on the date of entry into force of this Agreement for the United States. Beginning on January 1 of year 2, the resulting duties shall be eliminated in 19 annual stages, and these goods shall be duty-free effective January 1 of year 20;

¹ Paragraph 2 of Annex 2-D (Tariff Commitments) shall not apply with respect to staging category US15.

- (gg) customs duties on originating goods provided for in the items in staging category US20 shall be no higher than the rate applicable under the staging category set out for that item in the Schedule of the United States to Annex 2-B of the *United States – Australia Free Trade Agreement*, done at Washington, District of Columbia, May 18, 2004;
- (hh) customs duties on originating goods provided for in the items in staging category US21 shall be no higher than the rate applicable under the staging category set out for that item in the Schedule of the United States to Annex 2.3 of the *United States – Peru Trade Promotion Agreement*, done at Washington, District of Columbia, April 12, 2006;
- (ii) customs duties on originating goods provided for in the items in staging category US22 shall be reduced by 50 per cent of the base rate on the date of entry into force of this Agreement for the United States. Beginning on January 1 of year 2, the resulting duties shall be eliminated in nine annual stages, and these goods shall be duty-free effective January 1 of year 10;
- (jj) customs duties on originating goods provided for in the items in staging category US23 shall be reduced by 33 per cent of the base rate on the date of entry into force of this Agreement for the United States. Beginning on January 1 of year 2, the resulting duties shall be eliminated in 19 annual stages, and these goods shall be duty-free effective January 1 of year 20;
- (kk) customs duties on originating goods provided for in the items in staging category US24 shall be reduced by 20 per cent of the base rate on the date of entry into force of this Agreement for the United States. Beginning on January 1 of year 2, the resulting duties shall be eliminated in 29 annual stages, and these goods shall be duty-free effective January 1 of year 30;
- (ll) customs duties on originating goods provided for in the items in staging category US25 shall be eliminated entirely and these goods shall be duty-free on the date of entry into force of this Agreement for the United States. For goods in tariff items 9812.00.20, 9812.00.40, 9813.00.05, 9813.00.10, 9813.00.15, 9813.00.20, 9813.00.25, 9813.00.30, 9813.00.35, 9813.00.40, 9813.00.45, 9813.00.50, 9813.00.55, 9813.00.60, 9813.00.70, 9813.00.75 and 9814.00.50, duty-free means free without bond; and
- (mm) 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 the United States) to this Schedule of the United States to Annex 2-D.

5. Originating goods provided for in the items marked with the designation SG-US[x] in this Schedule shall be subject to the corresponding country-specific safeguard measure set forth in Appendix B (Agricultural Safeguard Measures of the United States) to this Schedule.

6. Appendix C shall apply when the United States applies different preferential tariff treatment to other Parties for an originating good specified in Appendix C (Tariff Differentials of the United States) to this Schedule.

7. 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.

8. The staging of tariff elimination and reduction provided for in this Schedule with respect to originating goods of Japan is premised on entry into force of the Agreement for both Japan and the United States between January 1 and March 31 of a given year. If the Agreement will enter into force between April 1 and December 31 of a given year, the United States will consult with Japan regarding the implementation of the staging categories in this Schedule.

- 9. (a) Upon request from Japan, the United States and Japan shall consult to consider the commitments of the United States 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 the United States and Japan, with a view to increasing market access.
- (b) Following completion of applicable legal procedures by the United States and another State or customs territory necessary for entry into force of an international agreement, or an amendment thereto, granting preferential market access by the United States to that other State or customs territory, if requested by Japan, the United States and Japan shall consult to consider the commitments of the United States 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. The United States and Japan shall consult no later than one month

after the date of the request, unless the United States and Japan agree otherwise.

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