

## **Annex 3.3**

### **Tariff Elimination**

1. Except as otherwise provided in a Party's Schedule attached to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 3.3(2):

(a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force;

(b) duties on goods provided for in the items in staging category B in a Party's Schedule shall be removed in four equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year four;

(c) duties on goods provided for in the items in staging category C in a Party's Schedule shall be removed in eight equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year eight;

(d) duties on goods provided for in the items in staging category D in a Party's Schedule shall be removed in ten equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year ten;

(e) duties on goods provided for in the items in staging category E in a Party's schedule shall be removed in twelve equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year twelve;

(f) goods provided for in the items in staging category F in a Party's schedule shall continue to receive duty-free treatment;

(g) duties on goods provided for in the items in staging category G shall remain at base rates during years one through four. Duties on these goods shall be reduced by 8.3 percent of the base rate on January 1 of year five, and by an additional 8.3 percent of the base rate each year thereafter through year eight. Beginning January 1 of year nine, duties on these goods shall be reduced by an additional 16.7 percent of the base rate annually through year twelve and shall be duty-free effective January 1 of year twelve; and

(h) duties on goods provided for in the items in staging category H shall remain at base rates during years one and two. Beginning January 1 of year three, duties on these goods shall be removed in eight equal annual stages, and such goods shall be duty-free effective January 1 of year ten.

2. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule attached to this Annex.

3. For the purpose of the elimination of customs duties in accordance with Article 3.3, interim staged rates shall be rounded down, at least to the nearest tenth of a percentage point or, if the rate of duty is expressed in monetary units, at least to the nearest 0.001 of the official monetary unit of the Party.