

Annex 3.03

Customs Tariff Elimination Schedule

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the reduction of customs duties by each Party:
 - (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 as the Agreement comes into effect;
 - (b) duties on originating goods provided for in the items in staging category B in a Party's Schedule shall be removed in 5 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year five;
 - (c) duties on originating goods provided for in the items in staging category B+ in a Party's Schedule shall be reduced to 50 percent on January 1 of year one. Beginning on January 1 of year two, duties shall be reduced by 50 percent in four equal annual stages, and such goods shall be duty-free effective January 1 of year five ;
 - (d) 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 of year ten;
 - (e) duties on originating goods provided for in the items in staging category D in a Party's Schedule shall be removed in 15 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 15;
 - (f) duties on originating goods provided for in the items in staging category E in a Party's Schedule shall be deemed as sensitive and excluded from the Customs Tariff Elimination Schedule;
 - (g) the goods in staging category Q of the Republic of China (Taiwan) schedule are excluded from the Customs Tariff Elimination Schedule. However, the Republic of China (Taiwan) shall grant quotas to the originating goods imported from the Republic of Nicaragua and apply the in-quota tariff rate at duty free. The goods included in the tariff lines marked "Q" in the staging column are described as below:

Goods	Tariff Classification	Annual quota quantity	Note
Peanut	1202.10.00 1202.20.00 1508.10.00 1508.90.00 2008.11.11 2008.11.12 2008.11.91 2008.11.92	250 tons (based on ground-nuts, in shell)	Shelled ground-nuts (peanut) and ground-nuts oil shall convert into the quota quantity of ground-nuts, in shell respectively. The conversion ratio of shelled ground-nuts, ground-nuts oil is 1.5 and 3.8 respectively.
Raw Sugar	1701.11.00 1701.91.10	5,000 tons	<ol style="list-style-type: none"> 1. The quota will be granted in the beginning of the second year after the entry into force of the Agreement. The quota for that year will be 5,000 metric tons. 2. For the following year and onwards, the annual quota will be the total quota quantity of the previous year (year X) plus or minus the average growth of the total sugar imports in the Republic of China (Taiwan) over the past four consecutive calendar years (i.e. X-1, X-2, X-3 and X-4). The minimum annual quota quantity will be 5,000 metric tons.
Refined Sugar	1701.91.20 1701.99.10 1701.99.20 1701.99.90	25,000 tons	<ol style="list-style-type: none"> 1. The annual quota quantity for the first year after the entry into force of the Agreement is 25,000 metric tons. 2. For the second year and onwards, the annual quota will be the total quota quantity of the previous year (year X) plus or minus the average growth of the total sugar imports in the Republic of China (Taiwan) over the past four consecutive calendar years (i.e. X-1, X-2, X-3 and X-4). The minimum annual quota quantity will be 25,000 metric tons.

2. Administration of Quota:

- (a) Upon the entry into force of the Agreement until December 31 of the same calendar year, the proportion of the quota quantity will be set according to the number of remaining implementation months of that year divided by twelve (12).
- (b) The Republic of China (Taiwan) shall administer the allocation of quota and the method of allocation is conducted by auction for tariff quota right.
- (c) The Republic of China (Taiwan) shall allocate the quota on peanut and sugar once a year. Import licenses issued for the in quota goods can be used at any time during the year, not allowed extending to the next year.

3. Additional requirements for beef import under preferential treatment:

The Republic of China (Taiwan) shall require the government authority of the Republic of Nicaragua to issue certificate including the following information:

- (a) serial number of cattle;
- (b) farm in which cattle were born;
- (c) feeding farm before slaughter; and
- (d) slaughterhouse.

The said beefs are including goods classified under tariff classification 0201.10.10, 0201.10.90, 0201.20.10, 0201.20.20, 0201.20.90, 0201.30.10, 0201.30.20, 0201.30.90, 0202.10.10, 0202.10.90, 0202.20.10, 0202.20.20, 0202.20.90, 0202.30.10, 0202.30.20 and 0202.30.90.

4. The dried red bean or dried black bean (nomenclature name "Phaseolus Vulgaris")^a, other than dried Adzuki bean, imported from the Republic of Nicaragua shall be classified under Taiwan's Code of Commodity Classification (CCC Code) 0713.33.10, 0713.33.90, 0713.39.20 or 0713.39.90.

5. The base rate, which shall be the Most-Favored-Nation (MFN) rate in effect January 1, 2004 of the Imported Tariff Schedule of the respective party, 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.

^a Nicaragua produces the following varieties of beans: INTA-Nueva Guinea (black bean), INTA-Rojo (red bean), INTA-Estelí (red bean), INTA-Cárdenas (black bean), INTA-Canela (red bean), INTA-Masatepe, (red bean) and DOR-364 (red bean). Should the nomenclature of these beans is "Phaseolus Vulgaris", they shall be classified under Taiwan's Code of Commodity Classification 0713.33.10, 0713.33.90, 0713.39.20 or 0713.39.90.

6. For the purpose of the reduction of customs duties, 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 0.1 of the official monetary unit of the Party.

7. For purposes of this Annex and a Party's Schedule, **year one** means the year the Agreement enters into force as provided in Article 24.04 (Entry into Force).

8. For purposes of this Annex and a Party's Schedule, beginning in year two, each annual stage of tariff reduction shall take effect on January 1 of the relevant year.