

SUBSECTION 2

TARIFF ELIMINATION SCHEDULE OF THE EU PARTY FOR GOODS ORIGINATING IN PERU

1. The base rate of customs duty and staging category to determine the interim rate of customs duty at each stage of reduction are indicated for each tariff line in the Tariff Elimination Schedule of the EU Party included in this Subsection (hereinafter referred to as the "Schedule").

2. For the purposes of the elimination 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 customs duty is expressed in monetary units, at least to the nearest tenth of a euro.
3. For the purposes of this Subsection "year one" means the year this Agreement enters into force as provided in Article 330 (Entry into force) of this Agreement.
4. For the purposes of this Subsection, beginning in year two, each annual reduction shall take effect on 1 January of the relevant year.
5. If the entry into force of this Agreement falls on a date after 1 January and before 31 December of the same year, the in-quota quantity will be pro-rated on a proportional basis for the remainder of the calendar year.

A. Tariff Elimination

Except as otherwise provided in the Schedule, the following categories shall apply to the elimination of customs duties by the EU Party pursuant to Article 22 (Elimination of Customs Duties) of Title III (Trade in Goods) of this Agreement:

- (a) customs duties on goods originating in Peru (hereinafter referred to as "originating goods") corresponding to the tariff lines in staging category (hereinafter referred to as "category") "0" in the Schedule shall be eliminated entirely and such goods shall be free of any customs duty on the date this Agreement enters into force;
- (b) customs duties on originating goods corresponding to the tariff lines in category "3" in the Schedule shall be removed in four equal yearly stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective on 1 January of year four;
- (c) customs duties on originating goods corresponding to the tariff lines in category "5" in the Schedule shall be removed in six equal yearly stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective 1 January of year six;

- (d) customs duties on originating goods corresponding to the tariff lines in category "7" in the Schedule shall be removed in eight equal yearly stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective 1 January of year eight;
- (e) customs duties on originating goods corresponding to the tariff lines in category "10" in the Schedule shall be removed in eleven equal yearly stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective 1 January of year eleven;
- (f) customs duties on originating goods corresponding to the tariff lines in category "-" in the Schedule shall remain at base rate; these goods are excluded from duty elimination or reduction;
- (g) for the originating good corresponding to tariff lines in category "AV0" in the Schedule, the *ad valorem* element of the customs duty shall be eliminated on the entry into force of this Agreement;
- (h) for the originating goods corresponding to tariff lines in staging category "EP" in the Schedule, the entry price system as laid down in Section B of Appendix 2 of this Annex is maintained;

- (i) the following customs duty on originating goods corresponding to the tariff lines in staging category "BA" in the Schedule shall apply:

Year	Preferential customs duty (€/t.)	Trigger import volume (metric tonnes)
From 1 January until 31 December 2010	145	67 500
From 1 January until 31 December 2011	138	71 250
From 1 January until 31 December 2012	131	75 000
From 1 January until 31 December 2013	124	78 750
From 1 January until 31 December 2014	117	82 500
From 1 January until 31 December 2015	110	86 250
From 1 January until 31 December 2016	103	90 000
From 1 January until 31 December 2017	96	93 750
From 1 January until 31 December 2018	89	97 500
From 1 January until 31 December 2019	82	101 250.
As from 1 January 2020	75	Not applicable

the preferential customs duties indicated in the table shall apply from the date of the entry into force of this Agreement onwards; the customs duties shall not be retroactively reduced;

in 2019, the EU Party and Peru shall examine the improvement of tariff liberalisation of goods included in category "BA";

a stabilisation clause shall be based on the following elements:

- (i) a trigger import volume (hereinafter referred to as "trigger volume") is set for imports of originating goods corresponding to the tariff lines in category "BA" for each of the years during the transition period as indicated in the third column of the table above;
- (ii) once the trigger volume is met during the corresponding calendar year, the EU Party may temporarily suspend the preferential customs duty applicable during that same year for a period of time not exceeding three months, and not going beyond the end of the corresponding calendar year;
- (iii) in the case the EU Party suspends the said preferential customs duty, the EU Party shall apply the least of the base rate or the Most Favoured Nation (hereinafter referred to as "MFN") customs duty that will apply at the time this action will be taken;
- (iv) in the case the EU Party applies the measure mentioned under paragraphs (ii) and (iii), the EU Party shall immediately enter into consultations with Peru in order to analyse and evaluate the situation on the basis of available factual data;

