

Part 3

Section 1 Notes for schedule of Thailand

The terms and conditions in the following notes indicated with a serial number from 1 through 15 shall apply to originating goods of Japan imported from Japan specified with that number in Column 4 of the Schedule of Thailand, in Section 2.

1. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 20.00 per cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.
2. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 6 equal annual installments from 5.00 per cent to zero per cent, The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the sixth year.
3. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be zero per cent as from the date of entry into force of this Agreement.
4. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 27.00 per cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.
5. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 40.00 per cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.
6. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 30.00 per cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.
7. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 65.00 per cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.
8. The rate of customs duty applied to originating goods imported within the quota quantity of the tariff rate quota committed by the importing Party under the WTO Agreement, as available at the time of importation, shall be reduced in 11 equal annual installments from 60.00 per

cent to zero per cent. The first reduction shall take place on the date of entry into force of this Agreement and the last reduction shall take place on the first day of the eleventh year.

9. A tariff rate quota shall be applied in accordance with the following:

- (a) The aggregate quota quantity shall be as follows, respectively:
 - (i) For the first year, the aggregate quota quantity shall be 440,000 metric tons.
 - (ii) For the second year and each year thereafter, the aggregate quota quantity shall be determined in the preceding year by the importing Party, taking into account the recommendation made by government officials and experts on iron and steel, who are members of the Japan-Thailand Steel Dialogue launched in March 2004. In the absence of such recommendation, the importing Party shall endeavour to provide an appropriate level of aggregate quota quantity, based on the aggregate quota quantity for the current year, except in the event of special circumstances. The importing Party shall promptly notify to the other Party the determined aggregate quota quantity for the following year.
- (b) The in-quota rate of customs duty shall be zero per cent.
- (c) For the purposes of subparagraphs (a) and (b) above, the tariff rate quota shall be administered by the importing Party and implemented through a certificate of tariff rate quota issued by the importing Party. The aggregate quota quantity shall be allocated by the importing Party. Upon request by either Party, the Parties shall consult as soon as possible to resolve any matter arising from the administration of the tariff rate quota.
- (d) The tariff rate quota shall be eliminated as from the first day of the eleventh year.

10. A tariff rate quota shall be applied in accordance with the following:

- (a) The aggregate quota quantity shall be as follows, respectively:
 - (i) For the first year, the aggregate quota quantity shall be 230,000 metric tons.
 - (ii) For the second year and each year thereafter, the aggregate quota quantity shall be determined in the preceding year by the importing Party, taking into account the recommendation made by government officials and experts on iron and steel, who are members of the Japan-Thailand Steel Dialogue launched in March 2004. In the absence of such recommendation, the importing Party shall endeavour to provide an appropriate level of aggregate quota quantity, based on the aggregate quota quantity for the current year, except in the event of special circumstances. The importing Party shall promptly notify to the other Party the determined aggregate quota quantity for the following year.
- (b) The in-quota rate of customs duty shall be zero per cent.
- (c) For the purposes of subparagraphs (a) and (b) above, the tariff rate quota shall be administered by the importing Party and implemented through a certificate of tariff rate quota issued by the importing Party. The aggregate quota quantity shall be allocated by the importing Party. Upon request by either Party, the Parties shall consult as soon as possible to resolve any matter arising from the administration of the tariff rate quota.

(d) The tariff rate quota shall be eliminated as from the first day of the eleventh year.

11. A tariff rate quota shall be applied to originating goods imported for use in manufacturing of motor vehicles or parts and accessories of motor vehicles, and by manufacturers of motor vehicles or parts and accessories of motor vehicles, in accordance with the following:

(a) The aggregate quota quantity shall be as follows, respectively:

- (i) For the first year, the aggregate quota quantity shall be 280,000 metric tons.
- (ii) For the second year and each year thereafter, the aggregate quota quantity shall be determined in the preceding year by the importing Party, taking into account the recommendation made by government officials and experts on iron and steel, who are members of the Japan-Thailand Steel Dialogue launched in March 2004. In the absence of such recommendation, the importing Party shall endeavour to provide an appropriate level of aggregate quota quantity, based on the aggregate quota quantity for the current year, except in the event of special circumstances. The importing Party shall promptly notify to the other Party the determined aggregate quota quantity for the following year.

(b) The in-quota rate of customs duty shall be zero per cent.

(c) For the purposes of subparagraphs (a) and (b) above, the tariff rate quota shall be administered by the importing Party and implemented through a certificate of tariff rate quota issued by the importing Party. The aggregate quota quantity shall be allocated by the importing Party. Upon request by either Party, the Parties shall consult as soon as possible to resolve any matter arising from the administration of the tariff rate quota.

(d) The tariff rate quota shall be eliminated as from the first day of the eleventh year.

12. The rate of customs duty shall be as follows:

- (i) The most-favoured-nation applied rate of customs duty in effect at the time of importation or 5.00 per cent, whichever is the less, as from the date of entry into force of this Agreement; and
- (ii) zero per cent, as from the first day of the sixth year.

13. The rate of customs duty shall be zero per cent as from the first day of the sixth year, in case of AFTA completion not later than 31 March, 2010, or as from the date twelve months after AFTA completion, in case of AFTA completion after 31 March, 2010.

The importing Party shall notify the other Party of AFTA completion promptly after the completion.

Note: "AFTA completion" means the elimination of customs duties by Brunei Darussalam, Republic of Indonesia, Malaysia, Republic of the Philippines, Republic of Singapore and Thailand, on all the products in their respective Inclusion Lists, in accordance with the Agreement on the Common Effective Preferential Tariff ("CEPT") Scheme for the ASEAN Free Trade Area (1992), as amended.

14. The rate of customs duty shall be zero per cent as from the first day of the eighth year, in case of AFTA completion not later than 31 March, 2010, or as from the date thirty-six months

after AFTA completion, in case of AFTA completion after 31 March, 2010.

The importing Party shall notify the other Party of AFTA completion promptly after the completion.

Note: "AFTA completion" means the elimination of customs duties by Brunei Darussalam, Republic of Indonesia, Malaysia, Republic of the Philippines, Republic of Singapore and Thailand, on all the products in their respective Inclusion Lists, in accordance with the Agreement on the Common Effective Preferential Tariff ("CEPT") Scheme for the ASEAN Free Trade Area (1992), as amended.

15. In accordance with subparagraph 2 of Article 18, the Parties shall negotiate, in the sixth year, on issues such as improving market access conditions.

