

## **Annex 2\***

### **Tariff Elimination**

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 9 (Tariff Elimination):

- (a) duties on originating 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 originating goods provided for in the items in staging category B in a Party's Schedule shall be removed in five equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1<sup>st</sup> of year 5;
- (c) duties on originating goods provided for in the items in staging category C 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<sup>st</sup> of year 10;
- (d) duties on originating goods provided for in the items in staging category D in a Party's Schedule shall be removed in fifteen equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1<sup>st</sup> of year 15;
- (e) goods provided for in the items in staging category E in a Party's Schedule shall be exempted from tariff elimination, meaning that they shall continue to receive most-favoured-nation treatment;
- (f) goods provided for in the items in staging category F in the Schedule of the Republic of Costa Rica, shall be exempted from tariff elimination, meaning that they shall continue to receive most-favoured-nation treatment. Costa Rica agrees to give China a duty-free tariff-rate quota for the quantities established in the General Notes 1 and 2 to such Schedule; and
- (g) goods provided for in tariff line 85166000 in category G in the Schedule of the Republic of Costa Rica, shall continue to receive most-favoured-nation treatment, except for the electric cooking plates and grillers classified under the 10-digit tariff code 8516600099, which shall be free of duty on the date this Agreement enters into force.

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\* This is an Annex to Chapter 3 (National Treatment and Market Access for Trade in Goods).

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 to this Annex.
3. For the purpose of the elimination of customs duties in accordance with Article 9 (Tariff Elimination), 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 0.01 of the official monetary unit of the importing Party.
4. For purposes of this Annex and a Party's Schedule, **year 1** means the year the Agreement enters into force as provided in Article 168 (Entry into Force and Termination).
5. For purposes of this Annex and a Party's Schedule, beginning in **year 2**, each annual stage of tariff reduction shall take effect on January 1<sup>st</sup> of the relevant year.
6. The Parties' schedules attached to this Annex constitute an integral part of this Agreement.