(v) the measure mentioned under paragraphs (ii) and (iii) may be applicable only during the transition period ending on 31 December 2019;

(j) goods originating in Peru corresponding to the tariff lines in categories "BF", "BK", "BR", "CE", "GC", "IE", "ME", "MM", "MP1", "MP2", "PK", "PY", "RE", "RM", "SC", "SP", "SR" and "YT" shall be liberalised within a tariff quota under the conditions laid down in point B of this Subsection.

B. Tariff Quotas for specific goods

The following tariff concessions shall apply as from the date of entry into force of this Agreement on an annual basis to imports into the EU Party of originating goods.

The EU Party shall allow duty-free imports of the following quantities and goods:

- (a) an aggregate quantity¹ of 2 150 metric tonnes, with an increase by 215 metric tonnes each year, of goods listed in category "BF";
- (b) an aggregate quantity of 1 900 metric tonnes, with an increase by 190 metric tonnes each year, of goods listed in category "BK";

¹ The aggregate quantity is expressed in carcase weight equivalent as follows: 100 kg of bone-in meat shall be equivalent to 70 kg of boneless meat.

- (c) an aggregate quantity of 500 metric tonnes, with an increase by 50 metric tonnes each year, of goods listed in category "BR";
- (d) an aggregate quantity of 2 500 metric tonnes, with an increase by 250 metric tonnes each year, of goods listed in category "CE";
- (e) an aggregate quantity of 750 metric tonnes, with an increase by 75 metric tonnes each year, of goods listed in category "GC";
- (f) an aggregate quantity of 150 metric tonnes, with an increase by 15 metric tonnes each year, of goods listed in category "IE";
- (g) an aggregate quantity of 10 000 metric tonnes, with an increase by 1 000 metric tonnes each year, of goods listed in category "ME";
- (h) an aggregate quantity of 100 metric tonnes, with an increase by 10 metric tonnes each year, of goods listed in category "MM";
- (i) an aggregate quantity of 3 000 metric tonnes, with an increase by 300 metric tonnes each year, of goods listed in category "MP1";

- (j) an aggregate quantity of 6 000 metric tonnes, with an increase by 600 metric tonnes each year, of goods listed in category "MP2";
- (k) an aggregate quantity of 4 000 metric tonnes, with an increase by 400 metric tonnes each year, of goods listed in category "PK";
- (l) an aggregate quantity of 7 500 metric tonnes, with an increase by 750 metric tonnes each year, of goods listed in category "PY";
- (m) an aggregate quantity of 34 000 metric tonnes, with an increase by 3 400 metric tonnes each year, of goods listed in category "RE";
- (n) an aggregate quantity of 1 000 hectolitres, with an increase by 100 hectolitres each year (expressed in equivalent of pure alcohol), of goods listed in category "RM";
- (o) an aggregate quantity of 700 metric tonnes, with an increase by 70 metric tonnes each year, of goods listed in category "SC";
- (p) an aggregate quantity of 10 000 metric tonnes, with an increase by 300 metric tonnes each year, of goods listed in category "SP";

- (q) an aggregate quantity of 22 000 metric tonnes, with an increase by 660 metric tonnes each year (expressed in raw sugar equivalent), of goods listed in category "SR";
- (r) an aggregate quantity of 30 metric tonnes, with an increase by 3 metric tonnes each year, of goods listed in category "YT".

TARIFF ELIMINATION SCHEDULE OF THE EU PARTY

GENERAL NOTES

Relation with the Combined Nomenclature (hereinafter referred to as the "CN") of the European Union: The provisions of this Schedule are generally expressed in terms of the CN, and the interpretation of the provisions of this Schedule, including the goods coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the CN. To the extent that provisions of this Schedule are identical to the corresponding provisions of the CN, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the CN.