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**Subject to Legal Review for Accuracy, Clarity, and Consistency**

**GENERAL NOTES**  
**TARIFF SCHEDULE OF THE REPUBLIC OF KOREA**

1. Relation to the Harmonized Tariff Schedule of Korea (“HSK”). The provisions of this Schedule are generally expressed in terms of the HSK, 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 HSK. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HSK, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HSK.
  
2. Base Rates of Customs Duty. The base rates of duty set out in this Schedule reflect the Korean Customs Duty Most-Favored Nation (“MFN”) rates of duty in effect on January 1, 2006.<sup>1</sup>
  
3. Staging. In addition to the staging categories listed in paragraph 1 of Annex 2-B (Tariff Elimination), this Schedule contains staging categories L, M, N, O, P, Q, T, U, V, W, X, and Y.
  - (a) Duties on originating goods provided for in the items in staging category L shall be removed in nine equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year nine.
  
  - (b) Duties on originating goods provided for in the items in staging category M 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.
  
  - (c) Duties on originating goods provided for in the items in staging category N shall be reduced to 30 percent until year fifteen in fifteen equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year sixteen.
  
  - (d) Duties on originating goods provided for in the items in staging category O shall be removed in eighteen equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year eighteen.
  
  - (e) Duties on originating goods provided for in the items in staging category P shall be removed in twenty equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year twenty.

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<sup>1</sup> Base rates include adjustment tariffs adopted pursuant to Article 69 of the *Korean Customs Act*.

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- (f) Duties on originating goods provided for in the items in staging category Q shall be removed in equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1, 2014.
- (g) Duties on originating goods provided for in the items of staging category T shall remain at base rates during years one through ten. Beginning on January 1 of year eleven, duties shall be reduced in five equal annual stages, and such goods shall be duty-free, effective January 1 of year fifteen.
- (h) Duties on originating goods provided for in the items in staging category U in a Party's Schedule shall be subject to the following provisions:
  - (1) for goods entered into Korea from December 1 through April 30, duties shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force; and,
  - (2) for goods entered into Korea from May 1 through November 30, duties shall remain at base rates during years one through seven. Beginning January 1 of year eight, duties shall be reduced in eight equal annual stages, and such goods shall be duty-free, effective January 1 of year fifteen.
- (j) Duties on originating goods provided for in the items in staging category V in a Party's Schedule shall be subject to the following provisions:
  - (1) for goods entered into Korea from May 1 through October 15, duties shall be removed in seventeen equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year seventeen; and
  - (2) for goods entered into Korea from October 16 through April 30, duties shall be reduced to 24 percent beginning on the date this Agreement enters into force. Beginning January 1 of year two, duties shall be removed in four equal annual stages, and such goods shall be duty-free, effective January 1 of year five.
- (k) Duties on originating goods provided for in the items in staging category W in a Party's Schedule shall be subject to the following provisions:
  - (1) for goods entered into Korea from September 1 through the end of February, duties shall remain at base rates; and
  - (2) for goods entered into Korea from March 1 through August 31, duties shall be reduced to 30 percent beginning on the date this Agreement enters into force. Beginning January 1 of year two, the duty shall be removed in six equal annual stages, and such goods shall be duty-free, effective January 1 of year seven.
- (l) Duties on originating goods provided for in the items in staging category X shall remain at the base rate.

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- (m) No obligations regarding tariffs in this Agreement shall apply with respect to items in staging category Y. Nothing in this Agreement shall affect Korea's rights and obligations with respect to its implementation of the commitments set out in the WTO document WT/Let/492 (*Certification of Modifications and Rectifications to Schedule LX – Republic of Korea*) dated April 13, 2005 and any amendments thereto. In the aforementioned WTO document, Korea committed, *inter alia*, to increasing minimum market access (MMA) for the items identified in staging category Y during the period of 2005 to 2014.
4. A carrier medium with a digital product fixed on it shall be duty-free on the date this Agreement enters into force, wherever the good is classified. The Parties recognize that carrier media in this category at the time of signing of this Agreement include items classified in the following tariff lines: 852410, 852431, 852432, 852440, 852439, 852451, 852452, 852453, 852460, 852499, and 852491.
5. A motor vehicle with two or more distinct power or fuel sources ("hybrid vehicle"), in which a spark-ignition internal combustion reciprocating piston engine or compression-ignition internal combustion piston engine provides the vehicle's power system its essential character, shall be accorded the tariff treatment provided to a motor vehicle whose sole power or fuel source is a spark-ignition internal combustion reciprocating piston engine or compression-ignition internal combustion piston engine with the same cylinder capacity and ignition type, wherever the hybrid vehicle is classified.
6. Korea classifies a hybrid vehicle of heading 8703 in which a spark-ignition internal combustion reciprocating piston engine or compression-ignition internal combustion piston engine does not give the vehicle's power system its essential character in HS 8703.90.7000 or 8703.90.9000.